

SUBJECT CC MASTER



10 DOWNING STREET

From the Private Secretary

16 July 1986

SOUTH AFRICA

The Prime Minister had a talk with the Foreign Secretary this morning about South Africa.

The Foreign Secretary gave an account of his visit to the front line states. The Prime Minister said that she thought the Foreign Secretary had been "absolutely superb" in the way in which he had carried out his mission. That had been widely recognised at home.

The Foreign Secretary said that Mr. Fergusson had recently visited South Africa and met Pik Botha. His assessment was that it would be extremely difficult for the South African Government to make the sort of concessions for which we were looking in a timeframe which would be helpful to us. He understood that the State Department took the same view, believing it might well be a year or more before the South African government would resume serious movement towards negotiations with the black community.

The Foreign Secretary emphasised the need for particular care in the public presentation of our position. Our opposition to general economic sanctions, with which he wholeheartedly agreed, was receiving exaggerated attention at the expense of our dislike of apartheid and the willingness which we had expressed at the Commonwealth meeting at Nassau and the European Council in The Hague to consider further measures which might be needed. He hoped that it might be possible to establish a better balance. He proposed to take the line in today's debate that, if tangible progress was not achieved in South Africa, it was likely to be necessary to agree to further measures. The Prime Minister noted this, adding that we should also make clear that further measures were not automatic. We had to stand by the commitments which we had given to the Federal Republic and others at the European Council. She herself at spoken in public of our looking at further measures on a contingency basis. She thought that this was a good formulation.

The Foreign Secretary said that he was concerned at the damage which would be done both to British interests and to the Government's standing were the Commonwealth Review

Meeting in early August to go badly, leading a number of countries to leave the Commonwealth and to the adoption of measures against the United Kingdom's economic interests. He had set out in his minute of 15 July what he believed was the minimum which would get us through the Commonwealth Review Meeting. The Prime Minister said that the line proposed by the Foreign Secretary in paragraph 16 of his minute caused her some concern because it would be interpreted by the South African Government as an ultimatum. We must abide by the mandate agreed at the European Council which deferred any decision on further measures until the Foreign Secretary's mission had run its course and the results had been assessed. Some very careful thought was needed on the presentation of our position on this point at the Review Meeting.

The Foreign Secretary suggested that it was not necessary to have a meeting of Ministers as originally planned for later today. He would report the position to Cabinet on 17 July. The Prime Minister agreed.

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