

PREM 19/2575

SECRET

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Aid to Zambia.
UK/Zambian Relations.
Internal Situation

Zambia

PACT 1:
Mar 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
1-5-79		5-3-82		21-8-84		17-87	
4-5-79		8-3-82		7-3-85		6-8-87	
13-8-79		8-4-82		10-3-85		30-8-87	
12-9-79		11-4-82		28-3-85		X	
27-7-79		15-4-82		4-4-85			
9-11-79		16-4-82		16-4-85			
1-1-80		9-7-82		28-8-85			
16-1-80		15-7-82		7-5-85			
19-1-80		21-8-82		10-6-85			
17-9-80		23-11-82		12-7-85			
27-10-80		1-12-82		15-7-85			
30-10-80		6-12-82		1-8-85			
1-11-80		9-12-82		7-8-85			
20-1-81		7-3-83		27-8-85			
26-1-81		31-10-83		12-1-85			
27-1-81		3-11-83		28-10-85			
2-2-81		18-11-83		26-11-85			
1-2-81		16-1-84		25-1-86			
2-2-81				4-2-86			
23-2-81				13-10-86			
1-4-81				21-11-86			
				22-12-86			
				18-2-87			
				19-2-87			
				20-2-87			

PREM 19/2575

● PART 1 ends:-

PRESIDENT KAWDA TO PM 30.V.V)

PART 2 begins:-

HMT MEETING RECORD 4.9.V)

SUBSELT
CC MASTER
OPS



1
PRIME MINISTER'S
REC
PERSONAL MESSAGE
SERIAL No. T170/87.

*State House
Lusaka, Republic of Zambia*

30th August, 1987.

My Dear Prime Minister,

On 23rd January, 1987 I wrote to you as I indeed did to other Heads of State or Government and to International Institutions, expressing my gratitude on behalf of the people of Zambia for the continued assistance that is being rendered to us in our efforts to restructure the economy. In that same letter, I also outlined the measures we had taken to implement the International Monetary Fund (IMF) Restructuring Programme as well as the problems we were facing as a result of implementing that programme. I must of course thank you for your response to that letter.

A lot has happened since I wrote that letter in January. As you know, on 1st May, 1987 I announced on behalf of our Party and its Government that we had decided to discontinue the IMF Restructuring Programme. The reasons were basically those that I had outlined in my letter of 22nd January, 1987. We found that in spite of all our determined efforts and much sacrifice by our people to implement a very difficult IMF programme and despite the very much appreciated support from donor countries

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The Rt. Hon. Mrs. Margaret Thatcher, MP.,
Prime Minister of the United Kingdom,
No. 10 Downing Street,
LONDON.



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and International Institutions, the IMF Programme had not succeeded in arresting the country's economic decline. Instead, we found ourselves in a situation in which our currency had seriously depreciated against our major trading partners, an almost run-away inflation, unprecedented level of unemployment and increased external commitments.

Zambia has had a succession of programmes with the IMF for the past twelve years and we have been to the Paris Club three times - in 1983, 1984 and 1986 - to reschedule our debts and yet our economy continued to decline whilst our debt obligations, on the other hand, escalated. Our projections even indicated that for the next six years, we would be exporters of resources to the IMF. Obviously, we could not continue in such a situation. We had to try another programme but it required terminating the one with the IMF first.

I am now pleased to enclose for your information a copy of our New Economic Recovery Programme which we have worked out. You will observe that this programme is in fact an Interim Plan which will run from July, 1987 to December, 1988 after which we hope to embark on a new five year plan. We believe, however, that this Interim Plan is best suited to our circumstances and addresses realistically the problems that we face in our country. We hope, therefore, that in implementing this programme, we can count on your continued support and understanding as you have done in the past.

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Let me hasten to reaffirm that Zambia is still committed to the objectives of the restructuring programmes that we have worked out with the IMF since 1978 and which as a country we have tried to implement faithfully. These programmes have been supported by both the World Bank and donor community. We have together been working on programmes aimed at:-

- (a) diversifying exports and thereby reducing excessive dependence on copper exports;
- (b) improving capacity utilisation in the economy;
- (c) promoting labour intensive as opposed to capital intensive industries; and
- (d) increasing foreign exchange earnings.

The new restructuring programme has, therefore, been prepared with the same objectives in mind. In the main, the new programme advocates a development strategy which, while ensuring austerity, recognises the need to protect the most vulnerable members of our society who also happen to be the majority. The plan, therefore, focusses on:-

- (a) directing the country's scarce foreign exchange into the reactivation of selected high priority sectors;
- (b) stabilising the economy by controlling inflation; and
- (c) ensuring that the profits generated from the reactivated economy are reinvested in the selected sectors, so that the country's economic growth should depend principally upon such investment.

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- 4 -

Let me also restate that whilst we are emphasizing "Growth from our own Resources", this does not mean that Zambia no longer needs external assistance and support. Indeed, we need that support. We are the first to recognise our present limited capacity in earning foreign exchange and that is why one of our strategies remains the promotion of non-traditional exports.

In view of our Special relations and the support that your country has always extended and continues to do - in support of our economic endeavours - I thought it right and proper to send my colleague the Rt. Hon. K. S. K. Musokotwane, Prime Minister, to come and personally deliver this letter. This I thought would give you an opportunity to seek clarification on any matter relating to our New Economic Recovery Programme and actions we have taken in recent months.

Let me end by once again appealing to you as I did to the conscience of the International Community to pass a fair judgement on the measures we have adopted. We still remain faithful members of the IMF, World Bank and other Multi-lateral Agencies and stand ready to discuss with them as we do with your country, any matter concerning our New Economic Recovery Programme. We, therefore, look forward to receiving your reaction in due course.

God's blessings.

Your sincerely

1/60

Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA



Speech

by

His Excellency the President

Dr Kenneth D. Kaunda

Occasion LAUNCHING THE INTERIM NATIONAL DEVELOPMENT
PLAN (JULY, 1987 TO DECEMBER, 1988) ON A
NATION-WIDE RADIO AND TELEVISION BROADCAST
ON FRIDAY NIGHT.

Date 14TH AUGUST, 1987.

Good Evening Fellow Countrymen,

In my historic address to the Nation on 1st May 1987, I outlined the Nation's economic ills and announced that we would no longer follow the International Monetary Fund (IMF) restructuring programmes. Since 1978, the Party and its Government had undertaken a succession of adjustment programmes worked out in close collaboration with the IMF and the World Bank to restructure the economy.

The main objectives of these programmes were:

- (a) to diversify exports and thereby reduce excessive dependence on copper exports;
- (b) to reduce the under usage of capacity in the economy;
- (c) to promote labour intensive as opposed to capital intensive industries; and
- (d) to increase foreign exchange earnings.

The Party and its Government had accepted these broad objectives. We still accept them. But to achieve these objectives the IMF restructuring programmes demanded the adoption of policy measures which included:-

- (i) the imposition of credit ceiling in order to reduce money supply;
- (ii) the reduction in public expenditure, especially on welfare services and subsidies;
- (iii) the reduction of overall Government budget deficit;

- (iv) the imposition of wage freezes;
- (v) the decontrol of prices;
- (vi) the upward adjustment of interest rates;
- (vii) the decontrol of imports;
- (viii) the rescheduling of the repayments of external debts;
- (ix) the progressive devaluation of the Kwacha and
- (x) the auctioning of foreign exchange.

Fellow Countrymen, we faithfully executed these programmes for quite a long time even though some measures were harsh. You all know what happened. Instead of expanding, our economy contracted further and further. We were achieving the very opposite of what the IMF programmes set out to achieve.

Obviously, we could not continue on that path. After agonising on it for a long time the Party and its Government took the bold and imperative decision to do away with those IMF programmes. At this juncture, I would like to pay great tribute and express the Party's gratefulness for the massive support we received for that decision, not only from you the great people of Zambia, but also from many of our friends in Africa and the world at large. The supportive response was just fantastic and electrifying. I say to you once again, Thank you, Thank you for that massive support.

But as I have said in other fora, the fact that we have abandoned the IMF programmes does not mean that we have left the IMF - NO. We are still strong members of the IMF. Neither does it mean that we have no more

problems - Far from it. What it means is that we have to work out our own economic recovery programme. We have to find out something new to replace the IMF programme. I am glad to announce that this has now been done.

Fellow Countrymen, the Party and its Government have worked out the details of the New Economic Recovery Programme. That programme which I am now proud to launch is the Interim National Development Plan - July 1987 to December 1988. The aims of this Plan are similar in scope to those which guided the restructuring programme previously entered into with the IMF. Basically our own new programme aims at arresting the decline in the national economy while at the same time taking due account of what our national philosophy of HUMANISM stands for.

In the main, this new Plan calls for a new development strategy which, while ensuring austerity, recognises the need to protect the most vulnerable members of our society. The Plan, therefore, focuses on:-

- (a) directing the country's scarce foreign exchange into the reactivation of selected high priority sectors;
- (b) stabilising the economy by controlling inflation; and
- (c) ensuring that the profits generated from the reactivated economy are re-invested in the selected sectors, so that the country's economic growth should depend principally upon such investment.

The theme of this strategy is "Growth from our own Resources". This does not, however, mean that Zambia no longer requires external assistance and support. Indeed

we need that support. We are the first to recognise our present limited capacity of earning foreign exchange. The principal objectives of the Interim National Development Plan include the following:-

(a) RELEASE OF RESOURCES FOR DEVELOPMENT BY CURTAILING IMPORTS AND LIMITING DEBT SERVICE PAYMENT.

In order to release resources for the reactivation of the economy, imports will be severely restricted, except for essential items, services and raw materials as well as machinery required for increasing selective usage of capacity. Except for new loans which will be repaid according to their terms, debt service will be limited to ten (10) per cent of net export earnings after deducting payments in respect of ZCCM, ZIMDIL, Zambia Airways (IATA), fertilizer imports.

(b) REACTIVATION OF THE ECONOMY BY INCREASING USAGE OF CAPACITY IN ENTERPRISES PRODUCING ESSENTIAL OR BASIC GOODS OR GOODS FOR EXPORT

Reactivation of the economy will proceed on the pattern of channelling resources into enterprises producing essential or basic goods for export and increasing usage of capacity in such enterprises. Owing to the fall in the purchasing power in the economy, it will be necessary to stimulate effective demand by establishing a minimum wage after inflation has been contained, and allowing for wage increases through collective bargaining and through income support programmes for the unemployed.

(c) STABILISING THE ECONOMY BY CONTROLLING INFLATION

In order for us to stabilise the economy and restore confidence, it is necessary to control inflation by stabilising the exchange rate (now

fixed at K0 to US Dollar), interest rates (now fixed at 15 to 20 per cent) and other production costs as well as regulate prices.

(d) DIVERSIFICATION OF EXPORTS BY PROMOTING
NON-TRADITIONAL EXPORTS AND EXPORTS OF
MANUFACTURED GOODS

To reduce over dependence on copper and other traditional metal exports, strenuous efforts will have to be made in order to broaden the export base by promoting non-traditional exports such as gem-stones, manufactured goods and agricultural commodities, so as to maximise foreign exchange earnings.

(e) RESTRUCTURING PRODUCTION AND CONSUMPTION
PATTERNS IN ORDER TO USE FOREIGN EXCHANGE
AS A STRATEGIC RESOURCE

Foreign exchange shall be managed as a strategic resource. Therefore, consumption patterns in the economy will have to be restructured so as to restrict consumption of imported goods. This will be achieved through pricing, promotion of locally produced goods and prohibiting importation of non-essential goods.

This strategy will also seek to reduce to the barest minimum the consumption of goods and services with a high direct or indirect import content. Luxury goods will be heavily taxed and reduced to a minimum in order to conserve foreign exchange and ensure substitution of imported consumer goods by local products. We must eat only what we produce.

(f) INCREASING EMPLOYMENT OPPORTUNITIES THROUGH THE ESTABLISHMENT OF VILLAGE AND SMALL SCALE INDUSTRIES BASED ON LOCAL RAW MATERIALS

Capital-intensive and import-oriented industries will be discouraged in favour of labour-intensive methods of production and technologies using local raw materials. At present the Zambian industry is capital-intensive and highly dependent upon imported inputs. The objective of our Interim National Development Plan will be to attain a restructured industry which will be based on the use of national resources.

However, industries which increase non-traditional exports will be encouraged to adopt modern and competitive technologies. The Plan also aims at breaking the dependence upon export of primary goods and will promote export of manufactured goods in order to enhance foreign exchange earnings. At the same time, industrial decentralisation and tailoring to regional markets will be encouraged.

(g) INCREASING GOVERNMENT CAPACITY TO MANAGE THE ECONOMY

In order to manage a mixed economy, there is need to strengthen the State's management capacity so that the State can fulfil a leading role in the activities of the Nation and serve national priorities in the short, medium and long term. Therefore, further efforts will have to be exerted to strengthen Decentralisation and Participatory Democracy. Competitive public service salaries and conditions of service will be pursued in order to retain and recruit personnel of appropriate calibre to manage the economy. Further, institutional reforms will be carried out to improve management and planning capability.

Fellow Countrymen, the principal objective of the Interim National Development Plan is to stabilise the economy. That is why measures have been taken to stabilise the exchange rate and to control both interest rates as well as prices. It should be emphasised, however, that these measures are, on their own, incapable of bringing about stability in the economy. The answer lies in increasing production.

We should, therefore, create and maintain an environment which facilitates enhanced production. That means discipline: discipline on the part of the trade unions; financial discipline on the part of Controlling Officers in Government Ministries and Departments; discipline on the part of producers in using national resources; and discipline in the Nation as a whole to maintain political stability without which economic development and stability cannot take place.

Let me emphasise, Fellow Countrymen, that for us all in Zambia this new Plan is a matter of life and death. I am using these words for the first time and I mean what I say - the plan is a matter of life and death for all of us in Zambia. We have mapped out what we are going to do in place of the abandoned IMF programme. We must do everything in our power to develop Zambia from our own resources. What we need are land, labour, skills and capital. Of these four we have in abundance land and labour. Skills are coming up. But we have to pay for the capital we need from outside.

That is why we have to continue with the programme of restructuring. What we disagreed with the IMF on this were the conditions which they imposed on us. They wanted us to do everything in a specified and limited time - all in one year. However, we must now stop talking about IMF programme. We must instead act on our new economic recovery programme based on the Plan which I have just outlined.

Finally, in my May Day broadcast, I addressed myself, as I do now, to all our supporters - nations or organisations. I made the point then, as I do now, that our break with the IMF was not because we did not understand, or indeed appreciate, the importance of sacrifice on our part. We had said, as we do now, that some of the conditionalities had brought about a situation which destabilised Zambia.

I know that most of our supporters, if not all, have been waiting for this Interim National Development Plan. I ask - nay I appeal - to all our supporters who have been waiting for this document to move now with us. In this Plan we show how ready we are to continue with our restructuring policies; how ready we are to continue with our sacrifices for we realise only too well there is no short cut to all this but we need your support to revamp our economy.

Countrymen, it now remains for all of us to effect the goals of our own new programme through sheer hard work and self-reliance. We must all seriously look at the new Plan as a matter of life and death.

It is now my great honour and pleasure to officially launch the Interim National Development Plan - July 1987 to December 1988 and to authorise its release.

May God bless the Republic.

Thank you and goodnight.

CDC



Foreign and Commonwealth Office

London SW1A 2AH

6 August 1987

*CDC
6/8*

Dear Charles,

Message to the Prime Minister from President Kaunda

In the second paragraph of my letter of 1 July I mentioned that a number of words had evidently been inadvertently omitted in the final lines of the President's letter of 3 June. State House have now sent us a fresh original, dated 20 July, which includes the missing words. As you will see they clarify but do not alter the sense of the last paragraph.

Yours ever

Lyn Parker

(L Parker)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T144 a/87



SUBJECT:
CC MASTER.
OPS.

State House
Lusaka, Republic of Zambia

20th July, 1987.

Dear Margaret,

*See para 1 of FE to COP d/d 1-7-87
- its message was not from PM
but from HMG.*

X I wish to acknowledge, with profound thanks, receipt of your kind message in which you expressed condolences to the people of Zambia on the sad occasion of racist South Africa's latest act of aggression against my country and people. As you might have learnt, the attack led to the cold-blooded murder of four innocent Zambian nationals and the wounding of another.

Your message shows the depth of your concern for human life, peace, freedom and development not only in our Southern African sub-region but also in the world as a whole.

Needless to say, the attack is yet again another senseless act of aggression by the apartheid regime, perpetrated solely in order to intimidate the Frontline States.

In this regard, I can only reiterate our appeal for the international community to intensify all measures aimed at isolating

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The Rt. Hon. Margaret Thatcher, MP.,
Prime Minister of the United Kingdom,
10 Downing Street,
LONDON.



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the racist regime. In our view, the imposition of comprehensive and mandatory sanctions is the only remaining peaceful instrument that would accelerate the dismantling of apartheid in South Africa and the creation of an atmosphere of peace and security in the sub-region as a whole.

With all good wishes and warm regards.

Yours sincerely,

Kaunda

Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA

ZAMBIA

RELATIONS

5/79



Foreign and Commonwealth Office

London SW1A 2AH

1 July 1987

CEPC
CDD 1/7

Dear Charles,

Message from President Kuanda

I attach a letter from President Kuanda to the Prime Minister thanking her for a message of condolence following the South African Defence Force raid on Livingstone on 25 April. The letter is dated 3 June, but was not received by our High Commission in Lusaka until 17 June. The message to which the President refers was in fact an expression of condolence, on behalf of HMG and not the Prime Minister personally, by our High Commission in Lusaka shortly after the raid.

It would appear that a number of words have been omitted by mistake in the final lines of the President's letter but his message on sanctions is nevertheless depressingly clear. In the circumstances we do not consider that any reply is required.

Yours ever,

L. Parker

(L. Parker)
Private Secretary

C D Powell Esq
PS/10 Downing Street

(4)

THE MINISTER'S
PERSONAL MESSAGE



IT
Prime Minister

SERIAL No. T110A00/87

CDP

SUBJECT
CC MASTER
OPS

State House
Lusaka, Republic of Zambia

1/7

3rd June, 1987.

Dear Margaret,

MB

I wish to acknowledge, with profound thanks, receipt of your kind message in which you expressed condolences to the people of Zambia on the sad occasion of racist South Africa's latest act of aggression against my country and people. As you might have learnt, the attack led to the cold-blooded murder of four innocent Zambian nationals and the wounding of another.

Your message shows the depth of your concern for human life, peace, freedom and development not only in our Southern African sub-region but also in the world as a whole.

Needless to say, the attack is yet again another senseless act of aggression by the apartheid regime, perpetrated solely in order to intimidate the Frontline States.

In this regard, I can only reiterate our appeal for the international community to intensify all measures aimed at isolating the racist regime. In our view, the imposition of

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The Rt. Hon. Margaret Thatcher, MP.,
Prime Minister of the United Kingdom,
10 Downing Street,
LONDON.



- 2 -

*of something
missing
here!*

comprehensive and mandatory sanctions is the only remaining peaceful instrument that would accelerate the dismantling of an atmosphere of peace and security in the sub-region as a whole.

With all good wishes and warm regards.

Yours sincerely,

Kaunda

Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA



REPUBLIC OF ZAMBIA

**'NEW ECONOMIC
RECOVERY PROGRAMME'**

SPEECH

by His Excellency the President

DR. K. D. KAUNDA

1st May, 1987

Price : K1

'NEW ECONOMIC RECOVERY PROGRAMME'
SPEECH BY HIS EXCELLENCY THE PRESIDENT
DR. K. D. KAUNDA

NEW ECONOMIC RECOVERY PROGRAMME
SPEECH BY HIS EXCELLENCY THE PRESIDENT
DR. K. N. KAMBANDA

*His Excellency the President's Speech herewith
is released by Cabinet Office.*

C. C. Manyema,
Secretary to the Cabinet

Cabinet Office
Lusaka
2nd May, 1987

Fellow Countrymen, Comrades, Brothers and Sisters,

I address you on this occasion against the background of a deep and prolonged crisis in our economy characterised by serious dislocations in both our internal and external economic sectors.

2. This is not the first time that I have had the painful but unavoidable task of outlining the Nation's economic ills. I have, on numerous occasions, analysed the nature and performance of our economy and announced measures designed to deal with our deteriorating economic environment.

3. In the face of the measures which we must now take in this continuous but difficult struggle, it is important that I refer once again to the nature and performance of our economy, especially since 1974 when our economy began to experience the problems that have culminated in the serious economic environment prevailing today.

4. The years after 1974 have witnessed a progressive contraction in the economy as a result of the reversal of the favourable trends which marked the performance of the mining sector up to 1974 and as a result of the deterioration in the general world economic environment. In addition, and principally because of the combination of these two factors, structural problems emerged that have adversely affected the performance of our productive enterprises in the internal economic sector. This in turn has seriously eroded our capacity to sustain the provision of social services.

5. Thus, developments in the world economy were the first to give rise to the problems now being experienced in our economy. Towards the end of 1973 the price of oil was increased four-fold by the producers led by the OPEC group of countries. This decision had the immediate effect of pushing up the costs of production in the industrialised countries which, as we all know, rely heavily on this commodity to keep the wheels of their industries turning.

6. In the case of Zambia and other non-oil producing developing countries the increase in the price of oil has had three basic effects.

7. Firstly, the increased cost of oil pushed up prices in our economy. The impact of the price push was, however, kept in check by a system of deliberate subsidies aimed at protecting the consumer in the vain hope that the disruption brought about by the sudden increase in oil prices would be temporary and the prices of the commodity would revert to their pre-1973 levels. Of course, this was not to be.

8. Secondly, part of the increased costs of production in the developed countries were passed on to the developing countries like Zambia. This was in the form of the higher prices we had to pay for imports from these countries which consisted mainly of machinery, intermediate inputs and other manufactured items including consumer goods.

9. Thirdly, in response to the high oil prices, industrialised countries reduced their levels of production and introduced economies in the use of raw materials and other inputs which they had to import. The result was that the international prices of virtually all primary products, including copper, collapsed leading to lower export earnings for countries exporting primary goods. The worldwide economic recession as we have come to experience it today had set in.

10. The total effect of the combination of higher oil prices and higher costs of imported machinery, intermediate inputs and other manufactured goods was a significant rise in the country's import bill. This was at a time when the country's export earnings were declining rapidly and the consequence of this negative trend was the emergence of a deficit on our external trade Current Account and a persistent overall balance of payments deficit.

11. This was the beginning of our debt problems as we had to resort to the International Monetary Fund for Balance of Payments support and to Commercial Banks and multilateral institutions for short term borrowing to sustain a reasonable level of imports and medium to long term borrowing to finance our development programme.

12. Our reduced export receipts required that we restrain the growth in our import bill and this, in turn, called for a significant shift in the structure of our imports. However, because of the rise in the price of oil and the need to sustain the importation of this vital commodity at satisfactory levels, a significant portion of the foreign exchange reserved for imports had to go towards meeting our oil import bill. As a result, the share of oil imports rose from 5 per cent of total imports in 1973 to 25 per cent in 1983. As I have pointed out on many occasions, this rise in the share of the oil bill in the total import bill had to be at the expense of other equally vital imports.

13. Given the limited foreign exchange available we had to drastically cut down on the importation of such items as finished consumer goods, especially those for which we had the capacity to produce locally. This exercise was not limited to finished consumer goods only but was extended to the industrial sector. Imports of intermediate inputs, machinery and spares were drastically reduced thereby affecting capacity utilisation in our industrial sector. Capacity utilisation fell from an average of 65 per cent in 1974 to 30 per cent in 1984. In some cases industries recorded capacity utilisation levels below 20 per cent. Low capacity utilisation levels, in turn, resulted into a situation where firms began to experience lower profit margins and, as the situation deteriorated, losses.

14. With the decline in the revenue of the mining sector and lower or zero profit levels of our operating industries the revenue base of the Government was seriously weakened. The Government's budget deficit began to grow and led to Central Bank borrowing while attempting to reduce overall expenditure.

15. The effect of cuts in total imports, lower capacity utilisation levels and reduced Government expenditure was a fall in the standard of living of the people accompanied by growing unemployment.

16. I will now turn to the vexing problem of the country's external debt. As I earlier mentioned, the persistence of a deficit on our overall Balance of Payments was the beginning of our external debt problem which left us with no alternative but to turn to the IMF for balance of payments support and to Commercial Banks and multilateral institutions for short, medium and long term borrowing.

17. During the period 1975 to 1984, Zambia's external payments arrears increased dramatically reaching a total of SDR. 720 million by the end of 1983. At the end of 1984, Zambia's external debt stood at around US\$3.5 billion. In the course of three years since 1984 this debt has risen further and is now estimated at US\$5.1 billion. As I have stated, the growth of the country's balance of payments deficits and the emergence of debt payment arrears compelled us to enter into negotiations with the IMF for balance of payments support. However, the securing of IMF Stand-By Programmes was only possible with the acceptance by the country of IMF conditionality clauses and adjustment measures.

18. Our relationship with the IMF goes back to 1973 when an unconditional Stand-By arrangement was negotiated to cushion the economy against the dislocation of transport routes following the Rhodesian border closure in January, 1973. Since then the country has negotiated five Stand-By Arrangements with the IMF, the last one being in 1986 for a total of SDR 220.8 million. I must hasten to add that not all the Stand-By facilities could be utilised as the country has found it extremely difficult to meet the IMF's inflexible performance criteria.

19. Since 1983 the Party and its Government have undertaken a succession of adjustment programmes worked out in close collaboration with the IMF and the World Bank to restructure the economy.

20. These programmes called for the adoption of specific macro-economic policy measures notably the following:

- (a) imposition of credit ceilings in order to reduce money supply;
- (b) reduction in public expenditure, especially on welfare services and subsidies;
- (c) reduction of the overall Government budget deficit;
- (d) the imposition of ceilings on wage rises;
- (e) the decontrol of prices and interest rates;
- (f) the rescheduling of the repayments of external debt;
- (g) the progressive devaluation of the Kwacha; and
- (h) the auctioning of foreign exchange.

21. I must point out that even as the Party and its Government were negotiating with the IMF and the World Bank on these policy measures there was wide and deep scepticism regarding the possibility of implementing such measures without bringing about wide disruptions in the economy. This scepticism was fuelled by the growing external debt which compelled the

country to commit a significant and growing proportion of its dwindling export earnings to servicing this external debt.

22. The IMF conditionality has meant that the restructuring programme, which was and still is imperative in order to lead the economy to recovery, could only be sustained through recourse to massive external borrowing. Clearly this was going to aggravate the country's external debts even if temporary relief could be obtained from time to time by way of rescheduling agreements with creditors. Rescheduling is itself at a cost. Besides, it merely postpones and increases the debt.

23. Nevertheless, the Party and its Government decided to go ahead with the measures I have already outlined in the hope that the country's economic performance would improve and the drastic fall in the people's standard of living would be arrested.

