

COVERING SECRET



OVERSEAS DEVELOPMENT ADMINISTRATION
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From the Minister

28.ii.90

Dear Charles

Herewith the report of Melles
Park (9/12 February) Conference.

I have added a question mark
on points that I hope Patrick
Fairweather and Robin might
probe for us.

I shall be interested to find out
whether Robin thinks Melles Park
should continue before Lord Hanson
asks me.

I am sure Robin will have his own
feed back on all this, but I
shall be grateful for comments
either for my ears only - or for
passing on "off the record", or
"on the record" when Michael
Young next rings.

Kind regards

Lynda

c.c. Patrick Fairweather

25.(a-h.)

SECRET

MELLS PARK CONFERENCE

9 - 12 FEBRUARY 1990

PARTICIPANTS

From South Africa

- Prof Willie Esterhyse - Professor of Political Science,
University of Stellenbosch
- Willem Pretorius - Chairman, Metropolitan Life Ltd
- Marinus Dahling - C E O Sankorp
- Attie du Plessis - General Manager, Investments,
Sankorp (Brother of Barend du
Plessis, Minister of Finance)
- Hennie Terreblanche - Stockbroker and close friend of
the State President
- Gert Marais - Editor, Afrikaans Financial Weekly

From Lusaka

- Thabo M'Beke - Director of Information, ANC
Executive
- Henry Makgothi - Assistant General Secretary, ANC
Executive
- Joe Nhlanhla - Economist, ANC Executive
- Aziz Pahad - International Director, ANC
Executive
- Tony Trew - Constitutional Advisor, ANC

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PREAMBLE

This meeting took place against the backdrop of the unbanning of the ANC, the release of the imprisoned ANC leadership, the imminent release of Nelson Mandela, and FW de Klerk's speech at the opening of South Africa's Parliament. Arguably the meeting was the most important yet held and much of significance was discussed and agreed.

Messrs, Esterhyse and Terreblanche had been briefed by the State President as well as the Head of South Africa's Security Service with a view to placing certain matters before the ANC Executive. Equally Barend du Plessis had requested that his brother Attie du Plessis place other financial/economic issues before the Lusaka team.

The principle objective of the meeting was to establish a clear understanding of the State President's speech to Parliament, the logistics of the Mandela release, the implications of the Lusaka Declaration and to assist with ideas for the major speech which Mandela would make upon his release. In addition agreement was reached during the meeting as to the mechanisms for the curtailing of the rebel cricket tour in such a way as to prevent too much loss of face on the part of all concerned.

THE STATE PRESIDENT'S SPEECH

Esterhyse explained that F W de Klerk's speech was a genuine attempt at changing the course of South African politics. It was a strategic attempt to reform structures in such a way as to give him flexibility in persuading the black leadership, particularly in Lusaka, to return to the country and participate in the negotiating process. The speech sought to remove the obstacles to such a return, and change the rules of political discussion. Esterhyse emphasised that de Klerk had scaled down the importance of the State Security Council and was well on the way to reforming the General Management System, instituted by his predecessor. De Klerk wants new structures in place which will allow him and his Cabinet to be more flexible during the negotiating phase. The speech marked an historic compromise for the National Party and the State President wanted Lusaka to understand this thinking.

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On the question of the definition of political prisoners, Esterhyse had been asked to make clear the President's thinking. The President sees five categories of prisoner:-

- 1 Long term prisoners
- 2 Restricted persons
- 3 Members of the ANC
- 4 Those convicted for terrorist activity and
- 5 Agents.

Categories four and five were problem categories for De Klerk but that discussion was now possible about these categories as a result of his speech. De Klerk acknowledges that the State of Emergency has not been completely lifted but that given the right climate it could and would be.

The Government sees the speech as representing a general amnesty and would like private discussions with the Lusaka leadership to discuss the negotiating process.

