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cc Master  
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JH

10 DOWNING STREET

From the Private Secretary

16 October 1985

Dear Retr,

PRIME MINISTER'S MEETING WITH PRESIDENT KAUNDA  
IN NASSAU ON 16 OCTOBER

The Prime Minister held a 40 minute meeting with President Kaunda at the Royal Bahamian Hotel this afternoon. President Kaunda was accompanied by his Foreign Minister and Mr Phiri. The conversation was entirely about South Africa.

President Kaunda thanked the Prime Minister for her message about South Africa which had reached him shortly before his departure. He had studied this very carefully and found it useful. He very much objected to the advance publicity about the Commonwealth Heads of Government Meeting which projected it as a confrontational occasion. That was emphatically not his desire and it was not the way in which the Commonwealth operated. The Prime Minister said she was pleased to hear this. She had just had an exchange with a television reporter who had told her that tempers were running high to which she had replied that hers was not.

President Kaunda said that his overriding aim was to avoid bloodshed in South Africa. He was sure that the Prime Minister shared this aim. He recognised the great help which Britain had given in solving the problem of Rhodesia. But he could not fail to remark that it had cost 40,000 lives and a solution could have been achieved with less bloodshed. The situation in South Africa was potentially much more serious. An explosion was coming. He had been urging the South African Government for more than ten years to do something about apartheid. Matters had now reached the stage where simply urging was not enough. He had therefore called for economic sanctions against South Africa knowing that Zambia would suffer as a result, as she had suffered from sanctions against Rhodesia. But he would prefer this to an explosion in South Africa.

President Kaunda continued that the immediate steps necessary for progress in South Africa were to lift the state of emergency; to lift the ban on the ANC and the UDF; to release political prisoners; and to open a dialogue between the communities. If these steps could be taken, a catastrophe could still be averted. If the Commonwealth Heads of Government Meeting failed to take action to bring these steps nearer, it would be a signal to blacks in South Africa that the Commonwealth did not care about them.



President Kaunda said that it seemed to him that Britain was in fact already imposing sanctions against South Africa. He ran through the list of measures set out in the Prime Minister's message to him. He wondered if it would be possible to build on this at the present Meeting to send a signal of hope to 24 million black South Africans. He was not suggesting that sanctions were all that needed to be done. He had himself promoted contacts between South African businessmen and politicians and the ANC. Their discussions had reassured him that there was still an opportunity to bring about a solution in South Africa. He wondered therefore whether the Commonwealth Heads of Government Meeting could not spell out what was already being done by the individual governments and see if it was possible to add to it. If the word 'sanctions' caused Britain problems he was sure a way round that could be found. The essential point was to keep up the pressure for progress.

The Prime Minister thanked President Kaunda for explaining his approach to the problems so thoroughly. Her starting point was that there had to be a dialogue between the South African Government and representatives of the black community. But no-one seemed to have got very far in working out the mechanics of such a dialogue: who would take the initiative in starting it? Who would attend? What the basis for meetings would be? It was not enough just to talk in generalities. The question was not what we wanted to do, it was how to do it. There were a large number of practical questions first to be settled. This had been the approach at the Lusaka Commonwealth Heads of Government Meeting. Of course it had been easier in the case of Rhodesia where Britain was the colonial power and had the responsibility. It was not for the Commonwealth to lay down precisely what the particular constitutional solutions in South Africa should be. But perhaps it could help trigger the right sort of action. It might look for ways to provide external support and encouragement for a dialogue.

President Kaunda said that he agreed with what the Prime Minister had said. But he was convinced that there would be no progress without external pressure and sanctions offered the most effective means of exerting that pressure. When the American banks had seen their interests in South Africa at risk and had begun a process of voluntary dis-investment, there had been near panic in South Africa. This showed that economic measures could be effective. The Prime Minister disagreed. Sanctions against Rhodesia had not worked. Indeed they had probably delayed a settlement. Dis-investment would only damage industry in South Africa which was in the forefront of breaking down apartheid. Moreover a great deal had changed in South Africa in the last six months. Sanctions would not help that process of change, they would disrupt it. Her goal was a solution which both gave blacks in South Africa their dignity and preserved a strong economy. Sanctions were likely to lead to the very explosion which President Kaunda feared as well as demoralising those who were in the forefront of ending apartheid. You could bring about a good end by all means. She recalled that at the Lusaka Commonwealth Heads of Government Meeting everyone had the feeling that the time had come to solve the Rhodesian problem. In the same way the people in South Africa now knew that the time had come to end apartheid and that progress had to



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be faster. It was clear from a recent letter she had received from President Botha that he too knew that a dialogue had to take place. President Kaunda commented that if that was really the case the South African Government had only to say the word. But he still feared that we were approaching the beginning of a sad chapter in South Africa.

yes sincerely,

Chris Powell

C D POWELL

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