PRIME MINISTER

SOUTH AFRICA: TELEPHONE CALL TO CHANCELLOR KOHL

You agreed to speak to Chancellor Kohl on the telephone at 0930 on Monday morning. There will be an interpreter on the line.

You might say that you were encouraged to hear that the

Chancellor continues to oppose economic measures designed to damage South Africa's economy. There is nothing moral about such measures. They will hurt black South Africans and neighbouring countries and undermine precisely those forces which the European Community should be trying to strengthen, namely businessmen who are the main force for change in South Africa. They would also be very damaging to employment in 2) Britain and in Germany. The Community must not allow itself to be driven by hysteria into irrational and counter-productive actions. Rather, it should focus on positive and constructive measures which offer a hope of promoting dialogue and progress in South Africa. Nor should we allow the Community's action to be dictated by those countries who have very little to lose from economic sanctions. It's easy to cut off trade if you don't have any. Rather the views of Britain and Germany as the two countries with by far the biggest stake, and thus the most to lose,

should be given greatest weight.

You were glad to note that the German representative at Friday's meeting of the Political Committee declined to be drawn into discussion of specific measures. That was our position too. In particular you remain most vigorously opposed to a ban on imports of fruit, wine and vegetables from South Africa which several other countries appear to endorse. Such a measure would hit heavily at Cape coloureds and at rural blacks. It is all very well for ANC leaders sitting in Zambia and for Bishop Tutu to say that they want sanctions but you doubt whether that is the feeling of blacks who already find it very difficult to earn a living.

You therefore hope that Chancellor Kohl will join you in The Hague in robust resistance to such economic measures, and at the very least for deferring any decisions while other steps are tried. Instead, the Community should be encouraged to focus on positive measures to assist blacks in South Africa; and a diplomatic initiative which would keep alive hopes of peaceful progress there. You intend to propose that the European Council should mandate the Foreign Secretary, as the new President of the European Community, both to hold consultations with the Community's main partners and to visit South Africa for discussions with the South African Government, reporting back to the Foreign Affairs Council in late July. You hope to have the Chancellor's active support for this course.

You might also say that you have noted with interest some ideas which have been attributed to Chancellor Kohl, for instance a four power meeting on South Africa. The Americans have expressed the hope that the Community will take no action without coordination with the other major trading partners of South Africa. Otherwise we shall get in a position where we are constantly undercutting each other. You look forward to hearing more about the Chancellor's ideas.

Depending on how the telephone conversation goes, you may wish to propose a meeting with Chancellor Kohl in The Hague on Thursday morning. At present you are scheduled to arrive there at 1210. You could suggest a meeting in the British or German Embassies at 1130 on Thursday before going on to Queen Beatrix's lunch at 1230.

G.D.

CHARLES POWELL 21 June 1986

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ANNN UKS781 191610 *AM-SAFRICA-SUMMIT KOHL CONSIDERS CALLING FOUR-NATION SUMMIT ON SOUTH AFRICA BONN, June 19, Reuter - West German Chancellor Helmut Kohl is considering calling on the United States, Britain and France to take part in a four-nation summit with him on ways of dealing with South Africa: government sources said today. They said Kohl had already informed Dutch Prime Minister Roud Lubbers, the current European Community chairman, of his proposal and was waiting to see what reactions it provoked before deciding whether to proceed with it or drop it. Kohl believed the four Western powers were in the best position to influence events in South Africa and that a top-level meeting could discuss ways of exerting influence on the government there to speed up racial reforms, they added. The sources said the chancellor was expected to raise the idea at a European Community summit in the Hague next week and see what response it received from the British and French leaders. Black South African leaders have repeatedly called on the United States, Britain and West Germany to take economic measures against South Africa as they are the country's biggest trade partners. Kohl's government has rejected full-scale sanctions, saying it regards such measures as ineffective, but the sources said it might be prepared to consider some punitive action if Pretoria refused to lift its present state of emergency. REUTER MWW CVL DM AMAIN UK\$782 191611 :AM-SAFRICA-SUMMIT =2 BONN They said these would be coordinated with the rest of the European Community and could include import restrictions for roal and foodstuffs from South Africa and a halt to government quarantees on credits given to businesses there. The sources said that even if such a package could not be agreed at the Hague summit Bonn expected it to set up a working group to draft proposals for possible economic measures. Kohl might also urge Britain, the EC chairman from July 1, to establish contacts with Pretoria on behalf of the Community and relay warnings of concrete punitive action it did not take steps to dismantle apartheid, they added. "We don't want to give up the possibility of exerting political pressure on South Africa," one source said. REUTER MWW CVL DM