The thought was conveyed that Gerard Viljoen and, by implication, F W Klerk, believe that the National Party will not govern the country in five years time. However the National Party needs educating to this thought and the ANC response to events was critical in assisting with this exercise. ?

Esterhyse concluded his opening remarks by stressing that the break with the Conservative Party was now complete but that the Government would now have to address the problem of right-wing terrorist activities. The speech taken with Sunday's impending release of Mandela would have far reaching implications including the question of what role the Democratic Party would now be able to play. He believed that some members of the Democratic Party would now rejoin the National Party whilst others would move further to the Left.

Willem Pretorius spoke for the Afrikaaner business interests present when he said that businessmen must now stand up and be counted. Marinus Dahling saw the changes in South Africa as part of the process of change evident throughout the Eastern bloc and he felt that South Africa could be seen now as part of the world community.

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There was a uniform view from the white South African side that the speech calls for consensus but De Klerk will need help and an appropriate ANC response was critical if the State President is to take the white electorate along with him. Grudging comments from the ANC would effectively isolate the President from his constituency and cause him to become locked into an internal white battle which he could lose and thus make difficult room for negotiations and the establishment of appropriate structure for these negotiations.

THABO M'BEKE

M'Beke led the ANC response by emphasising that the ANC welcomed the speech, saw it as a positive step and a courageous move by the Government. He recognised that the speech was destabilising for the National Party constituency and he sought to assure the Government that in their response the ANC would in turn be serious and responsible.

He pointed out that he was unhappy about the exclusion of political prisoners categories four and five from the general amnesty and reminded the internal delegates that at their meeting on 12 December F W de Klerk and Nelson Mandela had discussed the definition of political prisoners. Mandela made it clear then that he was unhappy about the exclusion of categories four and five. M'Beke said that the National Executive would welcome a discussion with Government on these categories. He said that should the release of categories four and five cause internal problems for F W de Klerk then the ANC would consider a deal in which ANC and Frontline State prisoners could be exchanged for all of those held internally.

M'Beke promised on return to Lusaka to raise the question of the ANC response to the speech in order to ensure the most positive response possible and asked that Mandela, upon his release be allowed to join the Executive for discussions. Following such a meeting, pre discussions to negotiations could take place 'within days' if the Government so wished.

M'Beke drew attention to the fact that a climate of mutual suspicion still existed however, and that the external leadership still feared the provisions of Security legislation were they to return. He asked that the Internal Security Act be repealed or its provisions deregulated since he and others could be locked up for up to six months were they to return home. He accepted the Government's sincerity, however he believed that the police could act politically and use the law to arrest those returning.

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He cited the example of his having been named as a co-conspirator in several court cases, and suggested that the the police could arrest him on this pretext. He cited as an example of the police acting politically, the arrest of various ANC supporters following the service at St Mary's Cathedral following the service giving thanks for the unbanning of the ANC. He had, in the past, also urged the further imposition of sanctions against South Africa and could be picked up on this basis as well. In short, he mistrusted the police and suggested the F W de Klerk publically say that the provisions of the Act would not be enforced thereby making it possible for the National Executive to return. He further made the point that the continuence of the State of Emergency made it difficult for the ANC to return since it's constituency would find this especially difficult. He concluded that it was the firm view of the ANC Executive that both the National Party and the ANC must be strong and viable if the process of negotiations were to succeed. Neither side should take any action which would undermine the other.

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A general discussion followed on the question of the Emergency Regulations at which the ANC pointed out that the M D M had a role and a duty to maintain law and order and that the ANC's credibility rested upon this role. M'Beke told the meeting that the ANC attached the highest importance to bringing to an end the violence in Natal. Susulu and Mandela would directly intervene in an attempt to bring it to an end.

The Gatting Cricket tour was discussed and all agreed that the tour was causing unnecessary complications in a fluid political situation. It was agreed the du Plessis and M'Beke would convey a request to the tour organisers and the M.D.M. such that the tour would be brought to an end halfway through its original schedule. Until such time the ANC would ensure that such fixtures as were left to play should be completed without demonstrations and violence.

were they instrumental?

