

(THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT)

C. (61) 126

COPY NO. 12

2nd August, 1961

CABINET

FUTURE RELATIONS WITH SOUTH AFRICA

Memorandum by the Lord Chancellor

By direction of the Prime Minister an inter-departmental Committee of officials was set up in March of this year to make recommendations to Ministers on our future relations with South Africa. The question of future Departmental responsibility in Whitehall for relations with South Africa and for the High Commission Territories was reserved for separate consideration. It has submitted to the Africa Committee a number of papers of which I need mention only six. Three were interim submissions on matters requiring urgent decision - consultation with South Africa on political and economic matters; the supply of arms; and general defence co-operation. These matters have been satisfactorily disposed of and I need not trouble my colleagues further with them. The other three papers are a general report on our future relations with South Africa; a report on South African sugar exports; and a report on our tactics for discussions with the South African Government about future relations. These have now been considered by the Africa Committee and the following paragraphs deal with those parts of them which, in the view of the Committee, should be submitted to the Cabinet.

General

2. Throughout their work the officials were guided by an interpretation endorsed by Ministers of the general approach to future relations with South Africa which the Commonwealth Secretary had enunciated in the House - that we should avoid continuing to give South Africa "Commonwealth treatment" unless it appeared clearly in our interests to do so. The Africa Committee agree with this principle, and with the flexible way in which it has been applied by the officials.

Nationality

3. The Committee considered that, in future, most South Africans will have to be treated as aliens, but they were concerned about those South African citizens who had strong connections with the United Kingdom and might want to retain them. The Committee feel bound to advise against an "Irish solution" but recommend that legislation in order to allow those South African citizens who either (i) are living in the United Kingdom or Colonies, or are in United Kingdom Crown Service, or are employed by companies established in the United

Kingdom; or (ii) although living in South Africa have connexions by paternal descent with the United Kingdom and Colonies and who intend at some future date to live in the United Kingdom or Colonies, to register as citizens of the United Kingdom and Colonies, provided that they apply before a certain date - the Committee recommend 31st December, 1965. This would merely be an extension for three years of existing provisions of the British Nationality Acts.

4. The Committee also recommend that, to allow time for adequate warning to be given to those civil servants, solicitors, etc., who would be statutorily barred from continuing their employment unless they became citizens of the United Kingdom and Colonies, provision should be made so as to suspend such disqualification until 31st December, 1965.

5. Finally, they recommend that further consideration should be given to the possibility of special provision for registration after 31st December, 1965, of South African citizens who had through no fault of their own failed to register by that date.

6. The Committee hope that it will be possible to persuade the South African Government not to exercise against those who might thus register as citizens of the United Kingdom and Colonies their power to deprive of South African citizenship any South African citizens who voluntarily acquire the citizenship of another country while in South Africa.

Economic Relations

7. Our financial and economic interests in South Africa comprise investments (£900 millions), exports (£165 millions a year) and earnings from invisibles and oil sales (£100 millions a year). In order to safeguard these interests and to keep South Africa within the sterling area, the Committee recommend that we should aim at maintaining our present trade relations with South Africa as nearly as possible unchanged. The Ottawa Agreement governing those relations is not directly affected by South Africa's withdrawal from the Commonwealth and should be of use to us in negotiating with her on these and other matters, since under it she receives more than she gives. If we join the Common Market we should almost certainly have to terminate our trade agreement with South Africa (although we might try to obtain derogations on her behalf) and we must be prepared to tell her so at an appropriate moment. As this would largely destroy the value of the trade agreement as a general bargaining counter we should not vouchsafe such a warning prematurely, although our decision to apply for membership of the Common Market may lead South Africa to raise the question at an early stage.

High Commission Territories

8. It would be much in the interests of the High Commission Territories for us to retain South African goodwill by being as accommodating as possible throughout the negotiations on future

relations. The Committee recommend that our aim should be at least to keep relations between the Territories and South Africa unchanged and, if possible, to improve working arrangements. In particular, we should try to negotiate a continuance of Part II of the Fugitive Offenders Act with two modifications - the exclusion of political offences and of offences not punishable in both South Africa and the Territory concerned. We should also seek to improve the position of the Swaziland sugar industry.

