SOUTH AFRICAN AND WESTERN INITIATIVES

speculation in London

May 23rd. 1989

SA_/.UK

- 1. The present apparent upsurge in UK interest in SA is not a new phenomenon, or one simply stimulated by the forthcoming Commonwealth Conference and the expectation of renewed pressures on Britain's policy on South Africa. Though this is undoubtedly a factor, more significant is the fact that agreement was reached over Angola and Namibia and PW Botha is finally bowing out an event for which the British have been preparing. Having concluded sometime ago that no significant developments were likely in South Africa under the leadership of PW, Britain has been laying the basis for what to do when he goes. It has engaged in preparing itself to play a role by establishing its interest and credentials with possible successors and by familiarising itself with all those who may have a role to play and trying to establish common perspectives on a future solution.
- 2. Downing Street has involved itself directly in South Africa. Because of differences, Mrs. Thatcher is not prepared to depend only on information from the Foreign Office, and has established and maintains direct contacts with a wide range of South Africans through her Foreign Affairs Advisor Charles Powell. Mrs. Thatcher has also met with a number of South Africans. Contact with blacks has gone beyond Buthelezi and Mabuza. Among whites have been 'liberals' such as Tony Bloom, Dennis Worral, Helen Suzman, as well as National Party members; and of course individual and influential South African businessmen and the Urban and South African Foundations. (Dennis Thatcher has long standing business links with South Africa.) Until recently, there were no meetings at Ministerial level.
- 3. The Ambassador to South Africa, Robert Renwick, is a Thatcher appointee, and makes personal reports to her. He has been cultivating blacks to a greater extent than any previous British Ambassador, as well as a much greater range of white and other South Africans than previously. Among these are Afrikaner academics, National Party MPs, tricameral MPs, as well as the traditional business and English speaking South Africans. Contact with SA Cabinet members, and evaluation of successors to PW has been also handled by Renwick
- 4. The Foreign Office has indicated that the ANC has to be involved in any solution and would like to extend its contacts with the ANC, but as yet does not feel it can go much further. It would also like to have closer links with the mass democratic movement.

(Renwick has had difficulty in maintaining links with the UDF leadership, but there has been contact with some of the civics and community leaders at a local level.)

- 5. On the other hand Downing Street is not convinced about the ANC. The Ambassador in South Africa agrees with the Foreign office, but Mrs. Thatchers 'instincts' are that a solution can be found without the ANC if necessary, and that the ANC would have have to come on board if enough momentum and the right climate is created.
- 6. During the Gorbachov summit last month, the only reference to South Africa in the briefings was that both sides had agreed that the ANC was crucial in any solution. This was indicated by a Foreign Office official, but despite programmed briefings on South Africa neither the Soviet nor British side actually went through with them.

UK_/_US

- 7. Angola and Namibia "solutions" have confirmed western belief that there are significant forces within regime who are genuinely looking for a way out of apartheid. These forces need to be cultivated, encouraged and thereby strengthened. It is hoped that together with the "waverers" they can create a momentum that would lead to a solution as in Namibia.
 - 8. The US and UK in particular believe that it is very important to initiate a process of contact> dialogue> negotiation, which once in motion will continue. In their view it is not necessary to agree an objective before the process begins, objectives are set in the course of discussions and agreed through negotiations. In US assessment, this is what happened over Angola/Namibia, where both South Africa and Angola began with very limited objectives, which were then extended as agreement was reached and "good faith" established.
 - 9. There are differences between Mrs. Thatcher and US in regard to how far the regime will have to go. The US believes that a 'normal' democratic system will ultimately have to be agreed, albeit with a transitional phase. Mrs. Thatcher on the other hand gives credence to the regime's argument that conditions in South Africa are different and therefore some other kind of system based on group rights is necessary. The US is also prepared to use pressures including some sanctions as a way of pushing Pretoria further.
 - 10. Both US and UK agree that solution lies within National Party, especially now that P.W.'s "obessions" are out of the way. They do not put any faith in the white opposition's ablity to do anything significant. Apart from the question of power, they also believe that only the National Party will be able to carry the army and police along with it in any negotiated solution. "Whose orders will the SADF and police obey?"

Business

11. This is in line with the view of South African business, which is keen to form an alliance with sections of the National Party. Business representations to the regime have been saying that unless there is growth in the economy, the level of unemployment, poverty etc will fuel "unrest" on a scale that it will be impossible to contain without the kind of measures that will totally alienate the international community and lead to sanctions. There is a need to upgrade black living conditions, education, and amenities and to create jobs etc. leading to giving blacks a vested interest. For this to happen it is not only necessary to lift the threat of sanctions but also vital to have an opening into international capital on a basis of normality. (Some of the loans rolled over by Switzerland have been at an additional 2% interest rate.)

This opening could only come about with political changes, and to take full advantage of the new climate, business would require deregulation, speedier privatisation with control being transferred into the hands of the private sector. Such moves would not only open new doors into southern Africa but could even lead to "aid" being given to South Africa to help relieve black poverty.

Eighteen months ago, Barend du Plessis managed to get agreement from P.W. to take some steps in this economic direction, but they were never implemented. Business would have preferred Barend to win the leadership contest, but has offered to back any government that takes such steps and has said so.

Meeting with Pik Botha

12. Pik Botha informed Mrs. Thatcher that the "reformers" in the Cabinet now had the upper hand, and that events in Angola had "drawn the teeth" of the military. Though F.W. de Klerk was a conservative his Transvaal base in the party had been diminished by the gains of the Conservatives, and he had never had military support. Therefore he was now dependent on the reformers. F.W. will really deliver on reforms, including the release of Nelson Mandela "within a short period after P.W. steps down".

In addition, the reformers are prepared to consider favourably the possiblity of holding elections to allow Africans to choose who should represent them in negotiations.

The reformers were grateful to Mrs. Thatcher, and would appreciate British help behind the scenes in encouraging Africans to join in the negotiating process, and later at a technical level. They will push for early elections, so that PW would step down and visible steps could be taken before the Commonwealth Conference. (The elections have now been agreed for early September.)

- 13. On the basis of their continuing dialogue with the regime, the British are envisaging the following possible scenarios:
- If everything is "quiet" then regime will seriously consider not reimposing the state of emergency in June. (In fact regime now has sufficient powers under ordinary legislation. Have released detainees and managed very successfully to restrain and immobilise them politically. However, lifting the state of emergency may be held over, so that FV can do so with a dramatic flourish, especially if for some reason he wants to delay the release of Mandela.)
- A liberalisation of travel and other restrictions. There is no expectation that there will be much change on censorship. (Possibly because, Mrs Thatcher is already under attack over censorship in this country and is in no position to make demands of Pretoria.)
- Release of high profile prisoners, with an early release of Comrade Walter Sisulu in June.
- Africans will be appointed to Cabinet as soon as legislation goes through Parliament. The top candidate is not Buthelezi, but the member of the Transvaal Provincial Administration Mvuso.
- After the elections, and probably at or after the NP caucus meeting on September 11th. F.W. will announce his proposals:

lift state of emergency if not already done so.

announce release, or preparations for release of Nelson Mandela and others.

invite all South Africans to join in open ended indaba with everything on the table.

The invitation would apply to members of the ANC. (Some question that the wording would exclude those who had engaged in military action i.e. MK and possibly the SACP)