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10 DOWNING STREET

*From the Private Secretary*

17 October 1985

Dear Peter,

PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF AUSTRALIA IN  
NASSAU ON THURSDAY 17 OCTOBER

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The Prime Minister had an hour's talk with Mr. Hawke this morning on the subject of South Africa.

Mr. Hawke said that he had been talking to several Commonwealth colleagues about the best way forward on South Africa and wanted to explain his thinking to the Prime Minister. He and all those to whom he had talked wanted the Prime Minister to understand that whatever was being said in the press, it had never been their intention to adopt a view calculated to embarrass, isolate or attack the United Kingdom. They all recognised that the Prime Minister shared their objective of ending the system of apartheid. They respected the fact that she had different views on the best way to achieve this. If one could achieve the objective of a free, liberal South Africa with universal suffrage without resort to sanctions, that would be ideal. Australia certainly did not want sanctions for their own sake. But it was necessary to be ready to talk about sanctions. There had to be an indication of preparedness to act. Alongside that, he wanted to see the Commonwealth talk about the process whereby a dialogue between the South African Government and black elements could be encouraged. He had reached the conclusion that a group of eminent men should be set up. Their task would be to open up contact with the South African Government and other elements in South Africa, including Mandela and Tambo, as well as "your Tutus", and to address the steps needed to achieve change. He recognised that change would not be achieved quickly or easily. Moreover, it would be essential to provide for the protection of rights of minorities and to ensure that political emancipation in South Africa did not lead to economic disintegration. Those who had created South Africa's enormous economic capacity must have a sense of future there. The purpose of the group which he proposed would be to engage in dialogue with all the groups concerned and address these issues.

Mr. Hawke continued that readiness to talk about sanctions was an essential element in this strategy. He envisaged that the present Meeting might agree on steps which the Commonwealth would be prepared if necessary to take, while saying that there was no

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intention actually to take them if the South African Government engaged in a process of dialogue. He had devoted some thought to the sort of people who might be appropriate members of a contact group but was not dogmatic on this. He wanted to stress that there was no desire on Australia's part to go to sanctions. But if the South African Government rejected the offer of dialogue with the Commonwealth, then it would be necessary to have in place a timetable of measures which Commonwealth countries would take.

The Prime Minister commented that what Mr. Hawke had proposed was a much better route than others which had been mentioned. She had a number of comments. She agreed that it was necessary to look at practical steps to promote dialogue in South Africa. But the Commonwealth's potential influence over South Africa should not be exaggerated. The Commonwealth had expelled and isolated South Africa and therefore no longer had the standing it once had. Nor was it for the Commonwealth to lay down the precise form of constitutional advance nor the participants in the dialogue. It was not realistic either to talk of one man, one vote in a unitary state of South Africa. Minority groups in all communities were not seeking this, but were more interested in federal solutions. She saw some advantage in operating through normal diplomatic channels rather than through a special contact group. This would have the advantage of continuity and had served us well, for instance, in the negotiations with China over the future of Hong Kong. Psychology would be very important in any approach to President Botha. A way would have to be found to convince him that the Commonwealth wanted to help him, not try to dictate to him. She herself might contribute to this since she was in regular correspondence with President Botha. But if the proposition of a contact group were put to him on the basis of: accept this or we impose sanctions, it just would not work. The South African regime would never negotiate with a pistol to its head. The Prime Minister repeated that she welcomed Mr. Hawke's ideas and hoped that they could be thoroughly discussed during the Retreat.

Mr. Hawke said that the reality of the Commonwealth was that if the present Meeting were simply to say that the Commonwealth wanted dialogue with South Africa and no more, it would not be enough. The concept of a time frame within which progress had to be made or else measures would be progressively applied against South Africa was very important for the majority of Commonwealth members. The Prime Minister said that she could not commit the United Kingdom to take measures either now or in the future. She did not think sanctions would be effective, indeed they would damage the efforts of those working for change in South Africa. In any case all necessary pressure was being applied through the market. This was far more effective than sanctions ever would be since it had no overt political motivation. She recognised, however, that it would not be enough simply to launch a dialogue and say nothing else. She could conceive of a formulation which spoke of reviewing the progress of such a dialogue within a specified period,

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for instance one year. Mr. Hawke said that he would be willing to consider something on these lines. He agreed that it would be useful to have further discussion during the Retreat.

Yours sincerely  
Charles Powell

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