24. After four years of these experimental programmes per capita income has fallen from the equivalent of US\$630 in 1981 to less than US\$200 in 1987. We have observed, with growing alarm, a situation where escalating unemployment is becoming a permanent feature of our economy. Galloping inflation has set in which has pushed the prices of basic essential commodities beyond the reach of our people especially the low income groups who are in the majority. Cases of malnutrition are on the increase everyday.

25. There has been a sharp rise in the mortality rate, especially among the infant population, because hospitals cannot afford to import the essential drugs and other requisites necessary to support life. We are witnessing a situation where our social fabric is slowly disintegrating thereby sowing seeds of unrest and undermining the peace and unity of the Nation. This situation cannot and will not be allowed to continue. It is patently clear that far from improving our condition, we are not succeeding. Hence, the need for a fresh look.

26. Comrades, what I am saying is that we shall determine our own destiny. To do this we must rely on our own resources both human and material. We must determine for ourselves the direction of our national development and pursue it with conviction, discipline, and total commitment. While appreciating the assistance rendered to us by the international community, we must, nevertheless, discard the "dependency syndrome" which has over the years led us to believe that external financial institutions and donor agencies can solve our problems for us.

27. What I am calling for is a new approach to solving our internal and external economic problems. We must identify the distortions in our past economic planning and management to enable us to map out a more effective method of utilising and managing our resources. We must set for ourselves new and realistic targets and work towards achieving them. We can no longer look beyond ourselves to find solutions. We have to be masters of our own fate but we must remain united for in unity lies our strength.

28. The crisis in which we find ourselves calls for a new kind of development strategy; a strategy which, while ensuring austerity recognises the need to protect the most vulnerable members of our society. It must also be a strategy which actively seeks to promote the development of the depressed sectors and zones of our economy through a system of selective targeting and directing of our scarce resources. The theme of this development strategy must be: *Growth from Our Own Resources*.

29. In order to overcome all these problems which have resulted in the present crisis, it will be necessary not only to reactivate the economy but also to change our consumption pattern, to consume only what we produce while using the scarce foreign exchange to import inputs and machinery for agriculture and industries producing essential goods for export.

30. I now wish to announce the measures which the Party and its Government have decided upon in the New Economic Recovery Programme.

(a) *Limit on External Debt Servicing*

31. With immediate effect the country's debt repayment will be limited to 10 per cent of net export earnings except for new loans which shall be repaid in accordance with their terms. This means that out of our annual export earnings we will deduct the foreign exchange requirements of ZCCM, Zimco, Zambia Airways and fertiliser imports and only 10 per cent of what is left after these deductions will go towards debt repayments.

32. The rest of our foreign exchange will be ploughed into productive ventures in order to reactivate the economy.

33. Our creditors need not be unduly worried as we aim to honour our external debt repayments obligations even though such repayments will be at reduced levels. We are honest people. We shall pay and if our prospects improve, we shall review the percentage of debt service. This is the only way this Nation can survive. In taking this measure I can assure the international community that I have examined all other possible alternatives.

34. I am fully aware that this move will not be welcomed by all our creditors. However, before they condemn us let me put this question to them: Which is a better partner for you in the long run, a nation which devotes all of its resources to paying the debt and, therefore, grinds to an economic and political halt or a stable nation capable of sustaining the repayment of its entire debt?

35. I appeal to the international community to seriously consider this question as they prepare their positions on our new policy initiative.

(b) *Introduction of a Stable and Realistic Exchange Rate of the Kwacha*

36. As regards the exchange rate you are all aware that the system of auctioning foreign exchange was introduced in October, 1985 with the initial aim of dealing with the sharp and continuing deterioration in the country's Balance of Payments. Under this system the market forces were allowed to determine the weekly exchange rate.

37. At the time, it was felt that the auction system would be the most effective method of allocating the country's limited foreign exchange resources.

38. As I have said so many times before, the auction method of allocating foreign exchange has had some very positive sides to it. However, due to problems of supply and demand of foreign exchange the desirable results have not been forthcoming. As a result of lack of foreign exchange, the system has had a devastating effect on the economy as it has proved to be very inflationary prone. Rational pricing as we knew it is now a thing of the past as traders and other economic agents respond to the falling value of the Kwacha by adjusting their prices upwards almost on a weekly basis. The rate of inflation rose from the pre-auction rate of about 21 per cent to approximately 61 per cent in one year (1985 to 1986).

39. Naturally the excessive fluctuations of the Kwacha against the dollar and the economic dislocations such fluctuations have brought about have been a source of great concern to the leadership of the Party and its Government.

40. This state of affairs has also been a source of worry and concern among the business community as it has created an atmosphere of uncertainty thereby rendering effective corporate planning impossible.

41. The Party and its Government has been concerned because the loss of value of the Kwacha is discouraging investment and is, therefore, outrightly counter-productive. Additionally, the inadequacy of foreign exchange to sustain the auctioning system continues to pose a serious problem. To a very large extent the Party and its Government have had to rely on foreign lenders and donors to sustain a domestically run auction system. On the other hand, donations and loans from these sources have been so erratic and politically motivated that unless Zambia relied on her own foreign exchange resources the system is bound to fail. The Party and its Government have, therefore, decided to reverse the negative impact of this system which we tried with such determination, albeit without success. With immediate effect the exchange rate of the Kwacha will be fixed at K8.00 (Eight Kwacha) to 1 (one) US Dollar. The auctioning of foreign exchange is also hereby cancelled. This means that this week's auction is the last.

42. The new mechanism for allocating foreign exchange which will be based on the need to achieve the objectives of our restructuring and diversification effort has already been worked out and will be announced by the Bank of Zambia. We are determined to create an environment which is conducive to investment and in this regard the stability of the exchange rate is vital as it ensures financial stability and helps in the control of inflation.

(c) Interest Rates, Incomes and Prices

43. The question of an environment conducive to investment brings me to the related aspects of interest rates, wages and prices in the economy.

44. The decontrol of prices and interest rates was part of a package of other economic measures and could, therefore, not work in isolation or outside the package.

45. The upward adjustment of interest rates was a measure aimed at stimulating corporate and household savings as well as encouraging the productive and more efficient use of investment resources.

46. The decontrol of prices and the imposition of temporary wage freezes were measures aimed at improving the profitability and viability of operating businesses with the objective of forestalling redundancies and closures of firms. However, in the face of dislocations and uncertainties brought about by other policy measures such as the auctioning of foreign exchange and high interest rates, these two policy instruments have failed to achieve their intended objectives.

47. It has been noted, for example, that the upward adjustment of interest rates has adversely affected production in the economy. This has largely been due to the resultant high cost of bank credit. The worst hit are such high risk but vital sectors as agriculture. In addition, such upward adjustments have failed to stimulate corporate or household savings as such inducement was nullified by the high rate of inflation brought about mainly by the auction system.

48. The inflationary nature of the auction system also affected the operations of business enterprises as the costs of inputs, especially imported ones, escalated thereby threatening profitability and viability of existing enterprises and new investments. In the final analysis the economy has continued to experience high levels of redundancies and business enterprises have protected themselves against the vagaries of the economy by charging high prices that bear little or no relationship to the costs of production. In the face of price decontrols and a hyper-inflation situation, the sluggish growth of wages and real incomes as a result of the policy of wage restraint only led to mounting social and political tensions and a drastic fall in the living standards of our people especially of the low or fixed income categories.

49. In order to redress this situation, therefore, the Party and its Government have decided on the following measures:

- (i) Manufacturers of industrial goods and producers of agricultural commodities will be responsible for recommending the maximum wholesale and retail prices of their products in conjunction with the Prices and Incomes Commission;
- (ii) In the case of imports, other than capital equipment, intermediate inputs and raw materials, the importer and the Prices and Incomes Commission shall recommend the maximum wholesale and retail price;
- (iii) With immediate effect a price freeze shall apply to all products. With the measures which I have announced, it is expected that prices will come down and the Prices and Incomes Commission is instructed to work out new prices of all products with manufacturers and importers in accordance with the policies which I have announced starting with the twelve essential commodities. I want them to work

at full speed so that the Minister of Commerce and Industry can start gazetting new prices by the end of this month;

- (iv) The Party and its Government have re-affirmed their continued support for collective bargaining as a means of determining wages and conditions of service. However, now more than ever before, strict discipline is called for on the part of trade unions. We have worked out a strategy for our economic survival and all citizens must respond with patriotism and a sense of responsibility;
- (v) With immediate effect, lending interest rates are fixed at 15% (fifteen per cent) with a margin of 5 (five) to 20% (twenty per cent) ceiling.

50. The Prices and Incomes Commission will play a very important role in ensuring that these policies succeed. They are the watch-dogs of the Nation in the field of prices and incomes and I am, therefore, directing them to be vigilant. They have statutory powers and they must see to it that they use these powers effectively. The policy on prices should cater for enterprise profitability as well as consumer protection against unscrupulous traders.

(d) 'NO FUNDS INVOLVED' Import Permits

51. The Party and its Government have also decided to review the policy on the issuance of 'NO FUNDS INVOLVED' import permits. These import permits are issued to importers who wish to bring goods into the country without obtaining an allocation of foreign currency from the banking system. They enable a person or organisation with funds abroad to bring any commodity into the country.

52. It has, however, been discovered that a large number of importers use the 'NO FUNDS INVOLVED' permit to import non-essential goods such as luxury motor vehicles, textiles, confectionaries, alcoholic and non-alcoholic drinks and exotic sea foods. They sell these at high prices on the local market to get Kwacha funds which they use to obtain foreign exchange on the black market or auction floor for externalisation. Some use the Kwacha to purchase precious and semi-precious stones or essential commodities such as sugar, mealie meal, cooking oil and petrol, which are then taken out of the country. Outside the country these importers earn foreign monies which they again use to bring in fresh consignments of non-essential goods.

53. In this way the importers provide Zambia with non-essentials while they provide other countries with hard currency, precious stones and commodities classified essential in Zambia. This is not in the best interest of the country.

54. Evidence from the Bank of Zambia shows that from the funds allocated through the auction system, very little is actually allocated to imports of final consumer goods. These imports largely come through the 'NO FUNDS INVOLVED' import permits and the amounts involved are very significant because the goods are selling all over the country, creating unnecessary competition for local industries.

55. The drain of important commodities in exchange for non-essentials and the unnecessary competition brought to our industries justify restrictions on the issue of the 'NO FUNDS INVOLVED' import permits. Therefore, with immediate effect the 'NO FUNDS INVOLVED' import permits shall be restricted to imports of essential consumer goods, inputs and machinery not available in the country.

(e) Restructuring the Economy

56. I now wish to turn to the crucial question of how we shall improve the performance of our economy on the basis of our own restructuring and diversification effort.

57. It is important that we fully comprehend what, in this development strategy, we mean by a restructuring of the economy and what we aim to achieve by it. We aim to improve the productivity of our economy by increasing the capacity utilisation of selected sectors and industries within those sectors. In the short term our priority will be sectors and industries which produce essential or basic needs goods for which there are as yet no domestic substitutes and those that produce exportables.

58. For this restructuring exercise to succeed it will be necessary that imports are restricted to the barest minimum except for strictly essential items, services, raw materials as well as machinery required for increasing capacity utilisation in agriculture and the selected industries.

(f) Diversifying the Economy

59. Coupled with the exercise to restructure the economy is the equally important task of diversification. In our context, diversification entails the development of new bases for exports as well as revenue and employment generation. A vigorous export drive will, therefore, be launched which will centre on the promotion of non-traditional exports as well as the export of manufactured goods as against the export of raw materials.

60. In order to ensure that this important initiative gets off the ground without delay the Party and its Government have decided to establish an Export Import Bank which will commence operations soon. This Bank will be capitalised by the Government to an initial amount of K50 million. I will announce the appointment of the Board of Directors within the next few days. With the establishment of this Bank we will remove the extra burden imposed on exporters of non-traditional commodities who currently have to struggle on their own to find export markets and then worry about the receipt of the foreign exchange they have earned from their initiatives. The creation of this Bank will ensure that those who are producing for the export market will concentrate on increasing the production of exportable goods.

61. In order to avoid duplication of effort, the small scale producers in the various provinces who wish to take up this challenge are encouraged to concentrate on the growing of what is traditionally suited to their areas. In this way substantial quantities of exportable goods will be produced thereby making it economical to mount a massive export drive.

(g) Revolving Fund Facility

62. As an additional measure to support small scale entrepreneurs including those in agriculture and industry, the Party and its Government have decided to establish a Revolving Fund Facility and the Bank of Zambia has been instructed to immediately prepare ground for the creation of this fund. I expect that institutions such as SIDO and the Village Industries Service will take advantage of the creation of this facility to create the necessary infrastructure, especially in rural areas, that will encourage the development of viable small scale and cottage industries as well as agricultural co-operatives and other forms of small scale enterprises. I expect that the Bank of Zambia will get full co-operation from the non-Banking financial Institutions such as Zambia State Insurance Corporation, Zambia National Building Society and the Zambia National Provident Fund.

(h) Revenue Measures

63. In addition to broadening the source of our export receipts it is important that the economy's revenue base is widened. I expect that such a strategy will result in the development of a new and more equitable tax structure that will promote the profitable use of property and discourage rentistic and speculative enterprises. Important in this regard is the development of a tariff system which will discourage capital-and import-intensive methods of production.

(i) Income Support Programmes

64. As a result of recessionary inflation, the rate of unemployment has reached alarming proportions. The Party and its Government must now take urgent and necessary measures to arrest this serious situation. Our first priority must be to mobilise as large a section of our manpower as possible to participate actively in the production of goods and services. In other words, we wish to see a reversal of the trend of the recent past in which the number of people in formal employment has sharply declined. What we now want to see is a steady and consistent growth of the active labour force. In order to bring this about the Party and its Government have worked out the following measures:

(i) The Government shall inject resources into the expansion of public works schemes for temporary employment generation for the unemployed. Projects such as irrigation schemes and temporary income support programmes for the urban and rural unemployed will be initiated. Work will be offered to beneficiaries related to their own living conditions and aimed at increasing the purchasing power of the masses. The masses will be mobilised to work on pavements, sanitation, painting Government houses, rehabilitation of water supply lines, clinics, schools, repairing roads and even planting trees. Most of these projects will be sited in the rural areas;

(ii) The Government shall increase public expenditure on capital projects, particularly investment projects which are low-cost with short-maturities;

(iii) The Government shall establish a realistic wages policy with a minimum living wage. After inflation has been contained, the Prices and Incomes Commission shall come up with a minimum wage on the basis of which annual reviews will be made. The minimum living wage shall ensure that persons in gainful employment are paid enough to satisfy their basic needs and those of their immediate dependants.

65. The channelling of Government funds to projects in rural areas and small towns must be decentralised. I am, therefore, instructing the National Commission for Development Planning and the Ministry of Decentralisation to draw up estimates of funds which can be absorbed by economically productive ventures in each province.

66. In the first instance, these should be projects of short duration, which can show a return on investment within one or two years. This will demonstrate the viability of our new economic strategy. It will also raise the morale of those economically depressed regions and begin to plot a course for their future development.

67. The establishment of a realistic wages policy will be one of the most difficult tasks facing the Nation in the months ahead. Workers in all sectors of the economy have endured great hardships over the past two years and tempers have often become frayed. We need to find a common will among unions, employers and Government to determine a fair basis on which wages can be negotiated. The Prices and Incomes Commission should play its intended role in this regard.

(j) Government's Capacity for Economic Management

68. The success of these measures will depend upon each of us individually as well as collectively but greater responsibility lies on those of us who have a direct role to play as employers, employees, businessmen, public officers and leaders.

69. More responsibility shall devolve upon the Public Service which must implement these measures. However, the Public Service has lost many able officials because of uncompetitive conditions of service but this is being actively considered.

70. Fellow countrymen, Comrades, Brothers and Sisters, this then is the new package of economic measures I have decided to announce to you today and it is my earnest hope that the Nation will rise to the challenges that face it and chart its own path towards economic recovery and sustained growth.

71. Finally, may I now address myself to all our supporters—nations or organisations. Friends, we chose the way of IMF of our own free will. Again of our own free will we have decided to try another way. We did not, I believe, offend anyone when we employed IMF methods. I believe we shall offend no one now when we choose this other way. I do not wish anyone of our supporters—donor country or donor organisation—to think this is a parting

of ways. I ask them, may I appeal to them, to see this as a charting out of another way that we think offers us better chances of a recovery, all this being equal.

72. I, therefore, hope and pray that no one will see in this perfectly normal attempt to break the vicious circle into which we have been thrown by forces completely out of our control, a spirit to confront anyone. With this background it must be clear to all friends that we are going to continue to knock at their doors for support for this programme in the same way as we have done during the past ten years or so.

May God bless and guide the Republic.

Thank you.

PRINTED BY THE GOVERNMENT PRINTER, LUSAKA

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Dry Clerk
No 10



With the compliments of

Fossell
~~Assistant~~
THE PRIVATE SECRETARY

for your file

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TELNO 75
OP 201715Z FEBRUARY 87
AND TO IMMEDIATE WASHINGTON, BONN, TOYKO, THE HAGUE, OTTAWA
AND TO IMMEDIATE UKDEL IMP/IBRD WASHINGTON
INFO PRIORITY BDDSA LILONGWE

FCO TELNO 215: ZAMBIAN ECONOMY

1. MIPT CONTAINS TEXT OF PRIME MINISTER'S REPLY TO PRESIDENT KAUNDA'S LETTER OF 22 JANUARY.
2. IN KEEPING WITH OUR AND OTHER DONORS' DESIRE TO REMAIN IN TOUCH ABOUT OUR RESPONSES TO KAUNDA, ADDRESSEES SHOULD INFORM THEIR HOST GOVERNMENTS THAT OUR REPLY WILL SHORTLY BE HANDED OVER AND DESCRIBE THE GIST OF IT. THEY SHOULD POINT OUT THAT IT FOLLOWS THE BROAD LINES ALREADY DISCUSSED AND SAY THAT WE WOULD WELCOME NEWS OF OTHER DONOR'S REPLIES IN DUE COURSE.
3. FOR LUSAKA: YOU MAY PASS THE TEXT TO STATE HOUSE AT ANY TIME FROM 24 FEBRUARY. ORIGINAL OF REPLY WILL BE IN CLASSIFIED BAG CLOSING 231415Z.

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OF 201715Z FEBRUARY 87
AND TO IMMEDIATE WASHINGTON, BONN, TOKYO, THE HAGUE, OTTAWA
AND TO IMMEDIATE UKDEL IMF/IBRD WASHINGTON
INFO PRIORITY BDDSA LILONGWE

MIPT: ZAMBIAN ECONOMY: PRIME MINISTER'S LETTER

BEGINS

THANK YOU FOR YOUR LETTER OF 22 JANUARY IN WHICH YOU
DESCRIBED ZAMBIA'S EFFORTS TO ACHIEVE ECONOMIC RECOVERY.

I ASSURE YOU THAT WE UNDERSTAND THE ECONOMIC PROBLEMS
WHICH NOW BESET ZAMBIA, AND THE BRITISH GOVERNMENT HAS BEEN
VERY WILLING TO HELP ZAMBIA TO REFORM AND RESTRUCTURE ITS
ECONOMY IN RECENT YEARS. WE HAVE APPLAUDED YOUR DETERMINED
EFFORTS TO LIBERALISE DOMESTIC PRICES, REDUCE THE BUDGET
DEFICIT AND REFORM THE EXCHANGE RATE SYSTEM. IN PARTICULAR
WE HAVE SET, AND WILL CONTINUE TO SET, GREAT STORE BY THE
CLOSE INVOLVEMENT OF THE INTERNATIONAL FINANCIAL INSTITUTIONS
IN THE REFORM OF ZAMBIA'S ECONOMY.

AS YOU KNOW, WE OFFERED TO PROVIDE ADDITIONAL BALANCE OF

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19377 - 1

PAYMENTS ASSISTANCE FOR ZAMBIA WHEN THE CONSULTATIVE GROUP MET
IN DECEMBER, SUBJECT TO AN AGREED RECOVERY PROGRAMME BEING
WORKED OUT BETWEEN YOUR GOVERNMENT AND THE INTERNATIONAL
MONETARY FUND. THIS REMAINS OUR POSITION AND I VERY MUCH HOPE
THAT YOUR GOVERNMENT AND THE FUND WILL BE ABLE TO REACH EARLY
AGREEMENT ON THE RESTORATION OF A FUND PROGRAMME, SO OPENING
THE WAY TO THE RESUMPTION OF OUR OWN BALANCE OF PAYMENTS
SUPPORT.

ENDS

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MAIN

MONETARY

CAPD

SUBJECT CC MASTER
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10 DOWNING STREET

THE PRIME MINISTER

19 February 1987

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T22/87

Jean Kenett,

Thank you for your letter of 22 January in which you described Zambia's efforts to achieve economic recovery.

I assure you that we understand the economic problems which now beset Zambia, and the British Government has been very willing to help Zambia to reform and restructure its economy in recent years. We have applauded your determined efforts to liberalise domestic prices, reduce the budget deficit and reform the exchange rate system. In particular we have set, and will continue to set, great store by the close involvement of the international financial institutions in the reform of Zambia's economy.

As you know, we offered to provide additional balance of payments assistance for Zambia when the Consultative Group met in December, subject to an agreed recovery programme being worked out between your Government and the International Monetary Fund. This remains our position and I very much hope that your Government and the Fund will be able to reach early agreement on the restoration of a Fund Programme, so opening the way to the resumption of our own balance of payments support.

With warm regards,

Yours sincerely
R. Layard

His Excellency Dr. Kenneth Kaunda

PS



Foreign and Commonwealth Office

London SW1A 2AH

18 February 1987

Dear Charles,

Zambia : Letter from President Kaunda
to the Prime Minister

I enclose the original of a letter addressed to the Prime Minister from President Kaunda of Zambia, together with a draft reply. Though dated 22 January, the President's letter was not received in London until 4 February. Kaunda has also written to a number of other donor countries including the US, Canada, Japan, the FRG, the Netherlands and the Scandinavian countries.

The background to the letter is the difficulty Zambia is having in introducing the necessary reforms to enable it to cope with a severe economic crisis. Decisions taken by the Zambians since the President's letter was written will unfortunately make these problems yet more acute and will make it more difficult for the IMF and the IBRD to negotiate with the Zambians a package of new arrangements.

On the other hand there is no doubt that the price rises referred to by the President in his letter are an unavoidable consequence of the remedial measures urged on Zambia by the IMF, and that as a result Kaunda faces a difficult political situation at home. Notwithstanding Kaunda's generally unhelpful attitude over sanctions last year, which he has now significantly moderated, and the most recent economic decisions taken by the Zambians, it would not be in the interests of Britain or the West to stand aside and allow a relatively moderate Front Line State and member of the Commonwealth to sink further into economic and political instability.

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Such a development would have negative consequences not only for Zambia but also throughout the region, where it would be perceived that a high-profile IMF and Western-backed programme to rescue Zambia had failed. At the same time we clearly cannot enter into any additional commitments to Zambia while there is no agreed recovery programme with the IMF.

In the circumstances, the Foreign Secretary considers that the right response would be a short, non-committal reply emphasising the importance of the Zambians coming to an agreement with the international agencies and expressing in general terms our continued willingness to help Zambia. The State Department are recommending a similar reply from President Reagan. The Germans and Dutch have indicated that they are also likely to reply on broadly similar lines. While the Canadian Prime Minister is sympathetic to Kaunda's plight and is reported to have offered unconditional aid of \$15 million over three years, the Canadians feel they can do little more to help plug the financing gap. All have said that they would see advantage in maintaining a united front among donors. We propose therefore, after the Prime Minister has approved the reply to Kaunda, to inform them before its despatch.

Yours ever,

L Parker

(L Parker)
Private Secretary

C D Powell Esq
No 10 Downing St

37 Bae

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

HE President Kaunda of Zambia

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SUBJECT:

.....In Confidence

Thank you for your letter of 22 January in which you described Zambia's efforts to achieve economic recovery.

CAVEAT.....

I assure you that we understand the economic problems which now beset Zambia, and the British Government has been very willing to help Zambia to reform and restructure its economy in recent years. We have applauded your determined efforts to liberalise domestic prices, reduce the budget deficit and reform the exchange rate system. In particular we have set, and will continue to set, great store by the close involvement of the international financial institutions in the reform of Zambia's economy.

As you know, we offered to provide additional balance of payments assistance for Zambia when the Consultative Group met in December, subject to an agreed recovery programme being worked out between your Government and the International Monetary Fund. This remains our position and I very much hope that your Government and the Fund will be able to reach early agreement on the restoration of a Fund programme, so opening the way to the resumption of our own balance of payments support.

CB

Enclosures—flag(s).....



*State House
Lusaka, Republic of Zambia*

22nd January, 1987.

My Dear Prime Minister,

I am writing to express my gratitude, on behalf of the people of Zambia, for the assistance your country continues to render to us in our determined drive to achieve economic recovery. I am also writing separately to international organisations, including the International Monetary Fund, the World Bank and others, to thank them for their assistance as well.

The prolonged and continuing fall in the copper market left us no choice but to embark upon the long process of restructuring our economy. We have, to the very best of our ability, implemented a programme to bring this about. We have done this with a level of determination and courage of which Zambia is justly proud.

We have reorganised our economy by taking such measures as:-

- (a) Decontrol of prices.
- (b) Decontrol of bank interest rates.
- (c) Auctioning of foreign currency.
- (d) Liberalisation of import licensing.

/...

The Rt. Hon. Margaret Thatcher,
Prime Minister,
10 Downing Street,
LONDON.



-2-

- (e) Inducement allowance to expatriate employees.
- (f) Removal of subsidies of basic foodstuffs.
- (g) Review and Amendment of the Investment Act; and many others.

In addition to the many steps already taken, we are in the process of taking further steps to strengthen the effectiveness of our development programme.

Broadly speaking, this programme has been prescribed to us by the World Bank and the IMF and most donor countries. We have accepted the programme and implemented it as completely as possible, not merely because it was a requirement for financial assistance, but also in the expectation, based largely on reassurances from the same outside countries and agencies, that this programme provided a sound basis for a resumption of economic growth.

We have carried out the programme as expeditiously as possible, given that we work under large constraints imposed by our own underdevelopment and by the need to recognise political reality and feasibility. Having tried and gone so far with the prescribed programmes, we have learned the hard way that there is a limit on how far we can go in a short time.

There is at the moment much agony and misery among many of our people. This is seen by many as the result of this programme. I recognise this as an oversimplification, but as long as we are so short of resources in the short run as we implement this long run restructuring programme, it is hardly surprising that the programme itself is seen as the root cause of the present difficulties.

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The removal of the maize subsidy is seen as allowing these reform programmes to impact adversely upon the little food the poorest in our country have. There is danger that too large a price increase in maize meal will increase the already-growing problem among some of our people, especially among our children. This is the last thing the United National Independence Party - a people's party - can afford to allow. My Government will not want to go through the experience of having to reverse its decisions in the face of rioting, looting and death.

