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Personal and Confidential

Mr J van Dalsen  
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Pretoria

Dear Hans

Here is my report on the May meeting of the Cercle.

As you will gather from the address, I am in the United States at present. I expect to be passing through Washington within the next day or two and shall ask our Embassy to send this letter to you in their bag.

I expect to be back in South Africa about the end of July and shall get in touch with you then.

Our daughter Barbara Burger will know our whereabouts in the meantime.

Yours sincerely

*Taswell*

H L T Taswell

*Mr. K. J. ...  
You will be aware of the sensitivity of 'Cercle'  
papers. Some of this is of interest to you.*

*MB 30/8/77*

*Dr. ...  
Thanks*

*Mr. Schulte  
Beit ...  
...  
... 2/11/77  
... 27/11/77*

*Beit  
...  
4.10.77*

Cercle 13 - 16 May 1977

"You must be surprised to be at a meeting like this and to find a group of people so well disposed to you in South Africa."

That was a comment made to me by a new member of the Cercle at the May meeting. The number of participants on this occasion was greater than previously. The British and the American representation was considerably larger. One member of the House of Lords and two members of the House of Commons were present and two assistants to a member of the American Senate.

I gave a talk for about 25 minutes on the South African position which appeared to be well received. Monsieur Pinay, the President, commented favourably on it.

I covered the following points:

- (a) Our great importance to the West as a source of mineral wealth.
- (b) Our strategic position on the oil route around the Cape.
- (c) The formidable build-up of Russian naval strength in the Indian Ocean; the bases and naval facilities the Soviet Union had obtained; and the potentially commanding position in which Russians now found themselves astride the oil routes from the Persian Gulf to Europe and Japan.
- (d) Russia's expanding influence in Africa, its military and economic aid to African countries.
- (e) The Turnhalle Conference on South West Africa and the draft constitution proposed after deliberations lasting about 15 months in which all the national groups in the territory had participated on a basis of equality.
- (f) While there was a call for majority rule in South Africa, people were inclined to overlook the position in the rest of Africa with its preponderance of military dictatorships, one party systems of government, tribal conflict, vast number of refugees, increasing population and falling standards of living.
- (g) South Africa's population structure and problems, its policy of separate development, improvements in the application of that policy; standards of living, education and health for all sections of the population far higher than those in the rest of Africa; economic and industrial achievements far greater than the rest of Africa.
- (i) South Africa's desire to improve relations with Africa.

I found a keen awareness of the importance of South Africa's strategic position and its mineral resources.

R desia The position in Rhodesia was set out objectively by a representative from that country. While ready to find an acceptable and reasonable solution to the principle of majority rule, he pointed out that whenever Rhodesia made a concession it was followed by further demands or restrictions from abroad. An example was the re-imposition of the chrome boycott by the United States even though Rhodesia had accepted the principle of majority rule within two years.

#### Zaire, Morocco and French support

The support given by France to Morocco in providing military aid to President Mobuto was lauded by a prominent member of the Cercle. No sooner had the Moreoccans appeared in Shaba, he said, than the Cubans withdrew.

Had the West been prepared to give the same support to Unita in Angola, the Cubans would never have gained the control they now have in that country.

The reason for Morocco's intervention was long term self defence. Morocco saw further Russian influence in Africa as a threat to itself. It accordingly felt that the expansion of such influence should be checked wherever possible.

Russia was aiding Algeria greatly and had also established a large arms depot in Libya with the approval of President Khadafi. That arms depot was formerly under Russian guard. It was now under Cuban guard. The arms depot which included a large variety of sophisticated equipment could be put to use for an attack on Morocco at the appropriate moment.

There was a suspicion that the Russians also had a second arms depot somewhere in Africa.

Giscard d'Estaing's action in supporting Morocco in Zaire was sharply contrasted with the current American and European suicidal policy in Africa. Not only did they want majority rule at virtually any price but they were ready to recognize communist terrorists as leaders. Europe and America were also giving financial aid to terrorist movements.

#### Horn of Africa

Note was taken of the current problems in Ethiopia, Sudan, Eritrea, Somalia, the coming independence of Djibouti and Egypt's possible possible role in aiding Sudan. Saudi Arabia was known to be trying to counter Russian influence in Somalia.

### Saudi Arabia

The Arab world has begun to become increasingly unreliable as far as the USSR is concerned, thanks to the important role Saudi Arabia is playing in drawing Arabs away from the Soviet Union. Saudi Arabia has influenced Egypt, given aid to Morocco (and Zaire) and is working on Iraq.

