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From the Private Secretary

7 December 1988

SOUTH AFRICA: VISIT BY DR. LEUTWILER

Dr. Leutwiler came to see the Prime Minister yesterday evening.

The Prime Minister thanked Dr. Leutwiler for undertaking the mission to President Botha on behalf of herself and Chancellor Kohl. The speaking note which had been prepared set out their joint views. She believed in giving credit where it was due. Equally she would want Dr. Leutwiler to make clear to President Botha that she had deliberately refrained from exerting public pressure for internal reform for some two years, in the hope that this would make it easier for the South African Government to act. These hopes had not been fulfilled. She could not go on indefinitely exerting her influence against sanctions, unless she could show that her strategy produced results. The Prime Minister added that Dr. Leutwiler could say to the President that, were he to visit New York for the signature of an Angola agreement, she would be happy to see him on the way there or back.

Dr. Leutwiler said that he assumed that the Prime Minister did not intend him to be just a messenger. He proposed to be fairly blunt with President Botha. He would point out that, in default of further reforms, he risked losing South Africa's last few friends. Switzerland would follow where Britain and Germany led. Leutwiler continued that he would remind Botha of the promise he had made to continue reform at the time South Africa's debts had been rescheduled. That promise had not been kept. A further rescheduling would be needed in 1990. If there had been no political progress by then, the American banks would not take part and he personally would refuse to play a role. In 1985 he had been full of hope: now he was sceptical. The Prime Minister said that Dr. Leutwiler's task was to try to make President Botha understand that he had no alternative but to jump the fence. Leutwiler said that he would do his best, but was not hopeful of success.

Leutwiler said that he had been telephoned from South Africa by the Finance Minister, du Plessis, who revealed knowledge of his plans and had implied that he would be present at the meeting. If there was any leak, he would simply say that he was visiting South Africa on business -

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which was true - and had met President Botha, whom he knew well from earlier visits.

I encouraged Leutwiler to give Robin Renwick an immediate de-briefing on his meeting. He will contact me on return to arrange another meeting with the Prime Minister.

I should be grateful if the department would give Robin Renwick the gist of this letter.

(C. D. POWELL)

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Foreign and Commonwealth Office.