We can only do this if our measures of rehabilitation are politically feasible. We are now in the process of finding a way to cut this subsidy drastically by targetting its benefits so as to limit them to the truly most needy. We desperately require support and understanding from friendly countries as we implement this difficult and sensitive part of the programme.

A peaceful, stable political environment cannot be maintained if the programme is seen to be depriving our poorest people of basic human needs. The painful process of adjustment has brought sharp increases in living costs. Since 1980, wages of those in the formal sector have risen some 60 per cent, while prices (reflecting both the 1500 per cent devaluation of our currency and the introduction of economic pricing) have increased more than 350 per cent! This imposes an enormous burden on most ordinary people. It is a devastating reality with which my Government must contend.

These political and social realities limit our ability to move the reforms along as quickly as our friends might wish us to do. In time, given our reform of expenditure, given the slow but continuing expansion of our non-traditional exports, we will, as the reform programme works, find the resources to assist those who are poorest; but this cannot be done overnight.

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My Government is convinced, and I believe there is wide support for our view among other governments and agencies, that Zambia's reform programme can only be successful if the flow of resources to Zambia from the developed world increases substantially, including extraordinary debt relief.

Finding a solution to Zambia's crisis is in the mutual interest of all of us: donor countries, international organisations, commercial banks, to say nothing of the people of Zambia. Aid from donors can often not be effectively used in an environment of extreme foreign exchange shortage. Even the aid monies already provided will go for nought if our programme fails. The reputation of the Bank and the Fund will not be helped if we cannot succeed here in Zambia. Creditors cannot be paid even in the long run if there is no economic recovery in the short run. The people of Zambia may well conclude that their leaders have let them down by following a programme which could not have succeeded in the first place.

The Government of Zambia sincerely wants to meet its obligations. We do not wish to default or take arbitrary measures which would jeopardise our international standing. But we must balance this desire against our obligations to our people and the feasibility of the current programme, unless additional resources are forthcoming to make it viable.

Zambia has been accused of living beyond its means. The fact is that for some time now we have been adjusting our "living" down to the "means" which our own efforts and resources, and those provided by the rest of the world permit. This too cannot be done in an instant; as I have pointed out, our people have in recent times made substantial sacrifices.

Zambia must look to the developed world for even more help. We require additional aid in the form of long-term concessional loans to support

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-5-

projects in areas of highest priority. We also have a continuing need for balance-of-payments support to sustain our foreign exchange auction and to support critical imports such as oil. The foreign exchange auction has led to a more realistic exchange rate and has greatly improved the efficiency of foreign exchange allocation. The effective operation of this auction requires that the supply of foreign exchange supplied to it be sustained at an adequate level.

My Ministers and officials will be discussing these needs with your Government in more detail. We also would be grateful to you, as a member of the I.M.F., for using your influence to help make it possible for that organisation to operate with greater flexibility in terms of Zambia's situation. We believe that the Fund's own prescriptions are in danger of not having the time to work unless, as a country, we are given more room to breathe. We would respectfully remind donors that the I.M.F.'s rules are, in the final analysis, controlled by the same countries as provide such substantial help to us through aid programmes! I believe sincerely that our efforts justify our asking that the "rules" be very flexibly interpreted, at least in the case of a country which is trying desperately as ours to "play by the rules".

After several years of declining real per capita income, we at last see the possibility of the resumption of economic growth. I believe that Zambia has clearly demonstrated its willingness to make sacrifices and to restructure its economy. I am asking your Government, which has helped us in the past, to share further sacrifice with us.

God's blessings.

Yours sincerely,

KD

Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA

SUBJECT CC MASTER
OPS



PRIME MINISTER'S

State House PERSONAL MESSAGE

Lusaka, Republic of Zambia

SERIAL No. T78/87

22nd January, 1987.

My Dear Prime Minister,

I am writing to express my gratitude, on behalf of the people of Zambia, for the assistance your country continues to render to us in our determined drive to achieve economic recovery. I am also writing separately to international organisations, including the International Monetary Fund, the World Bank and others, to thank them for their assistance as well.

The prolonged and continuing fall in the copper market left us no choice but to embark upon the long process of restructuring our economy. We have, to the very best of our ability, implemented a programme to bring this about. We have done this with a level of determination and courage of which Zambia is justly proud.

We have reorganised our economy by taking such measures as:-

- (a) Decontrol of prices.
- (b) Decontrol of bank interest rates.
- (c) Auctioning of foreign currency.
- (d) Liberalisation of import licensing.

/...

The Rt. Hon. Margaret Thatcher,
Prime Minister,
10 Downing Street,
LONDON.



-2-

- (e) Inducement allowance to expatriate employees.
- (f) Removal of subsidies of basic foodstuffs.
- (g) Review and Amendment of the Investment Act; and many others.

In addition to the many steps already taken, we are in the process of taking further steps to strengthen the effectiveness of our development programme.

Broadly speaking, this programme has been prescribed to us by the World Bank and the IMF and most donor countries. We have accepted the programme and implemented it as completely as possible, not merely because it was a requirement for financial assistance, but also in the expectation, based largely on reassurances from the same outside countries and agencies, that this programme provided a sound basis for a resumption of economic growth.

We have carried out the programme as expeditiously as possible, given that we work under large constraints imposed by our own underdevelopment and by the need to recognise political reality and feasibility. Having tried and gone so far with the prescribed programmes, we have learned the hard way that there is a limit on how far we can go in a short time.

There is at the moment much agony and misery among many of our people. This is seen by many as the result of this programme. I recognise this as an oversimplification, but as long as we are so short of resources in the short run as we implement this long run restructuring programme, it is hardly surprising that the programme itself is seen as the root cause of the present difficulties.

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-3-

The removal of the maize subsidy is seen as allowing these reform programmes to impact adversely upon the little food the poorest in our country have. There is danger that too large a price increase in maize meal will increase the already-growing problem among some of our people, especially among our children. This is the last thing the United National Independence Party - a people's party - can afford to allow. My Government will not want to go through the experience of having to reverse its decisions in the face of rioting, looting and death.

We can only do this if our measures of rehabilitation are politically feasible. We are now in the process of finding a way to cut this subsidy drastically by targetting its benefits so as to limit them to the truly most needy. We desperately require support and understanding from friendly countries as we implement this difficult and sensitive part of the programme.

A peaceful, stable political environment cannot be maintained if the programme is seen to be depriving our poorest people of basic human needs. The painful process of adjustment has brought sharp increases in living costs. Since 1980, wages of those in the formal sector have risen some 60 per cent, while prices (reflecting both the 1500 per cent devaluation of our currency and the introduction of economic pricing) have increased more than 350 per cent! This imposes an enormous burden on most ordinary people. It is a devastating reality with which my Government must contend.

These political and social realities limit our ability to move the reforms along as quickly as our friends might wish us to do. In time, given our reform of expenditure, given the slow but continuing expansion of our non-traditional exports, we will, as the reform programme works, find the resources to assist those who are poorest; but this cannot be done overnight.

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My Government is convinced, and I believe there is wide support for our view among other governments and agencies, that Zambia's reform programme can only be successful if the flow of resources to Zambia from the developed world increases substantially, including extraordinary debt relief.

Finding a solution to Zambia's crisis is in the mutual interest of all of us: donor countries, international organisations, commercial banks, to say nothing of the people of Zambia. Aid from donors can often not be effectively used in an environment of extreme foreign exchange shortage. Even the aid monies already provided will go for nought if our programme fails. The reputation of the Bank and the Fund will not be helped if we cannot succeed here in Zambia. Creditors cannot be paid even in the long run if there is no economic recovery in the short run. The people of Zambia may well conclude that their leaders have let them down by following a programme which could not have succeeded in the first place.

The Government of Zambia sincerely wants to meet its obligations. We do not wish to default or take arbitrary measures which would jeopardise our international standing. But we must balance this desire against our obligations to our people and the feasibility of the current programme, unless additional resources are forthcoming to make it viable.

Zambia has been accused of living beyond its means. The fact is that for some time now we have been adjusting our "living" down to the "means" which our own efforts and resources, and those provided by the rest of the world permit. This too cannot be done in an instant; as I have pointed out, our people have in recent times made substantial sacrifices.

Zambia must look to the developed world for even more help. We require additional aid in the form of long-term concessional loans to support

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God's blessings.

Yours sincerely,

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Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA

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OF 111215Z DECEMBER 86

DEATH OF PRESIDENT KAUNDA'S SON: MESSAGES FROM PRIME MINISTER
AND ME

1. PLEASE PASS ON FOLLOWING MESSAGE OF SYMPATHY FROM THE
PRIME MINISTER TO PRESIDENT KAUNDA (ORIGINAL FOLLOWS BY BAG).
2. QUOTE. DEAR KENNETH. AS A PARENT, I CAN IMAGINE THE
TRAGEDY AND SORROW OF LOSING A SON. DENIS AND I SEND YOU AND
YOUR WIFE OUR DEEPEST SYMPATHY AT THIS SAD MOMENT. OUR
PRAYERS AT CHRISTMAS WILL BE WITH YOU AND YOUR FAMILY, AND WE
HOPE THAT THEY WILL HELP TO GIVE YOU STRENGTH AND COURAGE.
YOURS EVER MARGARET. UNQUOTE.
3. PLEASE ALSO PASS THE FOLLOWING MESSAGE FROM ME (ORIGINAL
FOLLOWS BY BAG).
4. QUOTE. DEAR PRESIDENT KAUNDA. I WAS GREATLY SADDENED TO
HEAR THE NEWS THIS MORNING OF THE DEATH OF YOUR SON MASUZYO.
MY WIFE AND I SEND OUR DEEPEST SYMPATHY TO YOU AND MRS KAUNDA
IN YOUR TRAGIC LOSS. YOURS EVER, GEOFFREY. UNQUOTE.

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MR REEVE

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SUBJECT
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OPS



10 DOWNING STREET

Filed on ZAMBIA
Relations May 74

THE PRIME MINISTER

22 December 1986

THE PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T246/86

Dear Kenneth,

As a parent, I can imagine the tragedy and sorrow of losing a son. Denis and I send you and your wife our deepest sympathy at this sad moment. Our prayers at Christmas will be with you and your family, and we hope that they will help to give you strength and courage.

Yours ever

Raymond

His Excellency Dr. Kenneth David Kaunda

df



file to

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

21 November, 1986.

I enclose a copy of a letter from the new Zambian High Commissioner asking to make his call on the Prime Minister. I assume that this is going through normal channels, and should be grateful if he could be contacted as soon as possible about a time.

(C.D. Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

sew



file to

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

21 November, 1986.

Thank you for your letter of 19 November. The Foreign and Commonwealth Office deal with arrangements for courtesy calls on the Prime Minister, but I have urged them to arrange an appointment for you as soon as possible. In the meantime, if there is anything I can possibly do to help you, please let me know.

(C.D. Powell)

His Excellency Mr. W.J. Phiri

okw



OFFICE OF THE HIGH COMMISSIONER FOR THE REPUBLIC OF ZAMBIA

TELEPHONE
01-589 6655
TELEGRAPHIC ADDRESS
ZAMBIANS, LONDON, W.8.

ZAMBIA HOUSE,
2, PALACE GATE,
LONDON, W. 8.

7HCL/PDL/1/2

19th November, 1986

Dear Mr Powell,

As you probably know already, I am the new High Commissioner for the Republic of Zambia in London. I have been here for about two and a half months now. I have already called on the Foreign Secretary and on other senior officials in his office.

I would now very much like to call on the Rt. Hon. Prime Minister to pay my courtesy call. In this regard, I shall be grateful if you can please assist me in securing an appointment for me to call on her.

I leave for the Commonwealth Senior Officials Meeting on the 30th of November, 1986 and return to London via Lusaka, Zambia on the 22nd of December, 1986. In this connection, I shall be grateful if I can hear from you before the date of my departure.

Yours Sincerely
to —

W.J. Phiri

Mr. Charles Powell
Private Secretary to the
Rt. Hon. Prime Minister
No. 10 Downing Street
LONDON SW1

cc. The Vice Marshal
Foreign and Commonwealth Office
LONDON

Subject cc: master

File
CONFIDENTIAL

JAT/BBP
cc PC



10 DOWNING STREET

LONDON SW1A 2AA

13 October 1986

From the Private Secretary

PRESIDENT KAUNDA

As you surmised, the purpose of President Kaunda's telephone call this afternoon was to wish the Prime Minister a happy birthday. This was followed by an amiable exchange about President Kaunda's health (which is apparently good), about the weather in Lusaka (which is wet but that is good news), and about President Kaunda's golf (he played last Saturday for the first time for a long time and did extremely well). The President does not plan any foreign visits for the time being: he wants to spend more time at home and concentrate on important business. A very friendly talk and no mention of any contentious issues.

(C. D. POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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ADVANCE COPIES

13

SOUTHERN AFRICA

PS
PS/MRS CHALKER.
PS/PUS
MR FERGUSSON
SIR J FREELAND
MR JOHNSON
MR O'NEILL
HD/SAFD
HD/CAFD
HD/UND
HD/NEWS DEPT
RESIDENT CLERK

MR CLG MALLABY, CABINET OFFICE

PS/NO 10 DOWNING STREET



15.11.84

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FM LUSAKA

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TELNO 51

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INFO IMMEDIATE CAPE TOWN, PRETORIA, UMNIS NEW YORK, UKREP BRUSSELS
INFO PRIORITY NAIROBI, HARARE, GABORONE, LUANDA, DAF-ES-SALAH
INFO PRIORITY NAIROBI, WASHINGTON, LAGOS, ADDIS ABABA, OTTAWA

EC-FRONT LINE STATES MEETING: LUSAKA 3 - 4 FEBRUARY

1. THE FOLLOWING IS THE TEXT OF THE COMMUNIQUE ISSUED BY THE MINISTERIAL MEETING IN LUSAKA ON 4 FEBRUARY:-

BEGINS

THE FOREIGN MINISTERS OF THE FRONTLINE STATES AND THOSE OF THE MEMBER STATES OF THE EUROPEAN COMMUNITY AS WELL AS A MEMBER OF THE COMMISSION OF THE EUROPEAN COMMUNITIES MET IN LUSAKA, ZAMBIA ON 3RD AND 4TH FEBRUARY, 1986 TO CONSIDER THE SITUATION IN SOUTHERN AFRICA.

2. THE MEETING WAS HELD IN AN ATMOSPHERE OF CORDIALITY AND COMPLETE TRUST AND UNDERSTANDING.

3. THE MINISTERS EXAMINED THE GENERAL SITUATION PREVAILING IN THE SUB-REGION. IN PARTICULAR, THEY REVIEWED RECENT DEVELOPMENTS AND THE CURRENT SITUATION IN SOUTH AFRICA AND DISCUSSED SUCH ISSUES AS THE POLICIES TO BE FOLLOWED VIS-A-VIS SOUTH AFRICA AIMED AT CONTRIBUTING TO THE ABOLITION OF APARTHEID AND THEREBY FACILITATING A PEACEFUL SOLUTION IN SOUTH AFRICA; THE RELATIONS BETWEEN THE REPUBLIC OF SOUTH AFRICA AND OTHER STATES IN THE REGION; AND THE QUESTION OF THE INDEPENDENCE OF NAMIBIA.

4. REGARDING SOUTH AFRICA, THE MINISTERS DEPLORED THE VIOLENCE AND THE PROGRESSIVELY DETERIORATING SITUATION INSIDE THAT COUNTRY RESULTING IN THE CONTINUING LOSS OF LIFE AND DESTRUCTION OF PROPERTY. THEY ATTRIBUTED THIS STATE OF AFFAIRS TO THE EXISTENCE AND ENTRENCHMENT OF THE IMMORAL POLICY OF APARTHEID AND THE REFUSAL BY THE SOUTH AFRICAN GOVERNMENT TO ABOLISH THAT SYSTEM TO PAVE THE WAY FOR NEGOTIATIONS WITH ALL ITS CITIZENS REGARDING THE FUTURE OF THAT COUNTRY.

OF THAT COUNTRY.

5. THE MINISTERS REGARDED SOUTH AFRICA'S POLICY OF APARTHEID AS A VIOLATION OF THE FUNDAMENTAL HUMAN RIGHTS LAID DOWN IN THE UNITED NATIONS CHARTER AND THE UNIVERSAL DECLARATION ON HUMAN RIGHTS. IN THIS REGARD, THEY RE-AFFIRMED THEIR UNQUALIFIED CONDEMNATION OF APARTHEID AND CALLED FOR ITS TOTAL ELIMINATION IN THE INTEREST OF PEACE AND STABILITY IN SOUTHERN AFRICA.

6. IN ORDER TO AMELIORATE THE SITUATION INSIDE SOUTH AFRICA, THE MINISTERS CALLED ON THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA TO DECLARE CATEGORICALLY THAT APARTHEID WILL BE DISMANTLED COMPLETELY; TO END THE STATE OF EMERGENCY; AND TO INITIATE A DIALOGUE WITH THE GENUINE REPRESENTATIVES OF THOSE SOUTH AFRICANS NOW EXCLUDED FROM THE PRESENT GOVERNMENT STRUCTURE ON THE FUTURE OF THAT COUNTRY. AS A NECESSARY STEP, THEY APPEALED TO THE SOUTH AFRICAN GOVERNMENT TO RELEASE UNCONDITIONALLY ALL POLITICAL PRISONERS AND DETAINEES, INCLUDING NELSON MANDELA, TO FACILITATE THE PROCESS OF NEGOTIATIONS. IN THIS REGARD, THEY ALSO URGED THE GOVERNMENT OF SOUTH AFRICA TO LIFT THE BAN ON THE AFRICAN NATIONAL CONGRESS OF SOUTH AFRICA, PAN AFRICANIST CONGRESS OF AZANIA AND OTHER POLITICAL PARTIES SO AS TO CREATE AN ATMOSPHERE CONDUCTIVE TO THE DESIRED POLITICAL DIALOGUE. FURTHERMORE, THE MINISTERS WELCOMED THE CREATION OF A GROUP OF EMINENT PERSONS BY THE RECENT SUMMIT OF THE COMMONWEALTH AIMED AT PROMOTING A DIALOGUE IN SOUTH AFRICA AND URGED THE GOVERNMENT OF SOUTH AFRICA TO CO-OPERATE WITH THE GROUP.

7. CONCERNING THE POLICIES TO BE FOLLOWED VIS-A-VIS THE REPUBLIC OF SOUTH AFRICA AIMED AT CONTRIBUTING TO THE ABOLITION OF APARTHEID, THE MINISTERS CONSIDERED A WIDE RANGE OF OPTIONS. THEY STRESSED THE IMPORTANCE OF CONTINUING INTERNATIONAL PRESSURE ON THE GOVERNMENT OF SOUTH AFRICA TO BRING ABOUT THE ABOLITION OF APARTHEID THROUGH PEACEFUL MEANS, IN THE INTEREST OF PEACE AND STABILITY IN SOUTH AFRICA ITSELF AND IN THE REGION.

8. THEY AGREED THAT THE MEASURES AGAINST SOUTH AFRICA ANNOUNCED BY THE EC, THE COMMONWEALTH, THE NORDIC COUNTRIES, THE UNITED STATES OF AMERICA AND OTHER GOVERNMENTS AND ORGANISATIONS ARE VERY IMPORTANT. IN THE EVENT THAT ALL THESE VARIOUS MEASURES FAIL TO ACHIEVE THE DESIRED RESULTS, THE MINISTERS AGREED THAT FURTHER MEASURES SHOULD BE CONSIDERED.

9. REGARDING RELATIONS BETWEEN THE REPUBLIC OF SOUTH AFRICA AND OTHER SOUTHERN AFRICAN STATES, THEY NOTED THAT THE DISMANTLING OF APARTHEID WOULD SIGNIFICANTLY CONTRIBUTE TO THE PEACEFUL CO-EXISTENCE OF ALL THE STATES IN THE REGION. THE MINISTERS CONDEMNED THE MILITARY ACTS OF AGGRESSION AND DESTABILIZATION PERPETRATED BY SOUTH AFRICA AGAINST THE NEIGHBOURING STATES IN THE REGION. IN THIS CONNECTION THEY DEMANDED THE COMPLETE WITHDRAWAL OF ALL SOUTH AFRICAN TROOPS FROM ANGOLA. THEY DEPLORED THE LOSS OF HUMAN LIFE AND DESTRUCTION OF PROPERTY RESULTING FROM THESE ACTIONS ON THE PART OF SOUTH AFRICA. THEY RECOGNISED THE FACT THAT THESE ACTIONS CANNOT BRING PEACE TO THE REGION; ON THE CONTRARY, THEY ENDANGER THE PEACE AND STABILITY OF THE REGION.

10. THE MINISTERS EQUALLY CONDEMNED SOUTH AFRICA'S POLICY OF DESTABILISATION IN ALL ITS MANIFESTATIONS, INCLUDING THE USE OF ANY DIRECT OR INDIRECT ARMED ACTIONS IN NEIGHBOURING STATES, IN PARTICULAR ANGOLA AND MOZAMBIQUE. IN THIS REGARD THEY AGREED TO DENY PERPETRATORS OF SUCH ACTIONS ANY ASSISTANCE OR SUPPORT.

11. IN RELATION TO NAMIBIA, THE MINISTERS CONDEMNED SOUTH AFRICA'S CONTINUING ILLEGAL OCCUPATION OF THAT INTERNATIONAL TERRITORY AND THE STALEMATE IN EFFORTS AIMED AT SECURING ITS INTERDEPENDENCE WITHIN THE FRAMEWORK OF THE UNITED NATIONS.

TERRITORY AND THE STALEMATE IN EFFORTS AIMED AT SECURING ITS INDEPENDENCE WITHIN THE FRAMEWORK OF THE UNITED NATIONS INDEPENDENCE PLAN FOR NAMIBIA. IN THIS CONNECTION, THEY RE-AFFIRMED THE CENTRALITY AND RELEVANCE OF UNITED NATIONS SECURITY COUNCIL RESOLUTION 435 (1978) WHICH TO-DATE REPRESENTS THE ONLY VALID BASIS FOR A PEACEFUL SOLUTION OF THE QUESTION OF THE INDEPENDENCE OF NAMIBIA. THEY CALLED FOR THE IMPLEMENTATION OF THIS RESOLUTION WITHOUT FURTHER DELAY. IN THIS CONNECTION, THE MINISTERS REJECTED ATTEMPTS TO DELAY NAMIBIA'S INDEPENDENCE BY LINKING IT TO THE WITHDRAWAL OF CUBAN TROOPS FROM ANGOLA.

12. IN THIS CONNECTION, THE MINISTERS CONSIDERED AS NULL AND VOID THE SO-CALLED INTERIM ADMINISTRATION IN NAMIBIA WHICH WAS SET-UP CONTRARY TO RESOLUTION 435, AND APPEALED TO ALL COUNTRIES TO DESIST FROM GIVING IT ANY FORM OF ASSISTANCE.

13. THE MINISTERS RE-AFFIRMED THE COMMITMENT OF THEIR RESPECTIVE COUNTRIES TO WORK TOWARDS THE ABOLITION OF APARTHEID IN SOUTH AFRICA AND TO PROMOTE EFFORTS AIMED AT BRINGING ABOUT INDEPENDENCE FOR NAMIBIA.

14. THE MINISTERS EXPRESSED THEIR THANKS AND APPRECIATION TO THE GOVERNMENT AND THE PEOPLE OF ZAMBIA FOR HOSTING THE MEETING AND FOR THE WARM HOSPITALITY ACCORDED TO THEM DURING THEIR STAY IN LUSAKA.

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10 DOWNING STREET

From the Private Secretary

25 January 1986

ZAMBIA: MESSAGE FROM PRESIDENT KAUNDA TO THE PRIME MINISTER

Thank you for your letter of 24 January reporting President Kaunda's message of gratitude for Britain's help over Zambia's financial difficulties. The Prime Minister would be content for the Foreign Secretary to thank President Kaunda for his message when they meet in Lusaka on 3/4 February.

(C.D. Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office

Sam



Foreign and Commonwealth Office

London SW1A 2AH

24 January 1986

Dear Charles,

Prime Minister
Agreed that the
Foreign Secretary should
reply orally on
your behalf?
CDP

Zambia : Message from President Kaunda
to the Prime Minister

President Kaunda has asked our High Commissioner in Lusaka to convey his gratitude to the Prime Minister for Britain's help, both directly and through our lobbying of other donors, over Zambia's financial difficulties. The Managing Director of the IMF has likewise expressed his appreciation.

At the 17 December IBRD Consultative Group meeting on Zambia we confirmed our pledges of £4m programme aid and £10m in association with the World Bank's Special Joint Facility for Africa. We also pledged a further £8m programme aid, £5m special joint financing, and £1.5m debt refinancing grant. This pledge of nearly thirty million pounds to Zambia played a major part in persuading other bilateral donors to contribute generously. Recent discussions with the IMF indicate their satisfaction with the progress of Zambia's economic reform and that the way is therefore clear for an IMF programme to be implemented. Although austerity and stringent economic management will continue to be necessary, it is hoped that Zambia should soon be able to see some light at the end of the tunnel.

President Kaunda's message is welcome, given that our generally good bilateral relations have been strained recently by our differences over policy towards South Africa.

President Kaunda will not be expecting a formal reply from the Prime Minister. If the Prime Minister agrees the Foreign Secretary will thank President Kaunda for his message when he sees him at the EC/FLS meeting in Lusaka on 3/4 February, and convey her good wishes.

Yours ever,
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
No.10 Downing Street



10 DOWNING STREET

From the Private Secretary

28 October, 1985.

The Prime Minister has asked me to thank you and Mr. Rawlings for your letter, and for sending her a copy of your report on your visit to Zambia. She was very interested to see this.

(C.D. Powell)

Rob Lister, Esq.

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cpc

10 DOWNING STREET

From the Private Secretary

4 April 1985

FCO pressed for
No 10 to say that those
who know the PM
had agreed to send an
emission, and his name.
I did so. M&A 4/4

Dear Colin,

Message from President Kaunda

Thank you for your letter of 3 April about President Kaunda's request that the Prime Minister should send a personal representative to meet him.

The Prime Minister agrees that Mr. Fergusson should be proposed as her personal representative.

Yours sincerely
Charles Powell
Charles Powell

Colin Budd Esq
Foreign and Commonwealth Office

CONFIDENTIAL

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CC PC ①



Foreign and Commonwealth Office

London SW1A 2AH

3 April 1985

Prime Minister

Dear Charles,

Yes not Agree that Mr. Ferguson should be your

Message from President Kaunda

You wrote about this on 28 March. President Kaunda summoned our High Commissioner on 1 April in order to ask him to pass his message to the Prime Minister. Embassy? CD

President Kaunda recalled that the Prime Minister had sent her personal representatives to talk to him on two (unspecified) previous occasions and said that the time had come for a repeat performance. He asked that the Prime Minister should send her own personal representative who should report directly to her. Ideally the Prime Minister and he should meet to talk, but he recognised that this was impossible, and the next best thing would be her own envoy. He was not suggesting a Minister, but someone who worked with her. The subject was Southern Africa. There was a need to exchange ideas very fully. 3/4

President Kaunda has made similar requests to the US and FRG. The former have agreed to send General Walters (US Ambassador-designate to the UN) and Mr Frank Wisner (Deputy Assistant Secretary for African Affairs), who are expected to meet President Kaunda on 10 April.

