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FM UKMIS NEW YORK  
TO IMMEDIATE FCO  
TELNO 785  
OF 262306Z SEPTEMBER 85  
INFO IMMEDIATE WASHINGTON, PRETORIA

FOLLOWING FROM PRIVATE SECRETARY  
SECRETARY OF STATE'S MEETING WITH SHULTZ  
SOUTHERN AFRICA

1. THE SECRETARY OF STATE SAID HE HAD TWO POINTS WHICH HE WOULD LIKE TO MAKE. FIRST, WAS THERE MORE THAT WE COULD DO TO ENCOURAGE THE SOUTH AFRICAN GOVERNMENT TO SEIZE THE INITIATIVE IN DIRECTIONS WHICH WOULD BE HELPFUL IN THE PROMOTION OF PEACEFUL CHANGE? IT LOOKED AS THOUGH THEY KEPT CONSISTENTLY PLAYING THEIR CARDS TOO LATE. SHULTZ AGREED. IF THE SOUTH AFRICANS HAD DONE A LONG TIME AGO WHAT THEY WERE DOING NOW, THIS WOULD HAVE MADE A BIG DIFFERENCE.

2. THE SECRETARY OF STATE SAID THAT THE U S ADMINISTRATION HAD GONE FURTHER THAN WE WERE PREPARED TO DO IN THE DIRECTION OF ECONOMIC MEASURES, INCLUDING ACTION ON KRUGERRANDS AND NEW LOANS. SHULTZ SAID THAT THE PRESIDENT HAD MANAGED TO DELETE FROM THE BILL MAJOR ECONOMIC SANCTIONS. THE BILL WOULD HAVE BEEN PASSED OVER HIS VETO. SO WHAT HAD BEEN ACCEPTED BY THE PRESIDENT HAD BEEN THE MINIMUM NECESSARY TO SECURE THE AGREEMENT OF SENATOR LUGAR. THE MEASURES ON KRUGERRANDS WERE ESSENTIALLY SYMBOLIC. ALTHOUGH DOLLARS 500 MILLION KRUGERRANDS WERE BOUGHT BY THE U S, MOST OF THIS WAS GOLD, WHICH COULD BE SOLD OFF AS BULLION. THE OTHER PORTION WAS MAINLY KRUGERRANDS BOUGHT BY U S FINANCIAL HOUSES FOR SALE OVERSEAS. VERY LITTLE WAS FOR FINAL SALE IN THE U S.

3. THE SECRETARY OF STATE SAID THAT WE WERE NOW RECALLING OUR DEFENCE ATTACHES FROM PRETORIA IN LINE WITH THE REST OF THE COMMUNITY. SHULTZ COMMENTED THAT THE U S AMBASSADOR HAD NOW GONE BACK TO PRETORIA AND CREDENTIALS HAD BEEN ACCEPTED FOR A NEW SOUTH AFRICAN AMBASSADOR IN WASHINGTON. THE SECRETARY OF STATE SAID THAT WE WERE GLAD THAT THE AMERICANS HAD SENT THEIR AMBASSADOR BACK.

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4. THE SECRETARY OF STATE SAID THAT OUR MAIN CONCERN WAS THAT THE U S SHOULD CONTINUE TO VETO UN MANDATORY SANCTIONS, EVEN IN AREAS WHICH WERE COVERED BY THE U S LEGISLATION. IT WAS IMPORTANT THAT WE BOTH SHOULD STAND FIRM. WE WOULD HAVE A VERY DIFFICULT HAND AT CHOGM. OUR POSITION WOULD BE VERY SEVERELY UNDERCUT IF THE AMERICAN POSITION ON UN MANDATORY SANCTIONS CHANGED. WE THOUGHT IT ESSENTIAL TO KEEP HIM TOUCH. WE COULD NOT AFFORD TO BE TAKEN BY SURPRISE.

5. SHULTZ SAID THAT THE U S ADMINISTRATION AGREED WITH OUR POSITION ON ECONOMIC SANCTIONS AND WOULD STAND FIRM IN VETOING UN MANDATORY SANCTIONS. THE OTHER DAY THERE HAD BEEN A DRAFT RESOLUTION WHICH HAD BEEN CLOSE TO THE MEASURES ALREADY AGREED BY THE PRESIDENT, BUT THIS HAD BEEN SUCCESSFULLY CIRCUMVENTED.

THOMSON

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