9. We must also consider the South Africa Act, 1909. The only problems here relate to Sections 151 and 150 which cover the possibility of transferring to South Africa the High Commission Territories and the Rhodesias respectively. The Committee consider that the only real choice lies between retaining or repealing the whole Act. These issues are at present dormant and to repeal the Act might stimulate the South Africans to raise them, which would in itself be undesirable; on the other hand, to retain the Act would probably arouse criticism in the Territories, the Rhodesias and Parliament. The Committee recommend that a decision should be deferred until the progress of negotiations with the South Africans makes it possible to discern more clearly the balance of advantage between the two courses.

Other Matters for Decision

10. The Committee endorse, subject to certain comments, a series of recommendations by the officials on legislative matters, the representation of South African interests abroad, postal and telegraph matters, the Commonwealth Area Communications Scheme and educational questions. I do not think it necessary to trouble the Cabinet with any of these matters.

Sugar

11. The Committee recommend that South Africa should cease to be a member of the Commonwealth Sugar Agreement (C.S.A.) after the end of this year. It is necessary to inform the South African sugar producers of this decision at once in order that they may plan accordingly for the International Sugar Conference next month. The Committee also recommend, however, that we should be prepared to negotiate with South Africa a bilateral agreement under which we might offer to buy from her the amount of sugar guaranteed under the C.S.A. (150,000 tons a year) at the present or future C.S.A. price, whichever was lower. We might further agree to buy not more than another 25,000 tons at the world price. The agreement should last from four to seven years. The reasons for this proposal are two-fold. Its overall aim would be generally to help us in our negotiations with South Africa: in particular, a move of this kind is probably essential in order to safeguard the Swaziland sugar industry. Under an agreement between that industry and the South African industry Swaziland enjoys a guaranteed market for sugar in South Africa and some indirect benefit from the high C.S.A. price; and we want to ensure that these arrangements continue and to secure for Swaziland a share of any growth in South African consumption of sugar. The Swaziland industry will in any case want to know what their position will be at

the end of any bilateral agreement with the South Africans, and the Committee therefore recommend that they should be given an assurance that, if their outlet in South Africa were then reduced, the United Kingdom would ensure alternative outlets to the extent of keeping them no worse off than previously.

Tactics for Discussion

12. There are important questions of timing and procedure in relation to all these matters. The Committee recommend that we should avoid a comprehensive negotiating conference with the South Africans and should instead take up with them in series the various matters on which agreement is necessary. They think that the order of discussion should be settled in consultation with the United Kingdom Ambassador in Pretoria, and that our overall aim should be to get what we want before we commit ourselves, particularly on sugar. They further agree with advice from the Ambassador that the discussions should be conducted through the Embassy with help from London.

13. In order that the United Kingdom legislation which will be required on a variety of matters may be ready, as it should, to come into force on 31st May, 1962, the Committee recommend that we should aim to start discussions with the South Africans not later than early October and to complete them by about mid-November.

Recommendations

14. I invite my colleagues to approve the recommendations of the Africa Committee, and particularly that:-

- (1) After 31st May, 1962, South African citizens should be treated as aliens but those with certain connections with the United Kingdom should be given until 31st December, 1965, to register as citizens of the United Kingdom and Colonies.
- (2) We should aim to maintain our present trade relations with South Africa so far as possible unchanged.
- (3) Our aim for the High Commission Territories should be to keep relations between them and South Africa unchanged and if possible to improve working arrangements, including the continuance of Part II of the Fugitive Offenders Act with two modifications and better arrangements for Swaziland sugar.
- (4) We should leave a decision whether or not to repeal the South Africa Act, 1909, until discussions with the South Africans reveal the balance of advantage more clearly.

- (5) The South African sugar industry should be told at once that it will cease to be a member of the Commonwealth Sugar Agreement after this year, but we should be prepared, on certain terms, to enter into a bilateral sugar agreement with South Africa and we should also reassure the Swaziland sugar industry about its future after the end of any such agreement.
- (6) We should avoid a comprehensive negotiating conference with the South Africans and should instead take up with them in series, through the United Kingdom Embassy in Pretoria, the matters requiring agreement, our object being to get what we want before committing ourselves, especially on sugar.
- (7) We should try to open negotiations by early October and to conclude them by mid-November.

K.

House of Lords, S. W. I.

2nd August, 1961 .