None of us knows precisely what he wishes to raise. Our High Commissioner considers that he will want to discuss the Namibia/Angola negotiations and the Nkomati process, but that it is the recent violence within South Africa that has prompted his action. Our High Commissioner is not confident that President Kaunda necessarily has a practical plan in mind. Although this uncertainty is not a satisfactory basis for sending an envoy, it would seem right nonetheless to respond positively. President Kaunda has been playing a highly constructive role over both Namibia/Angola and Nkomati, though he has recently begun to show increasing scepticism about Western policies. His continuing support is particularly needed now that both sets of initiatives are going through difficult phases. If he were to adopt a hostile stance either on these issues or over Western links with South Africa, this would be a major additional complication for Western interests in the region. Furthermore, if we rebuffed his approach we would forfeit the considerable credit we have in his eyes, which would sour the atmosphere at the Commonwealth Heads of Government Meeting.

/ ...

CONFIDENTIAL



The Foreign Secretary therefore recommends that the Prime Minister should agree to send a special envoy as soon as possible after Easter. In choosing an emissary, it would be necessary to bear in mind the uncertain prospect of the visit leading to any useful new development. It would seem better to avoid a person whose presence might provoke misleading public speculation. You might consider that it would be appropriate to send a senior FCO official. If so, the Foreign Secretary suggests that this should be Mr Ewen Fergusson.

You may also wish to know that President Kaunda commented to our High Commissioner that he had earlier asked 'one of his personal friends' to convey his invitation to the Prime Minister, but as his friend had the impression that he was 'not acceptable', he, Kaunda, had cancelled that approach. Our High Commissioner made clear that we had been expecting to be contacted and that he had been instructed on 29 March to inform State House that we were still waiting, lest it be thought we were discourteously slow in responding.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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10 DOWNING STREET

From the Private Secretary

28 March 1985

MESSAGE FROM PRESIDENT KAUNDA

Thank you for your letter of 25 March providing briefing to deal with the anticipated message from President Kaunda.

Mr. Rowland has made no move to get in touch with No. 10 to say that he has a message to deliver. The Prime Minister does not think it would be appropriate for us to take the initiative directly to seek him out. She would therefore like President Kaunda informed that there has been no attempt by Mr. Rowland to get in touch. Subsequently, she would have no objection if the Foreign and Commonwealth Office were to contact Mr. Rowland's office to ask whether it is in fact the case that he has a specific message to deliver from President Kaunda and to suggest that, if so, he should take steps to contact No. 10 to arrange an appointment.

JR

(C. D. POWELL)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

25 March 1985

00

CC PC

52

Dear Charles,

Message from President Kaunda

You will recall that President Kaunda telephoned the Prime Minister over the weekend and asked her to receive Mr "Tiny" Rowland of Lonrho, to enable him to deliver a message.

Mr Rowland saw President Kaunda at the end of an African tour during which he also met President Mobutu (in France), President Moi, Mr Garan (leader of one of the southern Sudanese liberation movements) and President Nachel. Mr Rowland has asked us to emphasise that he did not stimulate President Kaunda's telephone call.

President Kaunda's message may deal with one or more of the following topics, about which he is concerned: Zambia's economic situation, Mozambique, South Africa and Namibia. I enclose briefing on each.

Mr Rowland has also been active in Sudan for some years. He may have persuaded President Kaunda to urge the Prime Minister to work for reconciliation between the movements and President Nimeiri. If so, the Prime Minister may wish simply to take note and agree to consider the proposal.

Yours ever,
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

PS John Johnson, High
Commissioner Lusaka 1980-84,
is available to attend - should
you wish him to do so.

ZAMBIA

Points to Make

1. Utmost sympathy with economic problems; have consistently sought to bring Zambia's needs to attention of other donors.
2. Always been helpful in IMF and Paris Club and will continue to be so.
3. Our aid to Zambia in all forms £73.5m 1980-83. Announced £5.5 million programme aid May 1984 in addition to £4.5m agreed in 1983.
4. Zambia now eligible for grants instead of soft loans.

Background

5. Zambia's economic performance characterised by acute shortage of foreign exchange and extensive role of public sector. External sector over-reliant on copper (90% of export earnings). Zambia burdened by chronic level of debt service for which rescheduling will be required into foreseeable future.
6. IMF 21 month SBA for SDR 225m signed July 1984. Recently become inoperative after SDR 80m drawn down. First review of programme end September 1984 required a waiver of criterion relating to external arrears. Other criteria since been breached. Zambia now in arrears on loan repayments to IMF. Probable that discussions with Fund will centre on policy measures for new SBA rather than continuation of present programme. Timescale unknown. IMF support required into medium term but Zambia's high level of charges and repurchases suggests any new facility will provide only minimal net use of fund resources.

7. Zambia visited Paris Club in 1983 and 1984. 1984 agreement, which included a re-rescheduling of 1983 debts, has run into difficulties. Zambia expected to request further rescheduling this year.

8. Lonrho is one of the three leading commercial groups in Zambia; involved in automobiles, mining, farming and general manufacturing.

Central African Department
March 1985

PRIME MINISTER'S MEETING WITH MR "TINY" ROWLAND

MOZAMBIQUE

Points to Make

1. Saw Machel in Moscow 13 March. Very concerned at lack of progress since Nkomati so feels has to pursue military option at present. Showed suspicion of South Africa. We think P W Botha sincere on Nkomati. Hope recent measures (restriction of air space etc) will reassure Machel.
2. West must do all it can to help, including staunching arms flow to Renamo. Hence EC Declaration of 12 February which we have followed up bilaterally in appropriate cases.
3. Aid: £5 million programme grant promised by Mr Rifkind in September 1984 (unfortunately ECGD cover not available).
4. (Defensive): Mozambican Armed Forces (MAF) in very poor condition. We will have two Mozambicans at Sandhurst in 1985 and have encouraged Zimbabweans to take another two. Ready to consider more, but finance a problem.
5. (If necessary) Renamo: A political settlement necessary but Renamo's demands wildly unrealistic. Hence Machel concentrating on military option.

Background

6. Lonrho hope to invest in tourism, agriculture and possibly other projects (eg oil) in Mozambique. Unfortunately ECGD cover is not available, partly because of Mozambique's record of non-payment, partly because of the security situation. ODA have offered to part-finance a feasibility study of an oil-related project.



7. Mr Rowland also had some contact with Renamo last year and tried to bring them and Mozambicans together.

Central African Department
March 1985

SOUTH AFRICA

Points to Make

- (i) Need for reform clear. Some important steps forward this year (P W Botha's 25 January speech; property rights for Blacks in the Cape area; reversal of policy at Crossroads). Important to encourage this process.
- (ii) Must avoid violent collapse or revolution. Not in Western interests.
- (iii) No evidence that selective sanctions will have any impact. Probably opposed by Blacks who know they will suffer as a result. Must avoid right wing backlash.

Background

1. President Kaunda has long predicted a blood bath in South Africa within a very few years. He may regard last week's events as confirming the correctness of his view. He wants urgent action, including economic sanctions by Western powers, to force the South African Government to undertake fundamental reforms. He has consistently called for the immediate and unconditional release of Nelson Mandela.

NAMIBIA

Points to Make

- (i) US-led negotiations *on Cuban withdrawal from Angola* have produced movement. Negotiations involve issue of vital national interest and are best pursued confidentially.
- (ii) Negotiations continue but wrong to expect dramatic developments.
- (iii) In Western interests that Cubans should be withdrawn *from Angola.*
- (iv) Hard to see any viable alternative to present process.

(v) Not opposed to alternative to/modifications of SCR 435. But Namibia settlement must be stable, secure, and internationally recognised. 435 provides only basis for this. Danger that search for alternative will unravel this and leave a vacuum. SWAPO acquiescence essential in any arrangements.

Background

2. US-led negotiations: the Americans are pressing ahead with their negotiations with Angola and South Africa on Cubans. In meetings in Cape Verde and Cape Town in the last 10 days the Americans have put to both sides a "synthesis" proposal designed as a compromise to bridge the gap between the Angolan and South African proposals made last year. The Angolan reaction was, reportedly, reasonably positive, the South African cautious. Further negotiations seem likely even though the Americans are pressing both sides to accept this proposal.

3. Namibia internal: the Multi-Party Conference (MPC), a grouping of Namibia-based political parties (ie excluding SWAPO, as well as some other Namibian political parties) is likely to ask President Botha this week to establish a transitional administration, comprising a National Assembly, a Council of Ministers and a constitutional council, which would take over the present powers of the South African appointed Administrator General. Such arrangements are likely to be viewed with deep suspicion by the international community, lest they represent the beginning of a move by the South Africans towards independence on a basis other than that provided by SCR 435. Contact Group countries have yet to consider the implications of these arrangements, but they are likely to regard them as null and void and to reaffirm their commitment to SCR 435.



4. **Zambian attitudes:** the Americans have told us of rumours of a possible Zambian initiative of some kind, possibly relating to Namibian internal affairs. We have heard nothing of this ourselves but President Kaunda has been active in the past 18 months in efforts to bring together SWAPO and the Namibian internal political parties (not only the MPC but others outside of that grouping). He chaired a conference in Lusaka in May 1984 attended by SWAPO, the MPC and the South African Administrator General. President Kaunda may be willing to contemplate modifications to the independence process laid down by SCR 435 and to encourage SWAPO to accept this.

SOUTHERN AFRICAN DEPARTMENT

March 1985

SUBJECT

CC OPS
MASTER

PRIME MINISTER
PERSONAL MESSAGE
SERIAL No. T 46/85

RESTRICTED

3673 - 1

OO LUSAKA

GRS 150

RESTRICTED

FM PCO 111445Z MAR 85

TO IMMEDIATE LUSAKA

TELEGRAM NUMBER 110 OF 11 MARCH

MY TELNO 105: HEROIN SMUGGLING

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER
TO PRESIDENT KAUNDA.

BEGINS

I WANT TO THANK YOU PERSONALLY FOR AGREEING TO WAIVE THE
IMMUNITY OF MR GODFREY LUBINGA IN YOUR HIGH COMMISSION HERE
FOLLOWING REPORTS THAT HE WAS INVOLVED IN DRUG OFFENCES.
YOUR DECISION, AND THE SPEED WITH WHICH YOU TOOK IT, HAVE
MADE A PROFOUND AND FAVOURABLE IMPRESSION ON THE PEOPLE OF
THIS COUNTRY, TO WHOM DRUG-TRAFFICKING IS AS ABHORRENT AS I
KNOW IT IS TO YOU.

I SEND YOU MY WARM REGARDS AND LOOK FORWARD TO SEEING YOU
AGAIN AT CHOGM LATER IN THE YEAR
ENDS

HOWE

NNNN

DISTRIBUTION

LIMITED

CAPD

PHOTOCL D

PS

PS/MR RIFKIND

PS/MR HENTON

PS/PUS

CHIEF CLERK

MR FERGUSSON

MR JOHNSON

COPIES TO

PS/NO 10 DOWNING ST

PS/HOME SECRETARY

PS/CHANCELLOR EXCHEQUER

1

RESTRICTED

500.

file

CONFIDENTIAL



bc PC

10 DOWNING STREET

From the Private Secretary

11 March 1985

ZAMBIA: HEROIN SMUGGLING

Thank you for your letter of 8 March proposing a personal message from the Prime Minister to President Kaunda about the Zambian Government's decision to waive the diplomatic immunity of a member of the Zambian High Commission charged with drug offences.

The Prime Minister agrees to send a message and has approved the draft enclosed with your letter. I should be grateful if it could be despatched.

I am copying this letter to Hugh Taylor (Home Office) and Rachel Lomax (HM Treasury).

(C.D. Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

CONFIDENTIAL

CFK
①



Foreign and Commonwealth Office

London SW1A 2AH

8 March, 1985

Prime Minister
Agree to
proposed message?
CDD
07/3

Dear Charles,

Yes not

Zambia: Heroin Smuggling

I understand that in Cabinet on 7 March there was praise for President Kaunda's swift and positive response to our request for a waiver of the diplomatic immunity of a member of the Zambian High Commission charged with drug offences.

The Foreign Secretary suggests that the Prime Minister might wish to send President Kaunda a personal letter of thanks. This would be much appreciated by President Kaunda. The decision will have been very much his, and reflects his deep abhorrence of drug trafficking. A message would also allay Zambian hurt feelings over the publicity we gave to our request for a waiver which they interpreted as an attempt to put pressure on them. (Our action was of course made necessary by the intense press interest in the subject).

I attach a draft telegram containing a suggested message, and would be grateful to know if it meets with the Prime Minister's approval.

I am sending copies of this letter to the Private Secretaries to the Home Secretary and the Chancellor of the Exchequer.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

OUT TELEGRAM

		Classification and Caveats RESTRICTED	Precedence/Deskby IMMEDIATE
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ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	RESTRICTED
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO MARCH 85
PRE/ADD	7	TO IMMEDIATE LUSAKA
TEL NO	8	TELEGRAM NUMBER
	9	MY TELNO 105: HEROIN SMUGGLING
	10	1. Please pass the following message from the Prime Minister
	11	to President Kaunda.
	12	BEGINS
	13	I want to thank you personally for agreeing to waive the
	14	immunity of Mr Godfrey Lubinga in your High Commission here
	15	following reports that he was involved in drug offences.
	16	Your decision, and the speed with which you took it, have
	17	made a profound and favourable impression on the people of
	18	this country, to whom drug-trafficking is as abhorrent as I
	19	know it is to you.
	20	I send you my warm regards and look forward to seeing you
	21	again at CHOGM later in the year
///	22	ENDS
//	23	
/	24	HOWE
	25	NNNN

NNNN ends telegram	BLANK	Catchword
File number	Dept Private Office	Distribution
Drafted by (Block capitals) COLIN BUDD		Ltd
Telephone number		CAfd
Authorised for despatch		PD
Comcen reference	Time of despatch	PS
		PS/Mr Rifkind
		PS/Mr Renton
		PS/PUS
		Mr Fergusson
		Chief Clerk
		Mr Johnson
cc: No 10, PS/Home Secretary PS/Chancellor of Exchequer		



Foreign and Commonwealth Office

London SW1A 2AH

21 August, 1984

*sub
21/8*
Dear Jones,Zambia's 20th Anniversary of Independence: 24 October 1984

Zambia will celebrate the 20th Anniversary of Independence on 24 October 1984, and the occasion will be marked with some fanfare. The Foreign Secretary would like to send a special emissary to represent HMG on this occasion, as we did last year when Kenya celebrated its 20th Anniversary. Lord Whitelaw represented the Government on that occasion.

I am therefore writing to ask whether Mr Edwards would be able to represent HMG at the celebrations in Lusaka. The detailed arrangements have not yet been completed, but it is likely that it would mean leaving London on 22 October and returning on the 25th or 26th.

I would be grateful if you could let me know as soon as possible if Mr Edwards would be able to take this on.

I am copying this letter to Charles Powell (No 10) and Richard Hatfield (Cabinet Office).

*Yours Sincerely,
Colin Budd*

(C R Budd)
Private Secretary

C L Jones Esq
Welsh Office

GRS 300

CONFIDENTIAL

CONFIDENTIAL

FM BONN 151515Z MAY 84

TO PRIORITY ODA

TELEGRAM NUMBER MODEV 007 OF 15 MAY

INFO ROUTINE LUSAKA WASHINGTON UKDEL/IBPD WASHINGTON LILONGWE
(FOR DDSA), UKREP BRUSSELS

YOUR TELNO MODEV 4

CONSULTATIVE GROUP ON ZAMBIA

SUMMARY

1. THE GERMANS HOPE TO BE ABLE TO ANNOUNCE A LIMITED AMOUNT OF ADDITIONAL AID FOR ZAMBIA DURING THE MEETING IN PARIS FROM 22 TO 24 MAY.

DETAIL

2. WE SPOKE BRIEFLY TO PREUSS, UNDER-SECRETARY FOR AFRICA IN THE FEDERAL MINISTRY FOR ECONOMIC COOPERATION, ON 11 MAY WHILE THE ZAMBIAN FINANCE MINISTER WAS IN BONN AND FOLLOWED UP WITH CALLS ON HIM AND THE GEOPHICAL DEPARTMENT IN THE AUSWAERTIGES AMT (HERZ) TODAY. WE LEFT SPEAKING NOTES BASED ON PARAGRAPH 2 OF REFTEL. BOTH RECOGNISED THE POLITICAL IMPORTANCE OF ZAMBIA IN SOUTHERN AFRICA, A POINT WHICH PREUSS SAID CROCKER OF THE US STATE DEPARTMENT HAD STRESSED DURING HIS RECENT VISIT HERE.

3. PREUSS SAID THAT MINISTRIES WERE LIKELY TO AGREE ON A SMALL AMOUNT OF ADDITIONAL AID FOR ZAMBIA DRAWN FROM THE RESERVE. THERE WOULD BE NO SCOPE FOR A MAJOR NEW PLEDGE AT THE CONSULTATIVE GROUP MEETING. THE BILATERAL AID PROGRAMME FOR ZAMBIA RAN ON A 2 YEAR CYCLE AND WAS NOT DUE FOR RENEWAL UNTIL 1985. AID COMMITMENTS FOR 1983 AND 1984 UNDER THE CURRENT PROGRAMME TOTALLED DM 28.3 MILLION IN TECHNICAL ASSISTANCE AND DM 50 MILLION IN FINANCE AID. HOWEVER, UNUSED COMMITMENTS AMOUNTED TO BETWEEN DM 30 AND DM 40 MILLION IN TOTAL. ONE POSSIBLE USE FOR THE LION'S SHARE OF THIS WAS FOR THE PROVISION OF SPARE PARTS, AND THE IMPROVEMENT BOTH OF MANAGEMENT AND INFRASTRUCTURE AT THE KAFUE FERTILIZER PLANT; KAUNDA HAD SOUGHT SUPPORT FOR THIS FROM THE GERMAN AID MINISTER, WARNKE, DURING THE SADCC MEETING. THE GERMANS HAD UNDERTAKEN TO CONSIDER AND WERE AWAITING THE JOINT REPORT OF THE WORLD BANK AND KFW, LIKELY TO BE DELAYED UNTIL THE AUTUMN. PREUSS ADDED IN CONFIDENCE THAT HE DOUBTED GERMAN AID WOULD BE FORTHCOMING FOR WHAT WAS A COMMERCIAL PROJECT WITH SCANT PROSPECTS OF PROFITABILITY.

TAYLOR

MONETARY

ODA

CAFD

MRSQUIRE

CONFIDENTIAL

for enquiries dial the number shown in your dialling instructions

British TELECOM for enquiries dial the number shown in your dialling instructions

for enquiries dial the number shown in your dialling instructions

the number shown in your dialling instructions

British TELECOM for enquiries dial the number shown in your dialling instructions

SUBJECT
cc Mates
+ Ops

file with
M

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 189/83

17 NOV 1983/1240
ZCZC CLM3309 ZMA739 TXR617
GBXX CO ZALU 098
LUSAKA TLX (98/95) 17 0850

CFpps

✓ Log: N. Bone (Fro)

then p.a.

AM 15/11

R12/11

T

THE RT. HON. MARGARET THATCHER
PRIME MINISTER OF THE UNITED KINGDOM AND
NORTHERN IRELAND
LONDON SW1

DEAR MARGARET

I THANK YOU VERY MUCH INDEED FOR THE MESSAGE YOU SENT ME
ON MY RE-ELECTION TO THE PRESIDENCY OF THE REPUBLIC OF ZAMBIA.
IT IS CERTAINLY THE POLICY OF THE PRESENT ZAMBIAN GOVERNMENT

COL NIL

TXR617 THATCHER P2/45

TO CONTINUE INCREASING THE CLOSE COOPERATION EXISTING BETWEEN
THE ZAMBIAN AND BRITISH GOVERNMENT FOR MUTUAL ADVANTAGE
GOD WILLING I SHOULD LEAD THE ZAMBIAN DELEGATION TO THE
FORTHCOMING COMMONWEALTH HEADS OF GOVERNMENT MEETING IN NEW DELHI

YOURS SINCERELY,

KENNETH DAVID KAUNDA PRESIDENT OF THE REPUBLIC OF ZAMBIA

Zambia: Aid to Zambia: May 1979

TELEGRAM

TELECOM

TELE

TELECOM

TELEGRAM

TELE

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T.174^A/83

CONFIDENTIAL

Subject

(110)

TOP COPY

29187 - 2

cc. Master ops.

OO LUSAKA

GRS100

CONFIDENTIAL

FM FCO 030951Z NOV 83

TO IMMEDIATE LUSAKA

TELEGRAM NUMBER 203 OF 3 NOVEMBER

1. PLEASE DELIVER THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO PRESIDENT KAUNDA. MESSAGE BEGINS:

DEAR KENNETH, I AM DELIGHTED TO LEARN OF YOUR RE-ELECTION AS PRESIDENT OF THE REPUBLIC OF ZAMBIA. PLEASE ACCEPT MY WARM CONGRATULATIONS. IT IS A GREAT PLEASURE TO ME THAT WE SHALL CONTINUE THE CLOSE CO-OPERATION THAT WE HAVE ENJOYED IN RECENT YEARS.

I LOOK FORWARD TO MEETING YOU AGAIN SOON AT THE COMMONWEALTH HEADS OF GOVERNMENT MEETING IN NEW DELHI.

WITH BEST WISHES. MARGARET THATCHER.

MESSAGE ENDS.

HOWE

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CAD'S

NEWS DEPT

PS

PS/PUS

PS/MR RIPKIND

SIR J LEAHY

MR SQUIRE

<i>JCZ 011/1</i>		
RECEIVED IN REGISTRY NO. 31		
4 NOV 1983		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken
		<i>PAW 4/11</i>



HL

T

10 DOWNING STREET

From the Private Secretary

3 November 1983

Zambian elections

Thank you for your letter of 1 November.

As I told Peter Ricketts this morning, the Prime Minister has agreed that the proposed message from herself to President Kaunda may be despatched.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

R



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Agree message? 1 November 1983

A.S.C. 1/11.

John Dehn

Yes no

Zambian Elections

Presidential and Parliamentary elections were held in Zambia on 27 October. President Kaunda gained an unprecedented 93% of the votes (63% turnout) in the Presidential poll, a 13% increase over his 1978 vote (or about a 5% turnout if the 4% drop in the total vote is taken into account). He has been sworn in for a fifth term of office.

In view of the excellent state of our relations with Zambia at present, particularly following the State Visit, it would seem appropriate for the Prime Minister to send a congratulatory message to the President. This would follow the precedent of 1978. President Kaunda sent the Prime Minister a letter of congratulations on her re-election earlier this year.

/ I enclose a draft telegram to Lusaka, with the text of a message.

Yes
[Signature]

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

File No.
 Department CAFD
 Drafted by
 (Block Capitals)
 Tel. Extn.

OUTWARD
 TELEGRAM

Security Classification CONFIDENTIAL
Precedence IMMEDIATE
DESKBY Z

FOR COMMS. DEPT. USE	Despatched (Date) (Time) Z	POSTBY Z
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PREAMBLE

(Time of Origin) Z (G.M.T.) (Restrictive Prefix)
 (Security Class.) CONFIDENTIAL (Caveat)
 (Codeword) (Privacy marking)
 (Deskby) Z

TO IMMEDIATE LUSAKA Tel. No. of
 (precedence) (post)

AND TO (precedence/post)

AND SAVING TO

REPEATED TO (for info)

SAVING TO (for info)

Distribution:-

- CAFD
- OADs
- News Dept
- PS
- PS/PUS
- PS/Mr Rifkind
- Sir J Leahy
- Mr Squire

[TEXT]

1. Please deliver the following message from the Prime Minister to President Kaunda.

Message begins.

Dear Kenneth,

I am delighted to learn of your re-election as President of the Republic of Zambia. Please accept my warm congratulations, ~~on your resounding majority.~~ It is a great pleasure to me that we shall continue the close co-operation that we have enjoyed in recent years.

I look forward to meeting you again soon at the Commonwealth Heads of Government Meeting in New Delhi.

With best wishes. Margaret Thatcher.

Message Ends.

Copies to:-

DW F F 006

LQY 473/31 (CORRECTED VERSION)

OO FCO DESKBY 310930Z

GR 100

RESTRICTED

FM LUSAKA 310630Z OCT

DESKBY 310930Z

TO IMMEDIATE FCO

TELNO 368 OF 31 OCT

NY TELNO 366: PRESIDENT KAUNDA

1. PRESIDENT KAUNDA GAINED A RESOUNDING MAJORITY OF 93% YES VOTES IN THE PRESIDENTIAL POLL, THE RESULTS OF WHICH WERE DECLARED YESTERDAY, 30 OCTOBER. HE WAS IMMEDIATELY SWORN IN FOR A NEW FIVE YEAR TERM BY THE CHIEF JUSTICE. I RECOMMEND THAT THE PRIME MINISTER SEND A MESSAGE OF CONGRATULATIONS AND SAYING THAT SHE LOOKS FORWARD TO MEETING KAUNDA AGAIN AT THE CHOGM NEXT MONTH.

2. OTHER PRELIMINARY RESULTS OF THE PARLIAMENTARY ELECTION AND COMMENTS WILL FOLLOW.

JOHNSON

NNNN

D 310930Z

IMMEDIATE

ADVANCE COPY

Hd CARD

Hd. PROCEEDINGS

me square

~~NO ID Det.~~

(43)

mt

Zambia
(T254/83)

RESTRICTED

GR 150
RESTRICTED
FM LUSAKA 080805Z MAR
TO IMMEDIATE DELHI
TELNO 2 OF 8 MAR
INFO FCG

PRIME MINISTER'S MESSAGE TO PRESIDENT KAUNDA

1. WE HAVE BEEN ASKED TO CONVEY THE FOLLOWING MESSAGE OF CONDOLENCE FROM THE PRIME MINISTER TO PRESIDENT KAUNDA. GRATEFUL IF YOU WOULD ARRANGE FOR THE MESSAGE TO BE DELIVERED TO HIM AT THE NAM MEETING.

2. TEXT OF MESSAGE (DATED 3 MARCH)

QUOTE DEAR MR PRESIDENT

I HAVE HEARD WITH DEEP REGRET OF THE DEATH THIS MORNING IN THE ROYAL FREE HOSPITAL OF YOUR MINISTER OF HIGHER EDUCATION, MR REMMY CHISUPA. HIS DEATH IS A GREAT LOSS, NOT ONLY TO ZAMBIA BUT TO HIS MANY FRIENDS IN THE UNITED KINGDOM.

