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PRIME MINISTER

SOUTH AFRICA

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GN

We are expecting the drafting group to produce a text this morning. It is likely to be on the lines of the attached.

I have annotated the attached text to show what I think are the minimum necessary changes and additions. In summary they are:

(i) paragraph 1 refers only to "pressure". It should mention also "encouragement".

(ii) paragraph 2(d) which calls for the lifting of the ban on the ANC and UDF is unrealistic. It could read "lift the ban on lawful and peaceful political activity".

(iii) "establishment of a non-racial and representative government" in paragraph 2(e) sounds like one man one vote in a unitary state. "Enabling black people to play a full part in the structures of government" would be better.

(iv) we can propose the beefing up of paragraph 3(i) and (ii) by adding "refusal to cooperate with South Africa in the military sphere" and "discouragement of scientific and cultural agreements except where they contribute to ending apartheid". These phrases are drawn from the European statement.

(v) several changes are needed in paragraph 3(iii)

- we need to speak of "government" loans to South Africa
- the reference to banning the sale of Krugerrands needs to be dropped.
- So does the reference to terminating official support for trade and investment.

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- but we can add a reference to banning collaboration with South Africa in the nuclear sphere.

- we can also add a reference to banning "sensitive technological equipment" as well as computers to the South African security forces.

- we need to drop the reference to "oil products" in paragraph 3(e).

(vi) We could in addition propose a new paragraph at this point which would read:

"Additional measures which a large number of Commonwealth states indicated their intention to apply include:"

/_ - Krugerrands etc_7

(vii) We ought to try to drop from paragraph 6 the reference to the Commonwealth Southern Africa Committee. The proposed contact group is a new body: we don't want its hands tied by a Committee of Ambassadors in London.

(viii) Paragraph 7 is unacceptable and must be dropped. There could be a reference to "our Foreign Ministers meeting in twelve months time to review progress".

(ix) There could be a new last paragraph on aid to Black South Africans.

C D POWELL

19 October 1985