### Nato and Russia

Several speakers stressed the importance of expanding Nato's area of operations to include the Southern Atlantic and the Cape route. They saw a growing menace to the West and South Africa in the expansion of Russian influence in Africa.

While there was a ready admission in Nato itself that the Soviet Union was greatly increasing its military strength on a world wide scale, many politicians were reluctant to speak out on this. Those who warned of the ever increasing strength of Russia were often referred to as "doom watchers".

A British speaker remarked that it was incongruous that while Russia was building up its military strength, the U K Chiefs of Staff should be studying further cuts in defence spending.

Russia was spending about 10-12% of its gross national product on defence as against 6.7% by the United States and 5.7% by Britain. In a decade Russia's defence expenditure had jumped from 23 to 51 million roubles.

Détente was seen as an abandonment of any aggressive activity on the part of the West and a willingness to give aid to the Russians who are out to destroy the West.

If the West spent more on defence, it was seen as being bad for its economy. The Russians, however, could afford to go ahead and increase their defence expenditure because of Western economic aid.

Against this background it was interesting to note that the Russians contended that the only obstacle to disarmament was Western defence.

While much propaganda was being directed against multinational corporations, it was to these very organizations that Russia turned for assistance in building up its own industrial development.

Russia's basic policy was one of continued armament while preaching détente and peaceful co-existence.

Russia's strength and foreign influence today was such that the Soviet Union was in a position to blackmail other

countries into co-operating with it because of their general weakness. The Soviet Union was casting a political shadow over Europe and doing everything in its power to enable communists to gain control of all countries on the continent.

Britain If Labour were to remain in power, it would not be long before Britain became a fully fledged Marxist state.

That opinion was expressed by a British M.P. He pointed out that in 1973 the number of Marxists in the House of Commons was 38. Their number had since risen to 83.

He took heart, however, from the fact that the Conservatives were increasing their strength. In a recent by-election, moreover, Labour had lost a seat to the Conservatives because trade union members who were dissatisfied with Labour had actually gone to the polls and voted for the Conservatives instead of merely refraining from voting as had happened previously. He hoped this trend would continue as dissatisfaction with Labour appeared to be on the increase.

France Shirac's recent victory in Paris in the face of an increase in leftist victories in the rest of the country was looked upon as a hopeful sign. This was particularly so in view of his declared determination to fight the "battle of France" and win it.

If the communists were, however, to gain control in France - and they are well organized - it was felt that there would be such strong demonstrations against Giscard d'Estaing that he would have to resign.

France would then no longer be a partner in Nato. This would lead to a "Finlandization" of Europe.

Italy Andreotti's position is a very difficult one. He has a minority government with majority support. To survive it is expected that he will have to give more say to the communists. Whether Italian ingenuity will make this a practical proposition remains to be seen.

Spain With some 150 parties participating in the elections in Spain, the position was to say the least a confusing one. There was nevertheless a feeling that the communists would play an important role. It was not thought that they would gain a majority of seats. But a so-called democratic camp which could keep out the rightists would be a danger.



### Portugal

A Portuguese, who formerly held a position of importance in Portugal, described the situation in that country as precarious.

Only about 3% of the present Cabinet Ministers could be described as competent.

The Socialists, though technically in power, do not have real authority in Portugal. They are in fact just a camouflage for the Communists. If the Socialists are able to remain in office, the Communists will eventually be in full charge of the country.

If the Socialists were to resign, another government with Communist backing would come into power, unless great pressure could be brought to bear on the President to make an adjustment. This would require a united army to give him full support.

The financial position of the country is such that, if the government does not succeed in obtaining a large loan from the West, it will be insolvent.

### West Germany

If France should go communist, Italy and Spain will almost certainly go the same way. West Germany will accordingly find herself isolated.

What will her position then be?

A leading German representative put it this way: "The fate of France is the fate of Germany and the fate of Germany is the fate of France."

### United States

The situation in Washington with the Carter administration in power was commented on by close observers - both American and foreign. Here is a summary of their principal observations:

A battle is going on for the mind of President Carter. His advisers are mostly Georgians, inexperienced in international affairs and with a poor knowledge of geography.

Carter's cabinet is basically conservative.

On foreign policy, major decisions will be made by Carter himself. He is like Truman and Kissinger in this respect.

Carter made a favourable personal impression during his visit to the U K.