MY COLLEAGUES AND I SEND OUR SINCERE CONDOLENCES ON THIS SAD OCCASION AND WOULD BE GRATEFUL IF YOU WOULD CONVEY THEM TO MRS CHISUPA AND HER FAMILY.

YOUR SINCERELY, MARGARET THATCHER UNQUOTE.

JOHNSON

LIMITED
C A F D
PS
PS/MR ONSLOW
SIR J LEAHY
MR SQUIRE

COPIES SENT TO
No. 10 DOWNING STREET

RESTRICTED

7 March 1983

Death of the Zambian Minister of
Higher Education

Thank you for your letter of 3 March.
The Prime Minister has signed a letter to
Dr. Kaunda in the terms which you proposed.
I enclose the signed letter and note that
you will telegraph the text.

AJC

Roger Bone Esq
Foreign and Commonwealth Office

SUBJECT

cc Master
Ops



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T25A183

10 DOWNING STREET

THE PRIME MINISTER

3 March 1983

Dear Mr. President.

I have heard with deep regret of the death this morning in the Royal Free Hospital of your Minister of Higher Education, Mr. Remmy Chisupa. His death is a great loss, not only to Zambia but to his many friends in the United Kingdom.

My colleagues and I send our sincere condolences on this sad occasion and would be grateful if you would convey them to Mrs. Chisupa and her family.

Yours sincerely
Margaret Thatcher

His Excellency Dr. Kenneth D. Kaunda



Foreign and Commonwealth Office

London SW1A 2AH

3 March 1983

Please type letter.

A.S.C. 4/3.

few 2/3.

Death of the Zambian Minister of Higher Education, Mr Remmy
Chisupa

The Zambian Minister of Higher Education, Mr Remmy Chisupa, died of suspected cancer of the liver this morning in the Royal Free Hospital, London. He was 47. He had flown to Britain for treatment on 28 February, accompanied by his wife and doctor.

As the Prime Minister will be meeting President Kaunda during the State Visit from 22 - 25 March, she may wish to send a letter of condolence to the President. We believe it would be greatly appreciated, particularly as Mr Chisupa was a close friend of the President as well as an important member of the Government. I attach a draft letter. We would propose to telegraph the text.

Mr Chisupa was educated at London University where he obtained a degree in chemistry. He was a successful metallurgist in Zambia before being appointed Minister in 1974. He was always very well disposed towards Britain.

Yours sincerely
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

DRAFT: ~~minute~~/letter/teletext/dispatch/note

TYPE: Draft/Exec +

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- ~~Top Secret~~
- ~~Secret~~
- ~~Confidential~~
- ~~Restricted~~
- Unclassified

His Excellency the President of the Republic of Zambia, Doctor Kenneth Kaunda

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

I have heard with deep regret of the death this morning in the Royal Free Hospital of your Minister of Higher Education, Mr Remmy Chisupa. His death is a great loss not only to Zambia but to his many friends in the United Kingdom.

CAVEAT.....

My colleagues and I send our sincere condolences on this sad occasion and would be grateful if you would convey them to Mrs Chisupa and her family.

Enclosures—flag(s).....



Foreign and Commonwealth Office

London SW1A 2AH

9 December, 1982

Dear Tim

DA
9/12

Message from President Kaunda

in box 9/12.

Please find enclosed the original letter from President Kaunda to the Prime Minister expressing shock at the letter bomb explosion at No 10. The Prime Minister's reply was forwarded by diplomatic bag to Lusaka.

Tans en
Ellis

(C P Greenwood)
Assistant Private Secretary

Tim Flesher Esq
Private Secretary
10 Downing Street

SUBJECT

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 23/82



cc FCO
Zambia RM
cc Martin
GSD

10 DOWNING STREET

THE PRIME MINISTER

6 December 1982

Dear Kenneth,

Thank you so much for your kind message about the recent incident in No.10. It was a great shock to all of us and a reminder of how vulnerable we all are to this kind of outrage. I am delighted, however, that the official involved was only slightly injured and has made a full recovery. I will, however, pass on your good wishes to him.

Once again, thank you for your concern.

With every good wish
Yours sincerely
Margaret

His Excellency Dr. Kenneth D. Kaunda,

RM

HL

6 December 1982

As I mentioned to you on Friday, the Prime Minister has received a message (copy attached) from the President of Zambia about the recent incident involving a letter bomb at Downing Street. The Prime Minister proposes to respond as in the attached letter. I should be grateful if you could make arrangements for its transmission to President Kaunda.

Tim Flesher

John Holmes, Esq.,
Foreign and Commonwealth Office.

HL



10 DOWNING STREET

PRIME MINISTER

We have received the attached letter of condolence from Dr Kenneth Kaunda about the letter bomb. Do you agree that we should reply in the following terms? — *as attached*

A handwritten signature, possibly 'D.F.', is written in the center of the page.

3 December, 1982

Subject

sc Master
Ops

PRIME MINISTER'S T 228 C/82
PERSONAL MESSAGE
SERIAL



Prime Minister:

State House
Lusaka, Republic of Zambia

You have
already replied
personally to
Mr Kaunda

1st December, 1982

9/12

My Dear Margaret,

I am terribly shocked to learn that a letter bomb exploded in No. 10 Downing Street yesterday. I want you to know that the Zambian people join the British people in condemning this wanton, cowardly and reckless action.

We sympathise with the person whom the bomb injured and pray for his quick recovery.

Please accept my best wishes for your personal good health and continued prosperity of the British people.

Yours sincerely,

Kaunda

Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA

The Right Honourable Mrs. M. H. Thatcher,
Prime Minister of the United Kingdom of
Great Britain and Northern Ireland,
10 Downing Street,
LONDON.

British TELECOM for enquiries dial the number shown in your dialling instructions

01 DEC 1982/2335
ZCZC CLF0748 LBJ342 ELB1713 ZMA519 TXR719
GBXX CO ZALU 101
LUSAKA (101) 01 1655

SUBJECT
cehalis
+
om

Zambia
PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T228c/82

THE RIGHT HONOURABLE MRS M H THATCHER
PRIME MINISTER OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELELAND
10 DOWNING STREET
LONDON SW1

P.R. has replied.
ADL 2/10

I AM TERRIBLY SHOCKED TO LEARN THAT A LETTER BOMB EXPLODED IN NO
10 DOWNING STREET YESTERDAY I WANT YOU TO KNOW THAT THE ZAMBIAN
PEOPLE JOIN THE

COL 10 10

PAGE2/51 TXR 719

BRITISH PEOPLE IN CONDEMNING THIS WANTON COWARDLY
AND RECKLESS ACTION
WE SYMPATHISE WITH THE PERSON WHOM THE BOMB INJURED AND
PRAY FOR HIS QUICK RECOVERY
PLEASE ACCEPT MY BEST WISHES FOR YOUR PERSONAL GOOD HEALTH AND
CONTINUED PROSPERITY OF THE BRITISH PEOPLE

KENNETH D KAUNDA
PRESIDENT OF THE REPUBLIC OF ZAMBIA

British TELECOM for enquiries dial the number shown in your dialling instructions

13

HIGH COMMISSION FOR THE REPUBLIC OF ZAMBIA

ZAMBIA HOUSE.
7-11 CAVENDISH PLACE.
LONDON.W.I.

Our Ref: ZHCL/1/3

1st December, 1982

The Rt. Hon. Mrs. M.H. Thatcher,
Prime Minister of the United Kingdom
of Great Britain and Northern Ireland,
10 Downing Street,
LONDON

His Excellency the President of the Republic of
Zambia Dr. Kenneth D. Kaunda has sent the following
telex message regarding the letter bomb that exploded
at Number 10 Downing Street on 30th November, 1982:-

" I AM TERRIBLY SHOCKED TO LEARN THAT A LETTER
BOMB EXPLODED IN NO. 10 DOWNING STREET
YESTERDAY. I WANT YOU TO KNOW THAT THE ZAMBIAN
PEOPLE JOIN THE BRITISH PEOPLE IN CONDEMNING
THIS WANTON, COMARDLY AND RECKLESS ACTION.

WE SYMPATHISE WITH THE PERSON WHOM THE BOMB
INJURED AND PRAY FOR HIS QUICK RECOVERY.

PLEASE ACCEPT MY BEST WISHES FOR YOUR PERSONAL
GOOD HEALTH AND CONTINUED PROSPERITY OF THE
BRITISH PEOPLE.

SIGNED : KENNETH D. KAUNDA
PRESIDENT OF THE REPUBLIC
OF ZAMBIA

01/12/82 AM "

The above message was received today 1st December,
1982. Please accept our best wishes.



A.J. Fulilwa
For/HIGH COMMISSIONER

AJF/fkm,

CONFIDENTIAL
FM LUSAKA 230700Z NOV
TO ROUTINE FCO
TELNO 425 OF 23 NOV
AND TREASURY, ODA, BANK OF ENGLAND, DOT, ECGD
INFO WASHINGTON
SAVING UKREP BRUSSELS

ZAMBIA: FINANCIAL PROBLEMS
SUMMARY

1. ZAMBIA'S DEBTS AMOUNT TO OVER US DOLLARS 3 BN, AND AT CURRENT WORLD PRICES, COPPER IS PRODUCED AT A LOSS. AN IMF MISSION HAS BEEN IN LUSAKA TO DISCUSS A STANDBY CREDIT FACILITY. THE COST-CUTTING PROGRAMME IN THE COPPER MINES HAS SATISFIED THE IMF, BUT THE DIFFICULT ISSUES STILL TO BE RESOLVED ARE DEVALUATION, DEBT-RESCHEDULING AND BUDGETARY SAVINGS. WITH AN ELECTION IN PROSPECT THE ZAMBIAN GOVERNMENT ARE HESITATING ABOUT UNPALATABLE MEASURES. THE FOREIGN EXCHANGE CRISIS IS ENDANGERING INDUSTRY, AND AGRICULTURE IS THE ONLY AREA FOR OPTIMISM. A DEAL WITH THE IMF IS IMPERATIVE.

DETAILS

2. AN IMF TEAM LEAVES LUSAKA TODAY AFTER IMPORTANT DISCUSSIONS ON ZAMBIA'S SERIOUS FINANCIAL SITUATION. ZAMBIA'S TOTAL INDEBTEDNESS IS NOW AROUND K 3 BN (ROUGHLY US DOLLARS 3 BN). IN ADDITION THERE IS A COMMERCIAL PAYMENTS PIPELINE OF OVER K 600 M. THE MAIN CAUSE IS THE DEPRESSED PRICE FOR COPPER WHICH ACCOUNTS FOR 95% OF EXPORTS. ZAMBIA HAS BEEN PRODUCING COPPER AT A LOSS FOR ALMOST TWO YEARS.

3. ZAMBIA NEGOTIATED A 3 YEAR EXTENDED FUND FACILITY WITH THE IMF IN 1981. THIS WAS SUSPENDED EARLY IN 1982 WHEN THE PERFORMANCE CRITERIA WERE NOT MET. THE CURRENT TALKS ARE ON A 1 YEAR STANDBY CREDIT FACILITY OF 211 M SDRS. ZAMBIA HAS HAD A GOOD RELATIONSHIP WITH THE IMF AND HOPES THAT AGREEMENT WILL BE REACHED EARLY IN 1983. THE GOVERNOR OF THE BANK OF ZAMBIA (BOZ) TOLD ME LAST WEEK THAT THE DISCUSSIONS HAD GONE VERY SMOOTHLY. THE LEADER OF THE IMF DELEGATION TOLD ME THAT THERE WERE STILL MAJOR PROBLEMS TO BE RESOLVED.

4. FACED WITH A DEBT CRISIS THE MINING COMPANY ZCCM HAS INTRODUCED STRINGENT ECONOMIES WHICH ARE BEGINNING TO BITE. PRODUCTION COSTS ARE BEING BROUGHT UNDER CONTROL, BUT WERE STILL AT AN AVERAGE OF £1013 PER TON FOR SEPTEMBER. ZCCM HOPES TO PUSH UP 1982/83 PRODUCTION TO 620,000 TONS (C/F 580,000 TONS IN 81/82). BUT THERE IS A RISK OF LOWERING MAINTENANCE AND SAFETY STANDARDS. THE IMF IS GENERALLY

SATISFIED WITH THIS PROGRAMME BUT CONSIDERS THAT DEVALUATION WILL BE NEEDED TO RESTORE THE LIQUIDITY OF THE MINING SECTOR.

5. THE LIKELIHOOD OF SOME ADJUSTMENT IN THE EXCHANGE RATE IS TAKEN FOR GRANTED IN BUSINESS CIRCLES AND AMONGST GOVERNMENT FINANCIAL OFFICIALS. BUT IT IS A NETTLE WHICH THE POLITICAL ESTABLISHMENT HAS BEEN RELUCTANT TO GRASP. IMF FIGURES SHOW THAT ON PRESENT COSTS AND COPPER PRICES A DEVALUATION OF 30% IS NEEDED. ONLY KAUNDA CAN TAKE A DECISION OF THIS MAGNITUDE AND HE WILL BE PREOCCUPIED WITH THE OAU UNTIL DECEMBER.

6. THE IMF BELIEVES THAT ZAMBIA WILL HAVE TO RESCHEDULE HER NON-COMMERCIAL DEBTS. THE GOVERNMENT IS RELUCTANT TO RESORT TO THIS BECAUSE OF A DESIRE TO MAINTAIN ZAMBIA'S FINANCIAL INTEGRITY. BUT WITH CURRENT DEBTS NOT BEING MET AND A PIPELINE OVER 30 MONTHS LONG THIS IS AN ILLUSION. THE GOVERNOR OF THE BOZ TALKED VAGUELY TO ME ABOUT A LIMITED RE-FINANCING OPERATION BASED ON LONDON. THE PARIS CLUB MAY BE ANATHEMA TO HIM, BUT IT PROVIDES A TRIED FRAMEWORK FOR AN ORDERLY RESCHEDULING. THEN THE ZAMBIANS COULD TACKLE THE LOOMING PROBLEM OF BIG REPAYMENTS DUE IN THE SHORT-TERM TO THE SOVIET UNION, EASTERN EUROPE AND CHINA.

7. ACCORDING TO THE IMF, THE MAIN DIFFICULTY IS THE ZAMBIAN BUDGET DUE IN JANUARY 1983. THE DEFICIT MUST BE CONTROLLED BY UNPALATABLE MEASURES SUCH AS CUTS IN FOOD SUBSIDIES AND THE GOVERNMENT PAYROLL. THE GOVERNMENT IS PLANNING SUCH MEASURES AND, INDEED, MAIZE PRICES HAVE ALREADY GONE UP STEEPLY IN 1982. BUT, IN AN ELECTION YEAR THEY WILL NOT WISH TO GO TOO FAR. THEY CANNOT AFFORD TO GIVE A MAJOR GRIEVANCE TO THE PREDOMINANTLY BEMBA MINERS ON THE COPPERBELT.

8. THE IMF ARE READY FOR MORE TALKS EITHER HERE OR IN WASHINGTON. BUT THEY HAVE MADE IT CLEAR THAT ZAMBIA MUST DELIVER A SATISFACTORY BUDGET AND AN EXCHANGE RATE ADJUSTMENT BEFORE AGREEMENT CAN BE REACHED. MEANWHILE CRITICAL SHORTAGES OF FOREIGN EXCHANGE BEDEVIL BOTH THE MINES AND THE INDUSTRIAL SECTOR. AT A MEETING WITH BRITISH BUSINESSMEN IN NDOLA EARLIER THIS MONTH I WAS TOLD THAT SOME FACTORIES MAY HAVE TO CLOSE IN THE NEW YEAR IF THERE WAS NO IMPROVEMENT. THE ONLY OPTIMISTIC SECTOR IS AGRICULTURE WHERE FAVOURABLE GOVERNMENT POLICIES AND HIGHER PRICES HAVE BOOSTED PRODUCTION. ZAMBIA DOES NOT REALLY HAVE ANY ALTERNATIVE TO A DEAL WITH THE IMF. AND SUCH A DEAL IS EXPECTED TO OPEN THE DOOR TO A CONSORTIUM LOAN FROM BANKS IN BAHRAIN AND KUWAIT.

FCO PASS TO TREASURY, ODA, BANK OF ENGLAND, DOT AND ECOD
AND SAVING UKREP BRUSSELS.
JOHNSON

MONETARY D
CAFD

REPEATED AS REQUESTED

COPIES TO
BANK OF ENGLAND

2
CONFIDENTIAL

THIS TELEGRAM
WAS NOT
ADVANCED

SUBJECT



Zambia BK

c.f.u

10 DOWNING STREET

THE PRIME MINISTER

16 April 1982

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 76/82

My dear Kenneth,

cc. Master sec
of

Thank you very much for your letter of 26 March. You will now have heard that Denis has unfortunately had to postpone his visit to Zambia. He is writing to you personally about this - with the Falkland Islands crisis so much on our minds here he feels it would be wrong for him to be out of the country at the present time.

It was so kind of you to invite him. I very much hope that it will not be long before both of us see you again.

Yours sincerely,

M

His Excellency Dr. Kenneth D. Kaunda

File copy
DENIS THATCHER, ESQ., M.B.E.

Zimbabwe

10 DOWNING STREET

cc: FCO

15 April 1982

Dear Mr. President.

You have by now received the cable advising you that I have cancelled my trip to Southern Africa. You will readily understand that with the enormous burden Margaret is now carrying I would not and could not leave her. The Falkland Islands situation is a very major preoccupation for us all.

I am extremely grateful to you for your kind invitation and much disappointed not to be able to come and see you, for I have nothing but happy memories of my last visit to Zambia and your charming company when we were in Melbourne. Perhaps there will be another opportunity to see you in the not too distant future.

With many thanks again for your invitation, and all good wishes,

Yours sincerely
Denis Thatcher

His Excellency Dr. Kenneth D. Kaunda.



10 DOWNING STREET

Re. type for
Mr. Thatcher's sig'
MS.
John

Mr Thatcher asks if

you will see this

- if its OK perhaps

GR wd type Mr Thatcher

with top stail.

M.

M.
slightly amended. Cf. be typed
on, 3 stail.

M.F.C.

You have by now received the cable advising you that I have cancelled my trip to Southern Africa. You will readily understand that with the enormous burden Margaret is now carrying I would not and could not leave her. *The Fullland Islands situation is a very major preoccupation for us all.*

I am ^{extremely} grateful to you for your kind invitation and much disappointed not to be able to come and see you, for I have nothing but happy memories of my last visit to Zambia and your charming company when we were in Melbourne. Perhaps there will be another opportunity to see you in the not too distant future.

With many thanks again for your invitation, and all good wishes,

H.E. The President of the Republic of Zambia
State House
Lusaka
The Republic of Zambia

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

14 April 1982

Dear John,

M 14
H.A.

Mr Thatcher's visit to Zambia

/ I enclose a letter from President Kaunda to the
Prime Minister. We do not know what it contains, but
assume that it is the letter referred to in Lusaka
telegram no 113 in which the President invited
/ Mr Thatcher to let him know the dates when he would be
in Zambia. A copy of the telegram is attached for ease
of reference.

Yours ever,

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing St



Zambia ds

10 DOWNING STREET

From the Private Secretary

14 April 1982

Visit of Mr. Denis Thatcher to Southern Africa

Would you please refer to my letter of 8 April. Mr. Thatcher has now decided that in the light of the Falkland Islands situation it would not be appropriate for him to visit Southern Africa at this time.

I should be grateful if you could arrange for an immediate telegram in the following terms to be sent to the High Commission in Lusaka:

"Mr. Denis Thatcher has decided that, in the light of the Falkland Islands situation, it would not be appropriate for him to leave London at this time.

Grateful if you would inform the Ministry of Foreign Affairs of his decision, ask that his regrets be conveyed at once to President Kaunda and say that Mr. Thatcher is writing personally to the President. He much regrets any inconvenience that may have been caused".

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.



ds

c Mr. Ingham
Miss Stephens.

10 DOWNING STREET

From the Private Secretary

8 April 1982

BF

Visit of Mr. Denis Thatcher to Southern Africa

Lusaka telegram number 113 contained a message from President Kaunda inviting Mr. Thatcher to let him know the exact dates when he would be in Zambia.

Mr. Thatcher's itinerary is as follows:

- 18 April : Arrive Johannesburg
- 25 April : Arrive Zimbabwe
- 29 April : Depart Salisbury 1105
Arrive Lusaka 1155
- 2 May : Depart Lusaka 1515
Arrive Johannesburg 1715

4 || I should be grateful if you could arrange for Lusaka to be informed of the dates when Mr. Thatcher proposes to be in Zambia. Perhaps you would let me have confirmation as soon as possible that these dates are acceptable to President Kaunda.

2 || Mr. Thatcher would be most grateful for some oral briefing before he leaves. His particular wish is to obtain a broad picture of our aid programmes in Zimbabwe and Zambia. But it would no doubt be helpful to him if some political briefing could be provided as well. He is free all day on Wednesday 14 April. Would it be possible for a small meeting to be convened in the FCO, with ODA representatives present, on that day?

3 || There may be some interest on the part of the media in Mr. Thatcher's visit to Southern Africa. It would be helpful to have your advice on the line we should take.

A. J. COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office.

4

MR. THATCHER

John Coles tells me that you would like an oral briefing meeting prior to your visit to Zimbabwe and Zambia. Can you let me know which days between now and your departure would be convenient?

— or rather not convenient!

C.S.

6 April 1982

*I am FREE all day on
WED. 14 April*

MR. THATCHER

Mr. Coles.

Di. will be
doing 'B'.
Shall I ask
A.C. to set
up briefing
meeting?

Flights

John Coles asked me to look up flights for the evening of Wednesday 28 April from Salisbury to Lusaka and the evening of 1 May from Lusaka to Johannesburg. These are as follows:

Cl.
8/4

A

Wednesday 28 April

Depart Salisbury 1830 Flight QZ605
Arrive Lusaka 1920

Saturday 1 May

Depart Lusaka 0945
Arrive Johannesburg 1615

You have to change at Blantyre. You fly Zambian airlines from Lusaka to Blantyre and South African airlines from Blantyre to Johannesburg.

But I see from your note that you wish to arrive in Zambia on 29 April and leave on 2 May. If this is so the flights are as follows:

B

Thursday 29 April

Depart Salisbury 1105
Arrive Lusaka 1155

Zambia.

Sunday 2 May

Depart Lusaka 1515
Arrive Johannesburg 1715 (South African airlines)

6 April 1982

Cl.

10 Downing Street
Whitehall

18 Apr ARR Johannesburg
SUNDAY

25 Apr. ARR Zimbabwe
SUNDAY

29 Apr. ARR Zambia
THURSDAY

2 May DEP Zambia
SUNDAY

2 May ARR Johannesburg
SUNDAY

SUBJECT



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 52 AB/82

State House
Lusaka, Republic of Zambia

✓ register ok } see tel 113 2/7/82
of

26th March, 1982.

My Dear Margaret,

I was delighted to receive your letter dated 8th March, 1982 in reply to my invitation to Denis to visit Zambia and I am very happy to hear that he will be able to come here at the end of April, albeit for a few days only.

I agree that an exchange of views after his visit to South Africa and Zimbabwe will be very useful indeed and I look forward to seeing him. When his itinerary is finally arranged perhaps you would ask him to let me know the exact dates so that we can work out the details here although, as you say, with such a short stay it will not be possible for him to visit all the places I would have liked him to see but perhaps this can be arranged for another time.

God's blessings.

Yours ever,

Kaunda.

Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA

Rt. Hon. Margaret Thatcher,
Prime Minister of the United Kingdom,
LONDON.



STATE HOUSE
LUSAKA
THE REPUBLIC OF ZAMBIA

26th March, 1982.

My Dear Denis,

I write to say how pleased I was to receive Margaret's letter dated 8th March, 1982, in which she advised me of your pending visit to Africa. I shall be happy to see you at the end of April and look forward to a fruitful exchange of views.

If your officials would be good enough to contact my Principal Private Secretary here at State House, all the necessary arrangements will be made for your visit. I know that with a stay as short as this one, you will not be able to visit other places in Zambia, but hopefully, and God willing, there will be another time when you will be able to do this.

Once again, I look forward to seeing you soon. God's blessings.

Yours sincerely,

Kaunda

Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA

Mr. Denis Thatcher,
10 Downing Street,
LONDON.

Subject

cf Master ops

PRIME MINISTER'S PERSONAL MESSAGE
T 52 AB/82
SERIAL No

GR 198
CONFIDENTIAL
DEDIP
FM LUSAKA 220650Z
TO PRIORITY FCO
TEL NO. 113 OF 2 APRIL 1982.

Prime Minister

You may care to discuss the dates over the weekend and let me know when Mr. Thatcher would like to go.
A.J.C. $\frac{2}{4}$

MESSAGE FOR THE PRIME MINISTER.

1. THE FOLLOWING IS THE TEXT OF A LETTER DATED 26 MARCH (WE RECEIVED IT FROM PROTOCOL SECTION MFA LAST NIGHT) FROM PRESIDENT KAUNDA TO MRS. THATCHER.

QUOTE.

I WAS DELIGHTED TO RECEIVE YOUR LETTER DATED 8TH MARCH, 1982 IN REPLY TO MY INVITATION TO DENIS TO VISIT ZAMBIA AND I AM VERY HAPPY TO HEAR THAT HE WILL BE ABLE TO COME HERE AT THE END OF APRIL, ALBEIT FOR A FEW DAYS ONLY.

I AGREE THAT AN EXCHANGE OF VIEWS AFTER HIS VISITS TO SOUTH AFRICA AND ZIMBABWE WILL BE VERY USEFUL INDEED AND I LOOK FORWARD TO SEEING HIM. WHEN HIS ITINERARY IS FINALLY ARRANGED PERHAPS YOU WOULD ASK HIM TO LET ME KNOW THE EXACT DATES SO THAT WE CAN WORK OUT THE DETAILS HERE ALTHOUGH, AS YOU SAY, WITH SUCH A SHORT STAY IT WILL NOT BE POSSIBLE FOR HIM TO VISIT ALL THE PLACES I WOULD HAVE LIKED HIM TO SEE BUT PERHAPS THIS CAN BE ARRANGED FOR ANOTHER TIME.

UNQUOTE.

2. THE LETTER WILL BE FORWARDED BY TODAY'S BAG.

JOHNSON.

NNNN

Zambia

e

8 March, 1982

MR THATCHER'S VISIT TO
SOUTHERN AFRICA

You wrote to Clive Whitmore on 4 March.

I now enclose a copy of the reply which the Prime Minister has sent to President Kaunda's letter of 15 February. We have asked the Zambian High Commissioner to transmit this. You will note that Mr Thatcher now proposes to include Zimbabwe in his tour.

F N Richards, Esq
Foreign and Commonwealth Office



PM.

10 DOWNING STREET

From the Private Secretary

8 March, 1982

On 22 February you sent me a personal letter for the Prime Minister from His Excellency the President of the Republic of Zambia.