The white South Africans made the point that the White Community were concerned about the following specific issues and sought an ANC response.

- 1 The ANC's economic vision of South Africa - especially the reaction to Mandela's recent comments concerning the nationalism of Banks and mining houses.
- 2 The Transitional Stage from White to Black Government.
- 3 The Bill of Rights to protect Minority interests.

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M'Beke promised an ANC response to the State President's speech which would go well beyond the immediate Stockholm reaction. He promised that the ANC would address publically the question of the armed struggle. He repeated that Sibusulu would soon be visiting Natal to meet Inkatha with a mandate from Lusaka to do all possible to bring the violence to an end. Mandela had been asked by Lusaka to lend his weight and support to this effort.

Mandela had been talking about the Freedom Charter when he made his remarks about the economy, however M'Beke gave the impression that this matter had not been resolved and was the subject of serious research by the ANC. M'Beke added at this point that Mandela would be protected by ANC guards upon his release and that this matter had been resolved with the Government.

M'Beke then indicated that during the period of a suspension of hostilities, F W de Klerk would remain the head of Government. The supervision of the process however may need some international participation he thought.

The ANC was entirely relaxed about the question of minority rights which he defined as the protection of language, culture and religion.

The ANC expressed concern at the sentence in the speech to Parliament by F W de Klerk, which talked about the assurance of places at the negotiating table. M'Beke made it clear that the ANC would have no problem in sitting down with the PAC, Buthelezi and certain Bantustan leaders however he asked for assurances that this element did not presuppose a return by F W de Klerk to the old Group notion. ?

The ANC reported that the impending Bantustan and traditional Chief's gathering wanted to make three points to the government.

- 1 A rejection of their role as Group leaders
- 2 A wish to sit at the negotiating table with the ANC
- 3 A willingness to envisage regional structures under a central government.

Those 'local councillors' in the townships could not be regarded as local leaders and thus the urban community would seek their own local leaders. These elements, however, cannot as they stand be seen as building blocks of a new future. The chiefs see Buthelezi as a traditional chief but will not accept him at the negotiating table in the role of leader of an ethnic group.

As an aside, M'Beke offered the thought that Buthelezi's influence was overrated and suggested he was isolated amongst the Zulu royal princes. The issue of trade union violence was discussed.

ECONOMIC DISCUSSION

The businessmen present offered a statistical breakdown of the balance sheets of six major South African enterprises which was designed to show the ANC that nationalisation itself would produce little for the State to take to itself. They sought guidance as to what type of economy the ANC wanted, a mixed or a command economy. The businessmen argued that political stability was necessary but economic issues were vital to business confidence.

A lengthy debate followed during which the following points were made.

- 1 A rejection by businessmen that nationalisation would best produce the resources needed for significant redistribution.
- 2 Black pressures for changes in the material conditions of black people.
- 3 A wish to grow small businesses with some help from the State.
- 4 A view by the ANC that control of economic power lay in too few hands and thus there was a need for a state sector. Just as the railways had been nationalised to provide jobs for poor whites so too would a state sector be needed as an instrument of social policy under a black government.
- 5 An ANC view that there will be a public and vigorous private sector and encouragement given to private co-operatives in the property market and the use of the notion of family property.
- 6 A general ANC mood against the Government's privatisation plans before the transition of power phase.
- 7 The ANC to provide the businessmen with a copy of their economic discussion document for critical comment and contribution.
- 8 An acknowledgment that the Freedom Charter is under serious review.

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9 That the Centre for Development Studies at the University of the Western Cape was conducting policy option work for the ANC.

10 A desire to see business input in the review process.

The meeting concluded by agreeing that the next meeting be brought forward to the weekend of 6 April. Michael Young was asked to convey the meetings thanks to Lord Hanson for his support. A group photograph was taken.

Michael Young

Ref MY/NJH

27 February 1990