I now enclose a personal reply signed by the Prime Minister. I should be most grateful if you could arrange for this to be transmitted as quickly as possible to President Kaunda.

Mr Q T M Fulilwa

SUBJECT

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 418/82



cc Master file

cc: Feo

10 DOWNING STREET

THE PRIME MINISTER

8 March, 1982

My dear Kenneth

Thank you so much for your letter of 15 February. It is most kind of you to invite Denis to visit Zambia as your personal guest.

He and I have a number of visits planned in the months ahead. How I wish it were possible for us both to come and see you! But I know that my programme will not permit it.

Denis wants to come very much and would have loved to spend time doing all those attractive things you mention in your letter. But his programme is nearly as crowded as mine. One thought occurred to us. During the week beginning 19 April he has to visit factories (of which he is a Director - they are subsidiaries of Burmah Oil) in South Africa. He then plans to visit Salisbury, Zimbabwe, where we have relatives, for two days or so. After that he would love to spend a couple of days with you and have a good talk with you. He could then give me your views, which I should find most valuable, on how things are shaping up in your part of Africa. These would be particularly helpful after he has felt the atmosphere in South Africa and seen Zimbabwe.

I know that this is not quite what you envisaged in your typically generous offer but he really would find it difficult to get away for longer. Would it be at all convenient for him to come towards the end of April to see you? We could fix the precise dates for your convenience.

It was so nice to hear from you.

With every good wish
Yours ever

His Excellency Dr. Kenneth Kaunda

Rangamb RM.

PRIME MINISTER

MR. THATCHER'S VISIT TO SOUTHERN AFRICA

You agreed that our High Commissioner in Lusaka should be consulted. I now attach Foreign Office advice which takes his views into account.

I attach a possible letter for you to send to President Kaunda. Since correspondence with him travels rather slowly (we had better send the reply through his High Commissioner, as that is the channel by which his letter reached you) it would be helpful to insert the likely dates when Mr. Thatcher would be in Zambia. I have not been able to contact Mr. Thatcher today so perhaps the dates could be inserted over the weekend.

When you have signed the letter I shall arrange for it to be sent through the High Commissioner of Zambia.

I shall deal later with the last paragraph of the attached FCO letter.

A. J. C.

5 March 1982



10 DOWNING STREET

THE PRIME MINISTER

Thank you so much for your letter of 15 February. It is ^{most} ~~terribly~~ kind of you to invite Denis to visit Zambia as your personal guest.

He and I have a number of visits planned in the months ahead. How I wish it were possible for us both to come and see you! But I know that my programme will not permit it.

Denis wants to come very much and would have loved to spend time doing all those attractive things you mention in your letter. But his programme is nearly as crowded as mine. One thought occurred to us. During the week beginning 19 April he has to visit factories (of which he is a Director) in South Africa. He then plans to visit Salisbury, Zimbabwe, where we have relatives, for two days or so. After that he would love to spend a couple of days with you and have a good talk with you. He could then give me your views, which I should find most valuable, on how things are shaping up in your part of Africa. I know that this is not quite what you envisaged in your typically generous offer but he really would find it difficult to get away for longer. Would it be at all convenient for him to spend ^{some} ~~and~~ ^{to spend the} ~~and~~ ^{and} April with you?

end of *to see you. We could fix the precise dates for your convenience.*

It was so nice to hear from you.

There would be particularly helpful after he has ~~seen~~ ^{seen} ~~done~~ ^{done} ~~in~~ ⁱⁿ S. Mwaia or in Zimbabwe.

His Excellency Dr. Kenneth Kaunda

PRIME MINISTER

Zambia

MR. THATCHER'S VISIT TO SOUTHERN AFRICA

You agreed that our High Commissioner in Lusaka should be consulted. I now attach Foreign Office advice which takes his views into account.

I attach a possible letter for you to send to President Kaunda. Since correspondence with him travels rather slowly (we had better send the reply through his High Commissioner, as that is the channel by which his letter reached you) it would be helpful to insert the likely dates when Mr. Thatcher would be in Zambia. I have not been able to contact Mr. Thatcher today so perhaps the dates could be inserted over the weekend.

When you have signed the letter I shall arrange for it to be sent through the High Commissioner of Zambia.

I shall deal later with the last paragraph of the attached FCO letter.

A. J. COLES

5 March 1982



Foreign and Commonwealth Office

London SW1A 2AH

4 March 1982

Dear Clive,

Thank you for your letter of 25 February about President Kaunda's invitation to Mr Thatcher to visit Zambia.

We have consulted our High Commissioner in Lusaka, who confirms our own view that there is almost certainly no ulterior motive behind the invitation. It is an entirely characteristic gesture by the President, who retains fond memories of the visits to Lusaka by The Queen and Prime Minister in 1979. Moreover, Anglo/Zambian relations have improved steadily since the Rhodesian settlement and President Kaunda's invitation should be viewed in this light.

Combining a visit to Zambia with a business trip to South Africa would be a delicate matter, but our High Commissioner does not regard it as insuperable. We would need to make it clear to the President if Mr Thatcher were planning to go to South Africa as well. It would be better presentationally (though not essential) if the Zambia visit were to come first.

We therefore hope Mr Thatcher will feel able to take up President Kaunda's invitation. Not only would it help maintain the momentum of our bilateral relations, he would also have the prospect of an enjoyable holiday; the President is a keen golfer and Victoria Falls and the game parks are well worth visiting.

When the arrangements for Mr Thatcher's visit to South Africa and (if appropriate) Zambia are firm, it would be helpful if you could let us have the details for the information of HM Ambassador in Cape Town and our High Commissioner in Lusaka. They, and we, would also welcome guidance at the appropriate time on how the Prime Minister and Mr Thatcher would like us to respond to questions about the visits and whether Mr Thatcher would like any particular help or support from our posts.

Yours ever,

F N Richard
Private Secretary

C Whitmore Esq
10 Downing St



10 DOWNING STREET

From the Principal Private Secretary

25 February 1982

PERSONAL AND CONFIDENTIAL

Dear John,

I attach a copy of a letter which the Prime Minister has had from President Kaunda of Zambia inviting Mr Thatcher to spend some time in Zambia.

Mrs Thatcher showed this to the Foreign and Commonwealth Secretary when he was here yesterday, and his view was that there was almost certainly no ulterior motive in President Kaunda's approach. His initial reaction, however, was that it would be wise not to take up the invitation since, in a small way, to do so would make Mr Thatcher beholden to President Kaunda. But when the Prime Minister mentioned that Mr Thatcher would probably be visiting South Africa on business in the near future, he said that he saw no objection to him spending a couple of days in Zambia on his way back. He suggested that I should have a word with Sir Leonard Allinson to see what he thought.

I subsequently spoke to Sir Leonard Allinson whose view was essentially the same as Lord Carrington's. He said that in an ideal world somebody in Mr. Thatcher's position would not combine a visit to South Africa with one to Zambia but he did not see this as a serious objection. President Kaunda appeared to be feeling rather isolated at present and it would be a good idea if Mr Thatcher were to respond in a friendly way to the invitation and suggest that he should spend a couple of days in Zambia on his way to or from South Africa. Sir Leonard Allinson said in conclusion, however, that before replying to President Kaunda, it would be sensible to consult our High Commissioner in Lusaka.

I have discussed Sir Leonard Allinson's advice with the Prime Minister and she has agreed that our High Commissioner should be consulted. She is ready, however, for this to be done only if it can be kept wholly private. She is very anxious that President Kaunda should not come to learn that she has sought the High Commissioner's advice.

I should be grateful if you would now obtain the High Commissioner's advice, bearing in mind the Prime Minister's

AA

instructions. Finally, I should add that we have not yet established with Mr Thatcher whether he could fit in a visit to Zambia on his way to or from South Africa.

Yours sincerely,

Steve Whitman.

John Holmes Esq.,
Foreign and Commonwealth Office.

Compassion

1.

PRIME MINISTER

As agreed with the Foreign Secretary this afternoon, I had a word with Sir Leonard Allinson about President Kaunda's invitation to Mr Thatcher to visit Zambia.

Sir Leonard said that there is some slight concern that President Kaunda is going through one of his apparently he believes that there is a conspiracy between the United States and South Africa to remove him in some way. We are, therefore, trying to go out of our way at present to be nice to President Kaunda. In these circumstances it would be a good idea if Mr Thatcher could stay in Zambia for a couple of days on his way back from his business visit to South Africa. Sir Leonard added that in an ideal world somebody in Mr Thatcher's position would not combine a visit to South Africa with one to Zambia but in the circumstances I have described above he did not see this as a serious objection. Before we go any further, however, he suggests that we should consult our High Commissioner in Lusaka on a personal basis about President Kaunda's invitation. May I do this?

AWJ.

Provided it can be kept
wholly private. I should
not like Kll to hear
about it
not

24 February, 1982

Temporarily retained (BWayland, 4/8/16)

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT



10 DOWNING STREET

Prime Minister

I think this is very much a matter
for your personal decision. I can
see no foreign policy reasons why
the invitation should not be
accepted. I suppose it could
lead to some critical articles
in the press.

A. J. C. $\frac{25}{2}$.

23 February, 1982

Thank you for your letter of 22 February enclosing a personal letter to the Prime Minister from His Excellency the President of the Republic of Zambia. The latter has been placed before the Prime Minister.

Mr A J Fulilwa

(Office of the High Commissioner for the
Republic of Zambia)

J
Vo

Of pps
Zambia

RC

h. v. m.



DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

R M J Lyne Esq
Private Secretary
Foreign and Commonwealth Office
LONDON
SW1A 2AR

27 February 1981

Dear Roderic

You sent Don Brereton a copy of your letter of 6 February to Michael Alexander about a letter from President Kaunda to the Prime Minister concerning a pension for Mr Malcolm Clarke.

I attach, as requested, a draft reply and a background note on Mr Clarke's position.

Yours ever
M. J. Lyne

MIKE TULLY
Private Secretary

ENC

MALCOLM GORDON CLARKE BACKGROUND NOTE IN CONFIDENCE

1. Born 27 January 1910 in Lahore. Nothing is known of his life from 1910-1931. 1931-1936 he taught privately in Spain. 1937-1942 he was Vice Principal of a Boys' Secondary School and Teacher Training Institute in Nigeria. July 1942-1947 South African Air Force in World War 2.

2. 1948-1950 he spent completing degrees and teacher training at the University of Witwatersrand. He obtained a BA Honours in 1949 and 1950 respectively in Mathematics. 1951-1956 he was a full time lecturer in the Dept of Mathematics at Witwatersrand and University.

3. 1956-1962 he was Education Officer at Munal Secondary School Lusaka where he was also head of Mathematics. Left Northern Rhodesia because of clashes with the Colonial Government. 1962-1965 he was Senior Lecturer in Education at the University College of Cape Coast, Ghana. In October 1966 he was decorated by Dr Kaunda for his work in Zambia. 1967-1971 he was Professor of Mathematics at the University of Zambia in Lusaka. 1971-1974 he was Director of the Metrication Programme in Zambia. 1974 to date to Spain to retire.

4. These are the brief facts of Clarke's career and life. He is politically by his own definition "on the left". He stated he would never return to Spain while Franco was in power, and clashed with the South African Authorities over apartheid. He states that he has been a prohibited immigrant from South Africa since 1964. His chief claim to fame as he tells it was his involvement in getting the proposed 1961 Constitutional Proposals for Northern Rhodesia (the late Iain Macleod?) dropped.

5. In the early 1970's he had a dispute with the Ministry of Overseas Development over whether he could qualify for a Gratuity/Inducement Allowance for the period that he was working for the Zambian Metrication Board. This was satisfactorily resolved in Clarke's favour a long time ago and as far as the ODM are concerned there is nothing further that they can or need to do for Clarke.

The Prime Minister wrote to you on 11 February about Mr Malcolm Clarke and promised that I would let you know the outcome of our enquiries into his possible entitlement to a retirement pension.

The United Kingdom retirement pension scheme is a contributory one. In order to qualify for a standard rate pension under the scheme, a man normally has to pay national insurance contribution throughout almost all of his working life (which extends from age 16 to age 65). A modified pension may be payable where someone does not fully satisfy this condition but, generally speaking, no pension can be paid where a person has not contributed, or has contributed for less than a quarter of his working life. Mr Clarke has not paid any contributions under the scheme and so does not qualify for a pension. I am afraid there is no way in which a person can be awarded a retirement pension under the scheme where the contribution conditions are not satisfied.

The United Kingdom also has a non-contributory scheme under which a supplementary pension may be provided where a person's resources are insufficient for his needs. This scheme applies only to people living in the United Kingdom. As Mr Clarke has been living in Spain since 1974 he is unable to qualify.

I am sorry that because of these firm rules there appears to be no way in which we can award a UK benefit or pension to Mr Clarke.



OFFICE OF THE HIGH COMMISSIONER FOR THE REPUBLIC OF ZAMBIA

TELEPHONE
01-580 0691
TELEGRAPHIC ADDRESS
ZAMBIANS, LONDON, W.1

ZAMBIA HOUSE,
7-II, CAVENDISH PLACE,
LONDON, W.1.

Our Ref.: ZHCL/1/4

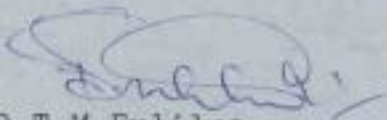
22nd February 1982

The Private Secretary to Prime Minister
10 Downing Street
LONDON SW.1

Dear Sir

Kindly deliver the enclosed letter to the Prime Minister. It is a personal letter from His Excellency the President of the Republic of Zambia.

Yours faithfully


Q T M Fulilwa
for HIGH COMMISSIONER

Enc..

/QTMF

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T298/82



T298/82
STATE HOUSE
LUSAKA
THE REPUBLIC OF ZAMBIA

15th February, 1982.

Dear Margaret,

This is a very personal letter, Margaret, in the sense that it has little to do with Government business. I am writing because I would like to invite your dear husband, Denis, to come and visit Zambia as my personal guest.

The programme I have in mind for him would not include any official business. I believe that when you were last here, he visited our copper mines but I do not think he visited the Victoria Falls and our Game Reserves. Depending on what he himself would tell us he would like to see, I would propose a visit to one of our Game Reserves. If he likes fishing we will take him to Kasaba Bay. This is a combination of game viewing and fishing. If he does not enjoy fishing, then, of course, Mfuwe in Luangwa Valley would be the ideal thing and naturally we would arrange a visit to Livingstone to view the Falls.

As I say, Margaret, Denis would come as my personal guest and I am sure we would find time to play some golf. If he would like to meet some business people, again this would be organised. I have not written to him as yet as I thought I should clear the matter with you before I write to him.

God's blessings.

Yours sincerely,

Kenneth

Right Honourable Mrs. Margaret Thatcher.

SUBJECT



10 DOWNING STREET

MTS 10/2
Zambia
C.FCO
DHS
Master
ops

THE PRIME MINISTER

11 February 1981

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T24/81

Dear Mr. President,

Thank you for writing to me about Mr. Malcolm Clarke.
It was kind of you to take such an interest in his case.
I am sorry to hear of Mr. Clarke's problem and shall ensure
that his case is looked into in the light of your letter.
I shall ask our High Commissioner to let you know the outcome.

Yours sincerely,

MT

His Excellency Dr. Kenneth Kaunda

FCO left it to H/C.
C/F dead.

ops



(3)

10 DOWNING STREET

'Dear Mr President'

(I inadvertently gave you
the wrong advice last night!)



Foreign and Commonwealth Office

London SW1A 2AH

Type for PM's signature

6 February 1981

RMJ

Dear Michael,

Letter from the Zambian President

President Kaunda has taken the somewhat unusual step of writing to the Prime Minister to seek award of a pension or some other form of financial assistance to Mr Malcolm Clarke in recognition of his thirty-seven years of commendable service in African Commonwealth countries. I enclose the President's letter.

Although the Prime Minister does not normally correspond with other Heads of Government about matters of this nature, we would recommend that she should send President Kaunda a brief but friendly interim reply in terms of the attached draft (bearing in mind, in particular, the President's evident wish to warm up his relations with the United Kingdom). We would then arrange for a substantive response, based on information to be supplied by DHSS, to be conveyed by our High Commissioner at Lusaka. This should ensure that the correspondence does not continue at its present elevated level.

I am sending a copy of this letter to Don Brereton (DHSS). Our Central African Department will be in touch separately with DHSS about the details.

Yours ever
R M J Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing St

DSR 11 (Revised)

Zanba

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM:
Prime Minister

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:
President Kaunda

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for writing to me about Mr Malcolm Clarke. It was kind of you to take such an interest in his case. I am sorry to hear of Mr Clarke's problem and shall ensure that his case is looked into in the light of your letter. I shall ask ^{our High Commissioner} ~~Mr John Johnson~~ to let you know the outcome.

Enclosures—flag(s).....

CONFIDENTIAL

GR 340
CONFIDENTIAL

FM LUSAKA 301220Z
TO PRIORITY FCO
TEL NO. 50 OF 30 JANUARY 1981
SAVING TO WASHINGTON, MOSCOW, SALISBURY, PRETORIA.

YOUR TEL NO. 18: MESSAGE FROM PRESIDENT KAUNDA.

1. I CONVEYED THE TEXT OF THE PRIME MINISTER'S REPLY TO PRESIDENT KAUNDA PERSONALLY TODAY. HE READ IT THROUGH AND SAID THAT HE WAS GRATEFUL FOR SUCH A CLEAR EXPOSITION OF THE PRIME MINISTER'S THOUGHTS. HE HOPED THAT THERE WOULD BE A REGULAR EXCHANGE OF VIEWS ON THESE FRANK LINES. ALTHOUGH THE PRIME MINISTER WAS CONSERVATIVE AND HE WAS A SOCIALIST THEY WERE BOTH BELIEVERS AND HAD MUCH IN COMMON. HE HAD VALUED HER FRIENDSHIP SINCE MAY 1979.

2. PRESIDENT KAUNDA SAID THAT HE HAD NOTED WITH PLEASURE MR LUCE'S INTENTION TO VISIT ZAMBIA AFTER I HAD DISCUSSED IT WITH HIS FOREIGN MINISTER IN NOVEMBER. HE HOPED THAT THE VISIT WOULD NOT BE DELAYED BEYOND JUNE. I ALSO MENTIONED THE INVITATION TO A UNIP GROUP TO VISIT THE UK WHICH I RECENTLY BROACHED WITH KAMANGA. PRESIDENT KAUNDA SAID THAT THIS WOULD BE A SIGNIFICANT RENEWAL OF CONTACTS AT PARTY LEVEL WHICH HAD BEEN ALLOWED TO LAPSE FOR TOO LONG; THESE EXCHANGES MUST BE AMPLIFIED.

3. PRESIDENT KAUNDA THEN TURNED TO THE MATTER HE HIMSELF RAISED ABOUT THE CONCERN EXPRESSED BY BRITISH OFFICIALS TO HIS ADVISERS ABOUT ZAMBIAN RELATIONS WITH EASTERN EUROPE. HE HAD APPRECIATED THE OPPORTUNITY TO TALK TO THE PRIME MINISTER ABOUT THIS IN 1979. HE SAID THAT HIS TIME TODAY (BUDGET DAY) WAS TOO LIMITED TO DEAL WITH THIS SUBJECT. HE WOULD ARRANGE FOR A LONGER MEETING SO THAT HE COULD TELL ME ABOUT THE SOVIET ARMS DEAL AND DISCUSS SOUTHERN AFRICAN ISSUES.

4. I WAS PLEASED THAT PRESIDENT KAUNDA WENT OUT OF HIS WAY TO RECEIVE THE MESSAGE SO SOON WHEN HE IS UP TO HIS NECK IN POLITICAL AND ECONOMIC DECISIONS. WE COULD NOT EXPECT MORE THAN

CONFIDENTIAL

/A CURSORY

CONFIDENTIAL

A CURSORY REACTION, BUT HIS PLEASURE AT GETTING A QUICK REPLY AND HIS WARMTH WERE EVIDENT. I SHALL CONTACT PHIRI (SPECIAL ADVISER STATE HOUSE), WHO WAS PRESENT, TO ARRANGE THE SUBSEQUENT MEETING.

FCO PASS SAYING TO WASHINGTON, MOSCOW, SALISBURY, PRETORIA.

JOHNSON.

LIMITED

CAFD

CCD

FGSD

EEED

SAFD

EAD

WAD

FS

PS/LPS

PS/MR LUCE

PS/PUS

MR DAY

SIR L ALLINSON

CABINET OFFICE

[REPEATED AS
REQUESTED]

THIS TELEGRAM
WAS NOT
ADVANCED

COPIES SENT TO
No. 70 DOWNING STREET

2

CONFIDENTIAL

SUBJECT



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 14 B / 81

State House
Lusaka, Republic of Zambia

Mater
07

27th January, 1981.

My Dear Prime Minister,

I am writing to you in order to seek your intervention and assistance in the plight of one, Mr. Malcolm G. Clarke, a British National, who is well-known to me. He served in this country, both before and after our independence, in various capacities mainly in the field of education.

Mr. Clarke, who is 71 years old, has been informed that he does not legally qualify for a British Old Age Pension. Whilst he accepts the legal position, he feels that he deserves some recognition from Her Majesty's Government for his 37 years service in Commonwealth Africa.

He came out to Africa (Nigeria) in 1937 as a missionary teacher and subsequently worked in South Africa (including service in the Royal Air Force during World War I), Ghana and this country. His final tour of service was here in Zambia. He returned to Britain in 1974.

In 1942, while working in Nigeria, Mr. Clarke and his wife were sent to South Africa for leave as this was during the war and submarine activity made it impossible for them to go to Britain. Mr. Clarke feels that it was this fortuitous travel to South Africa, which made him lose his eligibility for an Old Age Pension. Had he and his wife returned to the United Kingdom and remained there until 1947, and possibly later, he would have qualified for an Old Age Pension under the scheme available to all British nationals.

In 1969 Mrs. Clarke had an operation which increasingly rendered her an invalid until her death in 1978; in the process Mr. Clarke's savings were depleted through payment for medical bills leaving him in serious financial difficulties by the time she died. Mr. Clarke has re-married a parson's widow who does not have much either.

/...

The Rt. Hon. Margaret Thatcher,
Prime Minister,
London,
UNITED KINGDOM.



- 2 -

I know that this is a matter for your Government and decisions were made in accordance with the rules that apply. I would, however, request that Mr. Clarke be considered as a needy and worthy case who can be assisted on humanitarian grounds considering that he is and has always been a British subject; that his father was an officer in the British Permanent Force, and that Mr. Clarke's 37 years service in Commonwealth Africa, was highly commendable and a worthwhile contribution to humanity. Mr. Clarke believes, as I do, in Humanism and the welfare of the whole human race. I know that during his active life he conscientiously worked for this wherever he served. It would, therefore, be fitting if one who did so much for his fellow-men was himself assisted on humanitarian grounds. I would be most grateful if he could be considered for some form of payment in recognition of his service as assistance to him in his old age, in view of the circumstances surrounding his case.

I have, therefore, no hesitation in asking your personal intervention in the matter to assist a worthy and humane individual who was a servant not only of the Commonwealth but also of Her Majesty's Government.

I have made this request because I know that you will be concerned and, as usual, use your good offices and authority to resolve the matter favourably.

God's blessings.

Yours sincerely,

KD

Kenneth D. Kaunda
PRESIDENT OF THE REPUBLIC OF ZAMBIA

Written T message
Underneath

CONFIDENTIAL

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Zambon
4114 - 1

T13/81

PP LUSAKA
GRS 895
CONFIDENTIAL
PM FCO 271150Z JAN 81
TO PRIORITY LUSAKA

TELEGRAM NUMBER 19 OF 27 JANUARY
MIPT MESSAGE FROM PRESIDENT KAUNDA

1. FOLLOWING IS TEXT OF PRIME MINISTER'S REPLY:

DEAR KENNETH

I WAS PLEASED TO RECEIVE YOUR LETTER OF 16 DECEMBER ABOUT RELATIONS BETWEEN OUR TWO COUNTRIES. THANK YOU ALSO FOR LETTING ME SEE THE TEXTS OF YOUR LETTER OF 15 FEBRUARY LAST TO PRESIDENT CARTER AND OF YOUR ADDRESS TO THE UNIVERSITY OF HUMBOLDT.

I WHOLEHEARTEDLY SHARE YOUR VIEW OF THE IMPORTANCE OF OUR BILATERAL RELATIONS AND I AM, AS YOU ARE KENNETH, DELIGHTED THAT THESE ARE NOW IN SUCH GOOD ORDER. WE MUST KEEP THEM THAT WAY; AND WITH THAT IN MIND, I UNDERSTAND THAT RICHARD LUCE HOPES TO PAY ANOTHER VISIT TO ZAMBIA IN THE SUMMER.

I AM PARTICULARLY GRATEFUL TO YOU FOR THE TROUBLE YOU HAVE TAKEN TO LET ME HAVE YOUR DETAILED ANALYSIS OF ZAMBIA'S APPROACH TO IMPORTANT INTERNATIONAL ISSUES AND FOR YOUR THOUGHTS ABOUT ZAMBIA'S DEVELOPING RELATIONS WITH THE COUNTRIES OF EASTERN EUROPE.

I FULLY UNDERSTAND AND APPRECIATE YOUR COMMITMENT TO THE PRINCIPLES OF NON-ALIGNMENT AND AM SURE THAT YOUR OWN PERSONAL DEDICATION TO THE PURSUIT OF PEACE REMAINS, AS IT HAS BEEN FOR SO LONG, AN INSPIRATION TO OTHER NON-ALIGNED LEADERS. IT IS THE RIGHT, AND INDEED THE DUTY, OF EVERY INDEPENDENT STATE TO DECIDE WHERE ITS INTERESTS LIE AND HOW THESE CAN BEST BE PROTECTED. WE WOULD IN NO SENSE PRETEND OR WISH TO SEEK TO SELECT ZAMBIA'S FRIENDS FOR HER. HOWEVER, THE FRANKNESS WITH WHICH YOU HAVE WRITTEN, KENNETH, ENCOURAGES ME TO COMMENT MORE FREELY THAN I WOULD OTHERWISE HAVE PRESUMED TO DO ON WHAT YOU HAVE TOLD ME ABOUT YOUR RELATIONS WITH THE RUSSIANS AND THE EAST GERMANS. YOU DIVIDE THE CONDUCT OF INTERNATIONAL RELATIONS INTO FIVE MAIN

1
CONFIDENTIAL

CONFIDENTIAL

4114 - 1

AREAS. IN RECENT YEARS THE SOVIET UNION AND HER EAST EUROPEAN FRIENDS (AND THE CUBANS) HAVE IN THEIR RELATIONS WITH AFRICAN AND OTHER NON-ALIGNED COUNTRIES CONCENTRATED PRIMARILY ON YOUR LAST CATEGORY - VIZ DEFENCE AND SECURITY. IN THEIR DEALINGS WITH DEVELOPING COUNTRIES THEY HAVE IN THE PAST SOMETIMES BECOME INVOLVED IN THOSE AREAS OF GOVERNMENT WHICH DEAL WITH NATIONAL SECURITY, INCLUDING SENSITIVE MILITARY AND INTELLIGENCE MATTERS. AS YOU WILL APPRECIATE, KENNETH, THEY DO NOT HESITATE TO TURN SUCH LIKES TO THEIR OWN ADVANTAGE WHEN IT SUITS THEM. THROUGH THEIR PROGRAMMES OF SOCIAL AND CULTURAL CO-OPERATION, THE RUSSIANS AND THEIR FRIENDS OF COURSE CONSTANTLY SEEK TO INFLUENCE THE SYSTEMS OF GOVERNMENT IN OTHER COUNTRIES AND TO BRING THEM INTO LINE WITH THEIR OWN POLITICAL DOCTRINES. THEY ARE PAST MASTERS AT THIS 'POLITICAL EDUCATION' AND HIGHLY SKILFUL ADVOCATES OF THEIR PARTICULAR POLITICAL AND ECONOMIC PHILOSOPHY.

YOU MENTION THAT THE SOVIET INTERVENTIONS IN CZECHOSLOVAKIA AND ANGOLA ONCE STOOD IN THE WAY OF DEVELOPING YOUR RELATIONS WITH THE SOVIET UNION. I UNDERSTAND THIS. I KNOW THAT YOU WILL ALSO HAVE BEEN VERY CONCERNED ABOUT THE SOVIET INVASION OF AFGHANISTAN - AN INEXCUSABLE VIOLATION OF THE SOVEREIGN RIGHTS AND TERRITORIAL INTEGRITY OF AN INDEPENDENT NON-ALIGNED COUNTRY. AND AS I WRITE WE ARE STILL ANXIOUSLY WATCHING EVENTS IN POLAND IN CASE THE SOVIET UNION IS PREPARING ONCE AGAIN TO USE ITS MILITARY NIGHT TO IMPOSE ITS POLITICAL WILL ON ANOTHER STATE. MY CONCERN IN RESPECT OF CENTRAL AFRICA IS NOT THAT ZAMBIA OR OTHER COUNTRIES SHOULD MAINTAIN RELATIONS WITH THE SOVIET UNION OR HER ASSOCIATES. THAT, AS I HAVE SAID, IS YOUR RIGHT, AND WHOLLY UNDERSTANDABLE. BUT I AM CONFIDENT THAT YOU WILL WISH TO GUARD AGAINST THEIR SEEKING TO CREATE INSTABILITY IN AN AREA WHERE WE HAD ALL SO HOPED THAT THE SETTLEMENT IN ZIMBABWE WOULD BRING PEACE AND ALL THE BENEFITS THAT FLOW FROM THIS. ON THE SECOND OF YOUR CATEGORIES, ECONOMIC RELATIONS, I WOULD COMPARE THE SOVIET UNION'S PERFORMANCE WITH THOSE OF YOUR TRADITIONAL FRIENDS IN THE WEST: IN 1979, FOR EXAMPLE, THE RUSSIANS GAVE JUST 14 MILLION DOLLARS IN ECONOMIC ASSISTANCE TO

2

CONFIDENTIAL

CONFIDENTIAL

4114 - 1

THE COUNTRIES OF SUB-SAHARAN AFRICA - WESTERN COUNTRIES GAVE OVER 6 POINT 5 BILLION DOLLARS. THERE ARE NO SIGNS THAT THE RUSSIANS WILL BE ANY MORE GENEROUS IN THE FUTURE - YOU WILL HAVE NOTICED, FOR EXAMPLE, THEIR FAILURE TO ATTEND THE SOUTHERN AFRICAN DEVELOPMENT CO-ORDINATION CONFERENCE IN MAPUTO IN NOVEMBER. I AM CONVINCED BY SUCH FACTS AND FIGURES THAT THE RUSSIANS TAKE LITTLE GENUINE INTEREST IN AFRICA'S ECONOMIC WELL-BEING. I HAVE WRITTEN FRANKLY, KENNETH, AS YOU WROTE TO ME. THIS IS HOW IT SHOULD BE BETWEEN FRIENDS. I HOPE YOU WILL FIND THESE THOUGHTS HELPFUL IN YOUR DEALINGS WITH THE RUSSIANS AND THEIR FRIENDS. THEY ARE CAPABLE OF MANIPULATING EVENTS TO THEIR OWN ADVANTAGE. I HAVE ASKED MY OFFICIALS TO PREPARE A SHORT PAPER ON THE SOVIET RECORD IN AFRICA AND I WOULD LIKE TO SEND THIS TO YOU WHEN IT IS READY.

SINCE YOU WROTE WE HAVE SUFFERED A DEEP DISAPPOINTMENT OVER THE FAILURE OF THE MEETING IN GENEVA TO REACH AGREEMENT ON A CEASEFIRE IN MARCH LEADING TO THE INDEPENDENCE OF NAMIBIA BY THE END OF 1981. THIS IS A VERY REAL SETBACK AFTER THE EFFORTS OF US ALL - THE FRONT LINE STATES, THE UNITED NATIONS AND THE FIVE WESTERN COUNTRIES - TO MEET THE CONCERNS OF SOUTH AFRICA AND THE INTERNAL PARTIES. WE SHALL NOW REVIEW THE POSITION WITH THE PARTICIPANTS IN THE NEGOTIATIONS, INCLUDING THE NEW US ADMINISTRATION. WE MUST ALL, I AM SURE, TRY TO PRESERVE THE PROGRESS WE HAVE MADE TOWARDS A SETTLEMENT.

WITH WARMEST PERSONAL WISHES AND GREETINGS FOR THE NEW YEAR. I MUCH LOOK FORWARD TO SEEING YOU LATER IN THE YEAR IN MELBOURNE.

CARRINGTON

MNNM
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CAPD WAD
CCD PS
PUSD PS/LPS
RESO PS/MR LUCE
SAPD PS/PUS
RESEARCH MR DAY
EAD SIR I. ALLINSON

CABINET OFFICE

COPIES SENT TO
No. 10 DOWNING STREET

3

CONFIDENTIAL

Subject



MVJ 25/1
Zambia

10 DOWNING STREET

THE PRIME MINISTER

26 January 1981

Dear Kenneth

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T13/81**

I was pleased to receive your letter of 16 December about relations between our two countries. Thank you also for letting me see the texts of your letter of 15 February last to President Carter and of your address to the University of Humboldt.

I wholeheartedly share your view of the importance of our bilateral relations and I am, as you are Kenneth, delighted that these are now in such good order. We must keep them that way: and with that in mind, I understand that Richard Luce hopes to pay another visit to Zambia in the summer.

I am particularly grateful to you for the trouble you have taken to let me have your detailed analysis of Zambia's approach to important international issues and for your thoughts about Zambia's developing relations with the countries of Eastern Europe.

I fully understand and appreciate your commitment to the principles of non-alignment and am sure that your own personal dedication to the pursuit of peace remains, as it has been for so long, an inspiration to other non-aligned leaders. It is the right, and indeed the duty, of every independent state to decide where its interests lie and how these can best be protected. We would in no sense pretend

/or wish

Handwritten initials

or wish to seek to select Zambia's friends for her. However, the frankness with which you have written, Kenneth, encourages me to comment more freely than I would otherwise have presumed to do on what you have told me about your relations with the Russians and the East Germans.

You divide the conduct of international relations into five main areas. In recent years the Soviet Union and her East European friends (and the Cubans) have in their relations with African and other non-aligned countries concentrated primarily on your last category - viz defence and security. In their dealings with developing countries they have in the past sometimes become involved in those areas of government which deal with national security, including sensitive military and intelligence matters. As you will appreciate, Kenneth, they do not hesitate to turn such links to their own advantage when it suits them.

Through their programmes of social and cultural co-operation, the Russians and their friends of course constantly seek to influence the systems of government in other countries and to bring them into line with their own political doctrines. They are past masters at this 'political education' and highly skilful advocates of their particular political and economic philosophy.

You mention that the Soviet interventions in Czechoslovakia and Angola once stood in the way of developing your relations with the Soviet Union. I understand this. I know that you will also have been very concerned about the Soviet invasion of Afghanistan - an inexcusable violation of the sovereign rights and territorial integrity of an independent non-aligned country. And as I write we are still anxiously watching events in Poland in case the Soviet Union is preparing once again to use its military might to impose its political will on another State.

/My concern

My concern in respect of Central Africa is not that Zambia or other countries should maintain relations with the Soviet Union and her associates. That, as I have said, is your right, and wholly understandable. But I am confident that you will wish to guard against their seeking to create instability in an area where we had all so hoped that the settlement in Zimbabwe would bring peace and all the benefits that flow from this.

On the second of your categories, economic relations, I would compare the Soviet Union's performance with those of your traditional friends in the West: in 1979, for example, the Russians gave just \$14 million in economic assistance to the countries of sub-Saharan Africa - Western countries gave over \$6.5 billion. There are no signs that the Russians will be any more generous in the future - you will have noticed, for example, their failure to attend the Southern African Development Co-ordination Conference in Maputo in November. I am convinced by such facts and figures that the Russians take little genuine interest in Africa's economic well-being.

I have written frankly, Kenneth, as you wrote to me. This is how it should be between friends. I hope you will find these thoughts helpful in your dealings with the Russians and their friends. They are capable of manipulating events to their own advantage. I have asked my officials to prepare a short paper on the Soviet record in Africa and I would like to send this to you when it is ready.

Since you wrote we have suffered a deep disappointment over the failure of the meeting in Geneva to reach agreement on a ceasefire in March leading to the independence of Namibia by the end of 1981. This is a very real setback after the efforts of us all - the Front Line States, the United Nations and the five Western countries - to meet the concerns of South Africa and the internal parties. We shall now review the position with the participants in the negotiations, including the new US Administration. We must all, I am sure, try to

/preserve

preserve the progress we have made towards a settlement.

With warmest personal wishes and greetings for the New Year. I much look forward to seeing you later in the year in Melbourne.

signed

MT

His Excellency Dr. Kenneth D. Kaunda

Zambia



Foreign and Commonwealth Office

London SW1A 2AH

22 January 1981

Type for PM's
Signature.

Dear Michael,

Message from President Kaunda
to the Prime Minister

I enclose a revised draft of the reply to President Kaunda's letter of 16 December, which we discussed. Passages amended from the original are side-lined. We would propose to telegraph the Prime Minister's reply to our High Commissioner, with a signed copy to follow.

yours ever
Rodric Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

DRAFT: ~~radio~~/letter/~~teletype~~/~~despatch~~/~~telex~~

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

HE Dr K D Kaunda

Secret

President of the Republic of Zaire

Confidential

Copies to:

Restricted

Unclassified

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I was pleased to receive your letter of 16 December about relations between our two countries, *Thank you also for letting me* and ~~I was particularly interested to~~ see the texts of your letter of 15 February last to President Carter and of your address to the University of Humboldt. ~~Thank you for sending these to me.~~

I wholeheartedly share your view of the importance of our bilateral relations and I am, as you are Kenneth, delighted that these are now in such good order. We must keep them that way: and with that in mind, I understand that Richard Luce hopes to pay another visit to Zambia in the summer.

I am particularly grateful to you for the trouble you have taken to let me have your detailed analysis of Zambia's approach to important international issues and ~~particularly~~ for your thoughts about Zambia's developing relations with the countries of Eastern Europe.

I fully understand and appreciate your commitment to the principles of non-alignment and am sure that your own personal dedication to the pursuit of peace remains, as it has been for so long, an inspiration to other non-aligned leaders. It is the right, ~~as~~

~~10/10/80~~ indeed the
Sincerely,
JF

Enclosures—flag(s).....

every independent state to decide where its interests lie and how these can best be protected. We would in no sense pretend or wish to seek to select Zambia's friends for her. However, the frankness with which you have written, Kenneth, encourages me to comment more freely than I would otherwise have presumed to do on what you have told me about your relations with the Russians and the East Germans.

You divide the conduct of international relations into five main areas. In recent years the Soviet Union and her East European friends (and the Cubans) have in their relations with African and other non-aligned countries concentrated primarily on your last category - viz defence and security. In their dealings with developing countries they have in the past sometimes become involved in those areas of government which deal with national security, including sensitive military and intelligence matters. As you will appreciate, Kenneth, they do not hesitate to turn such links to their own advantage when it suits them.

Through their programmes of social and cultural cooperation, the Russians and their friends of course constantly seek to influence the systems of government in other countries and to bring them into line with their own political doctrines. They are past masters at this 'political education' and highly skilful advocates of their particular political and economic philosophy.

You mention that the Soviet interventions in Czechoslovakia and Angola once stood in the way of developing your relations with the Soviet Union. I understand this. I know that you will also have been very concerned about the Soviet invasion of Afghanistan - an inexcusable violation of the sovereign rights and territorial integrity of an independent non-aligned country. And as I write we are still anxiously watching events in Poland in case

/the

the Soviet Union is preparing once again to use its military might to impose its political will on another State.

My concern in respect of Central Africa is not that Zambia or other countries should maintain relations with the Soviet Union and her associates. That, as I have said, is your right, and wholly understandable. But I am confident that you will wish to guard against their seeking to create instability in an area where we had all so hoped that the settlement in Zimbabwe would bring peace and all the benefits that flow from this.

On the second of your categories, economic relations, I would compare the Soviet Union's performance with those of your traditional friends in the West: in 1979, for example, the Russians gave just \$14 million in economic assistance to the countries of sub-Saharan Africa - Western countries gave over \$6.5 billion. There are no signs that the Russians will be any more generous in the future - you will have noticed, for example, their failure to attend the Southern African Development Coordination Conference in Maputo in November. I am convinced by such facts and figures that the Russians take little genuine interest in Africa's economic well-being.

I have written frankly, Kenneth, as you wrote to me. This is how it should be between friends. I hope you will find these thoughts helpful in your dealings with the Russians and their friends. They are capable of manipulating events to their own advantage. I have asked my officials to prepare a short paper on the Soviet record in Africa and I would like to send this to you when it is ready.

Since you wrote we have suffered a deep disappointment over the failure of the meeting in Geneva to reach agreement on a ceasefire in March leading to the independence of Namibia by the end of 1981. This is

/a

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a very real setback after the efforts of us all - the Front Line States, the United Nations and the five Western countries - to meet the concerns of South Africa and the internal parties. We shall now review the position with the participants in the negotiations, including the new US Administration. We must all, I am sure, try to preserve the progress we have made towards a settlement.

With warmest personal wishes and greetings for the New Year. I much look forward to seeing you later in the year in Melbourne.

CONFIDENTIAL



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Apex attached Draft letter?

13 January 1981

Is it a little too frank? and
 It may anger her - which - 1/1,
 Dear Michael wouldn't help.
 not

MESSAGE FROM PRESIDENT KAUNDA TO THE PRIME MINISTER

Lusaka telno 696 contained the text of a letter from President Kaunda to the Prime Minister (dated 16 December, sent to the High Commission on 30 December) which seeks to explain the developing relations between Zambia and the Soviet Union and the GDR. I now enclose the original of this letter together with:

- (a) a copy of a letter from President Kaunda to President Carter on 15 February 1980. This is a strong reaction to American complaints about the Zambian purchase of Soviet weapons. We had not previously been aware of this letter, although we knew there had been some correspondence. American anxiety about the Zambian purchase of Soviet weapons was further reflected in June when Congress reduced the 1981/82 bilateral aid programme to Zambia by \$7 million;
- (b) the text of President Kaunda's address at Humboldt University in East Berlin last August. This is a plea in very general and philosophical terms for detente in Europe.

President Kaunda's letter was apparently prompted by a recent conversation

and the then Minister for Home Affairs (now Special Adviser to the President), who asked whether the development of Zambia's relations with the GDR would affect Anglo/Zambian relations in general and our security liaison in particular. This is the conversation alluded to in the fifth paragraph of the letter.

/Although

M O'D B Alexander Esq
 10 Downing Street

THIS IS A COPY. THE ORIGINAL IS
 RETAINED UNDER SECTION 3 (4)
 OF THE PUBLIC RECORDS ACT



Although Zambia has maintained links with Eastern European (particularly the GDR) countries and the Soviet Union for some time, these have expanded markedly over the past year or so. We know (mainly from secret sources) that military equipment including tanks, MIG-21 fighters, elements of surface-to-air missiles and other sophisticated equipment were delivered in 1980. Negotiations for the supply of this equipment began at the time of Rhodesian attacks on Zambian targets in 1978/79 and were concluded in late 1979. In addition, the Russians and East Germans have a number of military advisers in Zambia and are providing military training for substantial numbers of Zambians in their own countries. There is also evidence that the East Germans may have started a liaison with the Zambian security services; and that they are training Zambian Government Party members as well as running courses for journalists and broadcasters - ie they are embarked on a major effort of political indoctrination.

The Russians are not having it all their own way and the Zambians have resisted some of their demands. The Russians have for instance failed so far in their attempts to secure exclusive use of an airport in the south-east of Zambia for the ostensible purpose of training the Zambian Air Force. Furthermore, the Zambians last year ordered some military equipment from China. The Zambians maintain that they are alive to the risks involved and say they will not accept any political strings to Soviet/East European cooperation. But it is doubtful whether Kaunda really appreciates the extent of Soviet penetration or the dangers he could face. His own domestic position has come under increasing criticism from businessmen and trades unions during the last year. A number of his civilian critics were arrested in October in connection with an uncovered plot against him. The prestige of the pro-Soviet Secretary of State for Defence and Security, Grey Zulu, has increased during recent months.

/Our



Our High Commissioner sees President Kaunda's letter as a sign of his concern to preserve bilateral relations. It is conciliatory in tone; and the complaints about the West's reluctance to supply Zambia with arms (reiterated often before) are not wholly unjustified. The letter provides an unexpected and useful opportunity to remind President Kaunda of the risks he may be running. I enclose accordingly a draft reply which has been seen by the Lord Privy Seal which seeks to put this in straight terms while reciprocating the personal and essentially friendly tone of President Kaunda's letter. It also promises to send to him a more detailed paper on the Soviet record in Africa. The intention is to provide an opportunity for the High Commissioner to take follow-up action with the President and continue this dialogue on Soviet activities. We have a paper in hand. The draft does not address the Namibian problem. We may need to send a message on this when the Geneva talks end, but for the moment we think it is better to keep the subjects separate.

Yours ever

Michael Arthur

M A Arthur
Private Secretary to the
Lord Privy Seal

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

HE Dr K D Kaunda

President of the Republic of Zambia

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I was pleased to receive your letter of 16 December about relations between our two countries, and I was ^{Thank you also} ~~and I was~~ ^{for letting me} ~~particularly interested~~ to see the texts of your letter of 15 February last to President Carter and of your address to the University of Humboldt. ~~Thank you for sending these to me.~~

I wholeheartedly share your view of the importance of our bilateral relations and I am, as you are Kenneth, delighted that these are now in such good order. We must keep them that way.

I am particularly grateful to you for the trouble you have taken to let me have your detailed analysis of Zambia's approach to important international issues and ~~particularly~~ for your thoughts about Zambia's developing relations with the countries of Eastern Europe.

I fully understand and appreciate your commitment to the principles of non-alignment and am sure that your own personal dedication to the pursuit of peace remains, as it has been for so long, an inspiration to other non-aligned leaders. It is the right, ^{& indeed the duty,} of every independent state to decide where its interests

Enclosures—flag(s).....

/lie

lie and how these can best be protected. We would in no sense wish to attempt to select Zambia's friends for her. However, the frankness with which you have written, Kenneth, encourages me to comment more freely than I would otherwise have presumed to do on what you have told me about your relations with the Russians and the East Germans.

You divide the conduct of international relations into five main areas. In recent years the Soviet Union and her East European friends (and the Cubans) have in their relations with African and other non-aligned countries concentrated ^{almost exclusively} ~~primarily~~ on your last category - viz., defence and security. Time and again in their dealings with developing countries they have taken advantage of any opportunities that have arisen to insinuate themselves into those areas of government which deal with national security, including sensitive military and intelligence matters. They establish these links in the name of 'cooperation'; but experience shows that they have no scruples about turning them to their own advantage as and when it suits them. When such methods fail they have demonstrated that they are prepared to flaunt world opinion by the use of naked force.

Furthermore, the Russians and their friends, under the guise of social and cultural cooperation, have ^{only two} ~~so~~ often ~~also~~ attempted to influence and subvert the systems of government in other countries to bring them into line with their own political doctrines. They are past masters at this "political education" and highly skilful /...

propagandists.

You mention that the Soviet interventions in Czechoslovakia and Angola once stood in the way of developing your relations with the Soviet Union. I understand this. But surely their invasion of Afghanistan is just as bad if not worse - the most blatant and inexcusable violation of the sovereign rights and territorial integrity of an independent non-aligned country. And as I write when we are still anxiously watching events in Poland in case the Soviet Union is preparing once again to use its military might to impose its political will on another State.

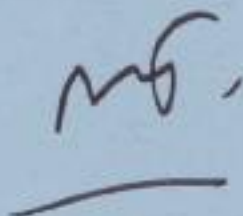
My concern in respect of Central Africa is not that Zambia or other countries should maintain relations with the Soviet Union and her associates. That, as I have said, is your right, and wholly understandable. My fear is that the Russians and others will use any position that they are able to establish to subvert existing Governments, foment disaffection and create disorder in an area where we had so hoped that the settlement in Zimbabwe would bring peace and stability.

On the second of your categories, economic relations, I would compare the Soviet Union's performance with those of your traditional friends in the West: in 1979, for example, the Russians gave just \$14million in economic assistance to the countries of sub-Saharan Africa - Western countries gave over \$6.5 billion. There are no signs that the Russians will be any more generous

in the future - you will have noticed, for example, their failure to attend the Southern African Development Coordination Conference in Maputo in November. I am convinced by such facts and figures that the Russians have no real interest in Africa's economic well-being and that self-interest motivates everything they do there. We can both remember that they did nothing to help our efforts at Lusaka and on through Lancaster House to bring peace and independence to Zimbabwe. They are being no more helpful towards our efforts to negotiate a settlement in Namibia.

I have written frankly, Kenneth as you wrote to me. This is how it should be between friends. I do urge you to bear these thoughts in mind in your dealings with the Russians and their friends. None of us can afford to underestimate their ability to manipulate events to their own advantage and at our expense. I have asked my officials to prepare a short paper on the Soviet record in Africa and I would like to send this to you when it is ready. I understand that Richard Luce hopes to pay a visit to Zambia by the summer.

With warmest personal wishes and greetings for the New Year. I much look forward to seeing you later in the year in Melbourne.

A handwritten signature in dark ink, consisting of stylized initials followed by a horizontal line underneath.

SUBJECT

GR 1390
CONFIDENTIAL
FM LUSAKA 310945Z
TO PRIORITY FCO
TEL NO. 696 OF 31 DECEMBER 1980.

CONFIDENTIAL

cc. Master set
ops

Prime Minister

To see Kaunda's message,
and the High Commissioner's
comment below. FCO will

MESSAGE FROM PRESIDENT KAUNDA

1. UNDER COVER OF A NOTE VERBALE FROM THE ZAMBIAN MFA DATED 30 DECEMBER I HAVE RECEIVED A LETTER DATED 16 DECEMBER FROM PRESIDENT KAUNDA TO THE PRIME MINISTER.

suggest a
reply.

2. THE TEXT IS AS FOLLOWS.

PRIME MINISTER'S
PERSONAL MESSAGE

MAR

BEGINS

MY DEAR PRIME MINISTER,

SERIAL No. T 2 43 c/80.

MB

I AM GLAD THAT, AS WE ALL HAD EXPECTED AND INDEED ANTICIPATED, OUR BILATERAL RELATIONS ARE GROWING FROM STRENGTH TO STRENGTH. THE MAIN OBSTACLE TO OUR OTHERWISE TRADITIONALLY WARM RELATIONS WAS, OF COURSE, THE COLONIAL PROBLEM OF THE THEN SOUTHERN RHODESIA. WITH THIS HAPPILY OUT OF OUR WAY, WHICH IS, ONE MUST MENTION AGAIN, DUE TO THE IMPORTANT ROLE THAT YOU AND PETER PLAYED, AND IN SPITE OF THEIR TEETHING PROBLEMS, THE PEOPLE OF ZIMBABWE ARE CONSOLIDATING THEIR HARD WON INDEPENDENCE. WE THANK GOD FOR THIS.

AS THEY DO THIS AND SINCE THEIR COUNTRY WAS THE ONLY MAJOR PROBLEM INsofar AS I KNOW THAT IMPAIRED THESE WARM TRADITIONAL LINKS BETWEEN BRITAIN AND ZAMBIA, I AM ALWAYS ANXIOUS TO SEE THAT WE AVOID MISUNDERSTANDINGS IN ANY SHAPE OR FORM. EVER SINCE THE CAESERIAN BIRTH OF ZIMBABWE, BOTH SIDES HAVE BEEN STRENGTHENING THESE RELATIONS, ALBEIT TOO SLOWLY BUT EFFECTIVELY, AND I BELIEVE MYSELF THAT WE ARE BACK TO NORMAL ONCE AGAIN.

THE LITTLE DARK CLOUD THAT TAMPERED WITH THIS PROCESS WAS THE UNFORTUNATE BIT ABOUT SIR LEONARD ALLINSON. I KNOW HIM TO BE A VERY GOOD FRIEND OF ZAMBIA. HE MADE AN ERROR OF JUDGMENT IN A TENSE SITUATION BUT WHO DOES NOT MAKE MISTAKES? I STILL CONSIDER HIM A PERSONAL FRIEND AS WELL AS A GOOD FRIEND OF ZAMBIA. INDEED, HAPPILY FOR US, THE MAN WHO HAS TAKEN OVER FROM SIR LEONARD HAS MADE AN EQUALLY IMPRESSIVE START. MOST ZAMBIAN SENIOR MEN IN THE PARTY AND GOVERNMENT LEADERSHIP ARE VERY HAPPY WITH HIM.

I AM SURE, MARAGRET, YOU WILL BE WONDERING WHAT ALL THIS IS LEADING TO. YOU MAY RECALL THAT LAST TIME I VISITED LONDON, WHICH WAS DURING THE TIME OF THE LANCASTER HOUSE CONFERENCE ON ZIMBABWE, I BRIEFED YOU ON A MATTER WHICH WAS GIVING ME SOME CONCERN. THIS WAS THAT YOUR OFFICIALS HERE WERE EXPRESSING ANXIETY ABOUT ZAMBIA'S GROWING RELATIONS WITH EASTERN COUNTRIES, ESPECIALLY WITH THE GERMAN DEMOCRATIC REPUBLIC. I ASKED YOU WHY THIS ANXIETY. YOU WERE KIND ENOUGH TO EXPLAIN TO ME WHY AND I FULLY UNDERSTOOD YOUR REASONS FOR IT.

CONFIDENTIAL

1 RECENT-7

RECENTLY I RECEIVED A BRIEF FROM SOME OF MY OWN COLLEAGUES HERE WHO DEAL WITH YOUR OFFICIALS IN THIS PARTICULAR FIELD AND ONE OF THEM WAS SAYING A FEW DAYS AGO THAT HE WOULD FIND IT VERY DIFFICULT TO EXPLAIN TO YOUR GOVERNMENT THE DEVELOPING RELATIONS BETWEEN THE GERMAN DEMOCRATIC REPUBLIC AND ZAMBIA. I THINK IT FAIR TO SAY THAT I APPRECIATE YOUR OFFICIALS' ANXIETIES ABOUT THIS DEVELOPMENT ESPECIALLY WITH THE ANALYSIS THAT YOU MADE TO ME ON THIS ISSUE AT THE TIME I VISITED YOU, AS I HAVE ALREADY EXPLAINED.

I THINK IT IS MY DUTY TO BRIEF YOU ON ZAMBIA'S FOREIGN POLICY. WITH THE POSSIBLE EXCEPTION OF FRANCE AND LUXEMBOURG, ZAMBIA HAS VERY STRONG BILATERAL LINKS, OF COURSE VARYING BUT ONLY IN DEGREES, WITH EVERY COUNTRY OF THE WEST, INCLUDING JAPAN WHICH, FOR THIS PURPOSE, ONE COUNTS AS FALLING WITHIN THE WESTERN ORBIT. ON THE OTHER HAND, WE HAVE VERY STRONG TIES RIGHT FROM 1964, THE DAY OF OUR INDEPENDENCE, WITH THE PEOPLE'S REPUBLIC OF CHINA. WE HAVE NOT HAD THE SAME OPPORTUNITY TO BUILD SIMILAR RELATIONS WITH EASTERN COUNTRIES EXCEPT FOR YUGOSLAVIA AND ROUMANIA. I THINK THIS WAS MAINLY DUE TO SOVIET INTERVENTION IN CZECHOSLOVAKIA IN 1968 AND THEN IN ANGOLA IN 1974/75. BUT FROM THAT POINT IN TIME WE HAVE SLOWLY BEEN BUILDING UP THESE RELATIONS.

THESE EFFORTS CULMINATED IN THE SOVIET UNION AND THE GERMAN DEMOCRATIC REPUBLIC AGREEING TO SELL US ARMS AND OTHER SOPHISTICATED WEAPONS. WE VALUE THIS ASSISTANCE VERY MUCH INDEED. I THINK IT IS ONLY NATURAL, ESPECIALLY THAT THESE AGREEMENTS WERE REACHED JUST BEFORE THE WARS OF LIBERATION IN ZIMBABWE AND NAMIBIA REACHED THEIR HIGHEST PEAK AND WHEN NONE OF THE FRIENDLY COUNTRIES OF THE WEST, INCLUDING BRITAIN, COULD HELP US DEFEND OURSELVES AGAINST UNWARRANTED ATTACKS BY THE RACISTS SOUTH OF US. YOU PROBABLY DON'T KNOW THAT I HAD BEEN APPEALING TO WESTERN COUNTRIES, AS YOU WILL SEE FROM A COPY OF A LETTER I WROTE TO PRESIDENT CARTER. I COULD GET NO ASSISTANCE FROM WESTERN COUNTRIES IN THIS FIELD. I UNDERSTOOD FULLY WHY WESTERN COUNTRIES COULD NOT HELP ME AND MY FELLOW COUNTRYMEN.

BACK TO MY POINT. WE ARE NOW CO-OPERATING WITH THE SOVIET UNION, GERMAN DEMOCRATIC REPUBLIC AND OTHER SOCIALIST BLOC COUNTRIES IN DEFENCE AND SECURITY MATTERS. BUT IT IS IMPORTANT FOR YOU AND ALL OUR FRIENDS IN WESTERN COUNTRIES TO KNOW THAT WHEN ZAMBIA, UNDER THE UNITED NATIONAL INDEPENDENCE PARTY AND ITS GOVERNMENT CO-OPERATE WITH ANY NATION, IT WILL NOT, IN THE NAME OF GOD AND HIS PEOPLE ON EARTH, BE AT THE EXPENSE OF OTHER NATIONS. THIS WOULD BE AGAINST OUR PHILOSOPHY OF HUMANISM WHICH WE ARE BUILDING FOLLOWING OUR SOCIALIST PATH AND INDEED IT WOULD BE AGAINST CHRISTIAN PRINCIPLES. THIS IS NOT A DECLARATION BY ONE MAN. THIS IS HOW THIS NATION IS CONDUCTING ITS FOREIGN POLICY AT VARIOUS LEVELS.

CONFIDENTIAL

2

/NON-

NON-ALIGNMENT IN OUR VIEW, MARGARET, IS NOT A HOLIER-THAN-THOU APPROACH TO INTERNATIONAL ISSUES BUT A SINCERE OBJECTIVE APPROACH TO A COMPLEX INTERNATIONAL SITUATION WHICH DIVIDES MANKIND. I THINK YOU WILL RECALL THAT I TOLD YOU DURING OUR VERY FRUITFUL EXCHANGE OF VIEWS, THAT YOU WERE A BELIEVER IN CAPITALISM AND I WAS A BELIEVER IN SOCIALISM LEADING TO HUMANISM, BUT WE HAD ONE THING IN COMMON WHICH WAS A POWERFUL BASIS FOR OUR WORKING TOGETHER AND THIS WAS I SAW YOU AS A VERY HONEST PERSON AND I BELIEVE I AM AN HONEST PERSON, ENJOYING THE COMMON DENOMINATION OF BOTH OF US BEING CHRISTIANS. THIS IS WHAT I SAID AND I STILL STAND BY THIS.

BECAUSE I DO NOT KNOW WHETHER YOU HEARD OF WHAT I SAID IN EAST BERLIN WHEN I WAS HONOURED BY THE HUMBOLDT UNIVERSITY WITH AN HONORARY DOCTORATE OF PHILOSOPHY, I AM TAKING THE OPPORTUNITY TO ATTACH TO THIS LETTER A COPY OF MY SPEECH SO THAT SOME OF YOUR PEOPLE MIGHT STUDY IT AND THEN BRIEF YOU. I MADE THE STRONGEST APPEAL FOR UNITY IN EUROPE ACROSS THE BARRIER OF IDEOLOGY. INDEED, I DISCUSSED WITH VARIOUS LEADERS OF EASTERN EUROPE WHAT THEY SAW BEYOND PEACEFUL CO-EXISTENCE, DETENTE AND DISARMAMENT. THE THEME OF MY SPEECHES RIGHT THROUGH EASTERN EUROPE WAS LET US SEE MAN BEYOND ALL THESE NO DOUBT SERIOUS ATTEMPTS TO FREE MAN FROM THE SHACKLES OF SUSPICION, FEAR AND HATRED WHICH WILL LEAD US TO A THIRD WORLD WAR IF THEY REMAIN UNTAMED.

I TAKE THIS STEP OF BRIEFING YOU IN ANALYSING ZAMBIA'S APPROACH TO THESE IMPORTANT INTERNATIONAL ISSUES BECAUSE I WOULD LIKE YOU TO UNDERSTAND ZAMBIA'S FOREIGN POLICY AT FIRST HAND. ZAMBIA WILL NOT TAKE SIDES BETWEEN EAST AND WEST. NON-ALIGNMENT TO US MEANS JUST THAT. WE WANT TO BE FRIENDS WITH EVERYBODY BECAUSE WE BELIEVE IN THE IMPORTANCE OF GOD'S CREATION OF MAN AND WE LOOK FORWARD TO THE DAY WHEN WE CAN BUILD BRIDGES SUCCESSFULLY ACROSS THE CHASM OF IDEOLOGICAL DIFFERENCES AND CONFRONTATION. I HOPE IT IS NOT TOO MUCH TO HOPE FOR THIS. AT LEAST WE PRAY FOR A PEACEFUL SOLUTION.

THE MEANING OF WHAT I AM SAYING, MARGARET, IS THAT WE DEAL WITH EVERY NATION AS THE OTHER NATION IS READY TO RESPOND TO OUR CALL OR AS WE ARE ABLE TO RESPOND TO THAT NATION'S CALL TO US. WE ANALYSE OUR RELATIONS, IN THIS RESPECT, WITH ANY OTHER NATION BY LOOKING AT OUR RELATIONS THROUGH THE 5 MAIN AREAS OF HUMAN ENDEAVOUR. WE ANALYSE THESE AS:-

POLITICAL SEMICOLON
ECONOMIC SEMICOLON
SOCIAL AND CULTURAL SEMICOLON
SCIENTIFIC AND TECHNOLOGICAL SEMICOLON
DEFENCE AND SECURITY.

CONFIDENTIAL

3

/ TAKE

CONFIDENTIAL

TAKE BRITAIN, FOR EXAMPLE. I LIKE TO BELIEVE THAT WE CO-OPERATE WITH YOUR COUNTRY IN ALL THESE 5 AREAS OF HUMAN ENDEAVOUR.

I WISH TO END BY APOLOGISING FOR WRITING AT LENGTH, BUT MATTERS OF BILATERAL RELATIONS BETWEEN ZAMBIA AND FRIENDLY NATIONS, AMONGST WHIK WE INCLUDE BRITAIN, ARE MATTERS OF GREAT IMPORTANCE TO US. I RECEIVE MANY BRITISH BUSINESSMEN HERE IN ZAMBIA THESE DAYS BECAUSE OF OUR EMPHASIS ON ECONOMIC DEVELOPMENT. BY THE SAME TOKEN, I RECEIVE MANY BUSINESSMEN FROM OTHER PART OF THE WORLD, EAST, WEST AND SO ON AND SO FORTH.

MAY I NOW WISH YOU A MERRY CHRISTMAS AND A HAPPY AND PROSPEROUS NEW YEAR AND I WISH THE SAME FOR YOUR GREAT COUNTRY.

ENDS GOD'S BLESSINGS, YOURS SINCERELY.

3. ENCLOSED WITH THE LETTER IS THE TEXT OF KAUNDA'S ADDRESS ON ACCEPTING THE HONORARY DEGREE OF DOCTOR OF PHILOSOPHY FROM THE HUNBOLDT UNIVERSITY IN EAST BERLIN ON 23 AUGUST 1980 AND A COPY OF A LETTER FROM THE PRESIDENT TO PRESIDENT CARTER DATED 15 FEBRUARY. THE LATTER RECORDS KAUNDA'S PROFOUND DISAPPOINTMENT AT THE CONCERN EXPRESSED BY THE US GOVERNMENT OVER THE PURCHASE BY ZAMBIA OF SOVIET WEAPONS AND TRACES A HISTORY OF ZAMBIA'S ENDEAVOURS SINCE 1964 TO PROCURE ARMAMENTS FROM OTHER SOURCES.

4. COMMENTS FOLLOW. LETTER AND ENCLOSURES WILL BE SENT BY BAG LEAVING 2 JANUARY.

JOHNSON.

LIMITED
CAF D
CCD
PS
PS/LPS
PS/MR LUCE
PS/PUS
MR DAY
SIR L ALLINSON

COPIES SENT TO
No. 10 DOWNING STREET

CONFIDENTIAL

4

SUBJECT



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T243c/80

*State House
Lusaka, Republic of Zambia*

16th December, 1980.

My Dear Prime Minister,

I am glad that, as we all had expected and indeed anticipated, our bilateral relations are growing from strength to strength. The main obstacle to our otherwise traditionally warm relations was, of course, the colonial problem of the then Southern Rhodesia. With this happily out of our way, which is, one must mention again, due to the important role that you and Peter played, and in spite of their teething problems, the people of Zimbabwe are consolidating their hard won Independence. We thank God for this.

As they do this and since their country was the only major problem insofar as I know that impaired these warm traditional links between Britain and Zambia, I am always anxious to see that we avoid misunderstandings in any shape or form. Ever since the Caesarian birth of Zimbabwe, both sides have been strengthening these relations, albeit too slowly but effectively, and I believe myself that we are back to normal once again.

The little dark cloud that tampered with this process was the unfortunate bit about Sir Leonard Allinson. I know him to be a very good friend of Zambia. He made an error of judgment in a tense situation but who does not make mistakes? I still consider him a personal friend as well as a good friend of Zambia. Indeed, happily for us, the man who has taken over from Sir Leonard has made an equally impressive start. Most Zambian senior men in the Party and Government leadership are very happy with him.

/.....

Rt. Hon. Mrs. Margaret Thatcher,
Prime Minister of the United Kingdom
of Great Britain and Northern Ireland,
LONDON.



2.

I am sure, Margaret, you will be wondering what all this is leading to. You may recall that last time I visited London, which was during the time of the Lancaster House Conference on Zimbabwe, I briefed you on a matter which was giving me some concern. This was that your officials here were expressing anxiety about Zambia's growing relations with Eastern countries, especially with the German Democratic Republic. I asked you why this anxiety. You were kind enough to explain to me why and I fully understood your reasons for it.

Recently I received a brief from some of my own colleagues here who deal with your officials in this particular field and one of them was saying a few days ago that he would find it very difficult to explain to your Government the developing relations between the German Democratic Republic and Zambia. I think it fair to say that I appreciate your officials' anxieties about this development especially with the analysis that you made to me on this issue at the time I visited you, as I have already explained.

I think it is my duty to brief you on Zambia's foreign policy. With the possible exception of France and Luxembourg, Zambia has very strong bilateral links, of course varying but only in degrees, with every country of the West, including Japan which, for this purpose, one counts as falling within the Western orbit. On the other hand, we have very strong ties right from 1964, the day of our Independence, with the People's Republic of China. We have not had the same opportunity to build similar relations with Eastern countries except for Yugoslavia and Roumania. I think this was mainly due to Soviet intervention in Czechoslovakia in 1968 and then in Angola in 1974/75. But from that point in time we have slowly been building up these relations.

These efforts culminated in the Soviet Union and the German Democratic Republic agreeing to sell us arms and other sophisticated weapons. We value this assistance very much indeed. I think it is only natural, especially that these agreements were reached just before the wars of liberation in Zimbabwe and Namibia reached their highest peak and when none of the friendly countries of the West, including Britain, could help us defend ourselves against unwarranted attacks by the racists south of us. You probably don't know that I had been appealing to Western countries, as you will see from a copy of a letter I wrote to President Carter. I could get no assistance from Western countries in this field. I understood fully why Western countries could not help me and my fellow countrymen.

/....



3.

Back to my point. We are now co-operating with the Soviet Union, German Democratic Republic and other socialist bloc countries in defence and security matters. But it is important for you and all our friends in Western countries to know that when Zambia, under the United National Independence Party and its Government co-operate with any nation, it will not, in the name of God and His people on earth, be at the expense of other nations. This would be against our Philosophy of Humanism which we are building following our socialist path and indeed it would be against Christian principles. This is not a declaration by one man. This is how this nation is conducting its foreign policy at various levels.

Non-alignment in our view, Margaret, is not a holier-than-thou approach to international issues but a sincere objective approach to a complex international situation which divides mankind. I think you will recall that I told you during our very fruitful exchange of views, that you were a believer in Capitalism and I was a believer in Socialism leading to Humanism, but we had one thing in common which was a powerful basis for our working together and this was I saw you as a very honest person and I believe I am an honest person, enjoying the common denomination of both of us being Christians. This is what I said and I still stand by this.

Because I do not know whether you heard of what I said in East Berlin when I was honoured by the Humboldt University with an honorary Doctorate of Philosophy, I am taking the opportunity to attach to this letter a copy of my speech so that some of your people might study it and then brief you. I made the strongest appeal for unity in Europe across the barrier of ideology. Indeed, I discussed with various leaders of Eastern Europe what they saw beyond peaceful co-existence, detente and disarmament. The theme of my speeches right through Eastern Europe was let us see man beyond all these no doubt serious attempts to free man from the shackles of suspicion, fear and hatred which will lead us to a Third World War if they remain untamed..

I take this step of briefing you in analysing Zambia's approach to these important international issues because I would like you to understand Zambia's foreign policy at first hand. Zambia will not take sides between East and West. Non-alignment to us means just that. We want to be friends with everybody because we believe in the importance of God's creation of man and we look forward to the day when we can build bridges successfully across the chasm of ideological differences and confrontation. I hope it is not too much to hope for this. At least we pray for a peaceful solution.

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4.

The meaning of what I am saying, Margaret, is that we deal with every nation as the other nation is ready to respond to our call or as we are able to respond to that nation's call to us. We analyse our relations, in this respect, with any other nation by looking at our relations through the 5 main areas of human endeavour. We analyse these as:-

Political;
Economic;
Social and cultural;
Scientific and technological;
Defence and Security.

Take Britain, for example. I like to believe that we co-operate with your country in all these 5 areas of human endeavour.

I wish to end by apologising for writing at length, but matters of bilateral relations between Zambia and friendly nations, amongst which we include Britain, are matters of great importance to us. I receive many British businessmen here in Zambia these days because of our emphasis on economic development. By the same token, I receive many businessmen from other parts of the world, East, West and so on and so forth.

May I now wish you a Merry Christmas and a happy and prosperous New Year and I wish the same for your great country.

God's blessings.

Yours sincerely,

100
PRESIDENT



STATE HOUSE
LUSAKA
THE REPUBLIC OF ZAMBIA

15th February, 1980.

Your Ambassador, Frank Wisner, delivered to me a message from your Government expressing concern over the reported procurement of Soviet military weapons by Zambia. Your Government expressed the feeling that increased Soviet-Zambian military co-operation would create difficulties in the co-operation between your country and mine.

You will by now have received a report of my reaction to this message which was first conveyed through my Ambassador in Washington by the officials at the State Department. I thought I should record in writing my profound disappointment at this message. Indeed, I have not yet recovered from the shock of having to receive such a message, especially following months of wanton attacks by rebel and racist regimes using Western weapons.

I thought you should know the history of our armaments procurement endeavours. Shortly after our Independence, truckloads of Zambian arms in transit from Beira were stopped by the Rhodesian Government just before U.D.I. All these arms, which had been purchased from Britain, were confiscated by the Rhodesians in their preparations for U.D.I.

Shortly after U.D.I., the British sent a contingent of Javelin Aircraft to give what was called air cover to the City of Lusaka against possible Rhodesian attacks. Alas, some of the British personnel who came to give us air cover slipped into Rhodesia in sympathy with the rebels. The pilots of the British aircraft were clearly not serious in their defence role as they exchanged messages of fraternal greetings with the Rhodesians when once they were in the air. It was a comedy the memories of which have created a great deal of resentment in the minds of many a Zambian. Efforts to acquire British weapons were frustrated by Commanders who were of British nationality. We were told that Zambians would take 16 years to be able to fly jet fighters.

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President Jimmy Carter,
President of the United States of America,
White House,
WASHINGTON, D.C.
U.S.A.

It was then that we turned to the Italians for assistance. An Italian Training Mission came to Zambia. With it came a squadron of the Macchi Aircraft and Augusta Bell Helicopters. The Italians demonstrated to us that Zambian young men, whom the British thought would take 16 years to fly a jet fighter, could do it in three, and, as you know, our boys very quickly converted to other models of military aircraft supplied by Yugoslavia to whom we had to eventually turn for survival. To these two countries we shall always be deeply indebted.

In 1968, I made a direct approach to the American Government. I sent Honourable R.C. Kamanga, then Foreign Minister and now Chairman of the Political and Legal Committee of the Central Committee of the Party, together with Mark Chona whom you know and Mr. Andrea Masiye, the then Permanent Secretary of the Ministry of Defence, on a mission to Washington D.C. During their visit, they discussed my request for arms. Mark Chona and Andrea Masiye had discussions in the Pentagon and were later invited to visit Redstone, Alabama, to view some military hardware including the Hawk Missile system. An estimate of the manpower required per Battery and the costs were made. On the basis of manpower requirements and the costs involved, we were told very plainly that this was not a realistic request, and was, therefore, turned down.

After an unsuccessful approach to Washington D.C., I made approaches to the British Government. Again Mark Chona and Andrea Masiye accompanied Honourable Elijah Mudenda, then Minister of Finance, for discussions on armaments procurement from Britain. They had discussions with, inter alia, the British Aircraft Corporation. They were taken to an air base to view the performance of the Harrier Combat aircraft. They were naturally impressed. They were then taken to Belfast to view the Seacat Missile System. They had discussions also about the performance of the Tigercat Missile System. Eventually, we had to settle for the Rapier Missile System which, although it was in the early stages of development, we finally procured. A lot of difficulties were encountered in securing assistance to buy a more effective defence system.

I had also made approaches to Sweden. Again I sent Mark Chona for discussions with the Swedish Government. We were informed very plainly that the Opposition in the Swedish Parliament would not allow the violation of Swedish policy which did not permit the supply of arms to what they termed a sensitive area. My personal discussions with the Swedish Prime Minister later on drew the same negative response.

I had discussions personally with the Chancellor of the Federal Republic of Germany in 1970 after the frustrations in Washington D.C., London and Stockholm. The Chancellor of the Federal Republic of Germany told me of his Government's limitations under NATO's restrictions. His Government could not, therefore, accede to our request.

Only France showed a degree of positive response, but I was frankly restrained by my conscience. France, under the late General de Gaulle and the late Pompidou, was a leading supplier of arms and technology to racist South Africa. Pretoria began to manufacture a wide range of military equipment under licence. I really, therefore, felt that I could not seriously go to the same South African source of weapons for Zambia's defence. As late as 1975, the American Government had not changed its policy on the supply of arms to Zambia. Only for a short time, when there was a major confrontation in Angola, was there an indication of readiness to come to our aid. But this was specifically to counter what was seen as a Soviet-Cuba threat to Zambia which, of course, we did not feel.

In 1978, during my State Visit to the United States, I made a request for a limited quantity of arms of various types. These were not offensive weapons. They were merely defensive weapons limited in range and also in function. The reply was negative. In September, 1978, I met Jimmy Callaghan in Kano, Nigeria, and discussed, inter alia, the problem of Zambia's defence. The Rapier Missiles, obtained some years ago, were getting worn out. The British had put some obstacles in the supply of spare parts. A number of missiles were no longer functional. I requested Jimmy Callaghan at the time to allow the supply of spare parts. Having said that the Conservative Opposition would prevent the supply of arms to Zambia, he agreed to send a team to examine our requirements. Shortly after that team returned to London, the rebel Rhodesian Air Force struck Zambian positions for the first time, obviously having known that the Rapier Missile System was largely not functional.

I give you this catalogue of my approaches to the West for military assistance since Independence for record. It is a sad history of a country frustrated by its own friends and finally left defenceless in the face of racist aggression. While Zambia was denied military assistance, the racists had Western arms in abundance. Indeed when we were attacked by Rhodesian and South African forces in 1978 and 1979, the maximum response amounted to deploring the attacks. Britain was silent as we lost lives and property. Western mass media jeered us and showered the racists with praise.

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As a self-respecting country, we could not sit idly by while the West denied us defence weapons. I will be very frank with you; if it were not for Chinese support over these years when the West rejected us, we would not have withstood the combined forces of rebel Rhodesia and racist South Africa. This is a fact which I record for your information and for history. But in 1979, it became clear that we were facing an all-out war. You have a moral duty to defend America, the Americans and their national interests with all the means at your disposal. We have no quarrel with any measure you may take to defend the interests of your country and people as a Sovereign State. You are morally bound to do so as a leader of your country. But then so am I as a leader of a free and Sovereign State. If I made approaches to your country and your Western allies in the '60's and '70's and found negative response; if I was jeered at in 1978 and 1979 when the racists using Western arms attacked my country, then I have a moral duty to use every means at my disposal.

Today we are witnessing a catalogue of flagrant violations of the Lancaster House Agreement. We do not know what all these violations will lead to. South Africa in Namibia is doing everything possible to frustrate the implementation of the United Nations plan for an independent Namibia. The purpose of frustrating this United Nations plan is to entrench South African power in Namibia. For us, a threat to our security is not diminished. It may be worsening. There may be a coup against a Patriotic Front Government in the event of an electoral defeat of Muzorewa. In Zambia we must be prepared for all eventualities. Your Government has shown no willingness to come to our aid. Even if you yourself may be willing to consider favourably the Zambian defence needs, I cannot seriously believe that Congress will accept. In the meantime, my country remains a sitting duck for the racists who will be supported by Congress if there was an all out confrontation between us. No, as a leader who is neither a dictator nor a monarch, as a democrat who depends on public support based on my performance, I won't allow it. If the United States has not been forthcoming, it is my duty to look elsewhere and I will do it if I deem it right and just.

I do hope that you understand my very deep feelings of hurt when it comes to the damage done to my country by the racist and rebel regimes in Southern Africa. I do not think that any Western leader has any moral right to question the preparations I have to make for the defence of Zambia now or in future. I came to the West first; you turned me away. The acts of aggression committed against Zambia in 1978 and 1979 were a direct consequence of the Western refusal to help us build a viable defence system, while, on the other hand, they supplied, in one way or another, all that the racists and fascists south of us required for their aggression against us. Let me assure you that I will not allow those events to recur whether the threats will come from racists or from an independent country of which we have many around Zambia.

Finally, let me assure you of my commitment to the policy of non-alignment. This is a cardinal principle which we can never sacrifice under any circumstances. Within the framework of this principle, we shall proceed in planning our development and defence. I do hope that you will take into account what I have said in your response to the policies of my country. We want to strengthen our co-operation with your country. I hope this trend will continue.

With warmest regards and God's blessings.

K. D. KAUNDA

Kenneth D. Kaunda

PRESIDENT OF THE REPUBLIC OF ZAMBIA

ADDRESS BY HIS EXCELLENCY, DR. KENNETH DAVID KAUNDA
PRESIDENT OF THE REPUBLIC OF ZAMBIA, ON ACCEPTING
THE HONORARY DEGREE OF DOCTOR OF PHILOSOPHY FROM
UNIVERSITY OF HUMBOLDT, BERLIN, 23RD
AUGUST, 1980.

Your Excellency the Rector,
Professor Dr. Will Ehlert,
Professors and all eminent scholars of this
famous University Community,
Distinguished Comrades,
Students and friends:

This historic University is doing me a great honour by generously conferring on me its degree of Doctor of Philosophy, Honoris Causa. Obviously, what I have done, if anything, that has attracted the attention and moved Humboldt University to do me this high honour is what I have thought, said and done in the public service of my country and other fellow-men who have come my way. But what I have thought, said and done is a mere reflection of the thought, word and action of all these other fellow-men. Rightly, therefore, this honour you give me does not belong to me alone. It belongs to them also. I have only been a faithful mirror of their good works. In my privileged public position I have reflected all their good works to the world around. This honour is their due. It is a product of their united labour. It is theirs.

I am, therefore, accepting the distinction on behalf of the people of my country Zambia; on behalf of their Party and Government, on behalf of my family and on behalf of myself for a small contribution I may also have made on my individual basis.

Comrade Rector, the sphere of any public life is wide. It extends beyond the limited national boundaries of any one country. We Zambians therefore are not the only ones who must take the credit for the honour you are administering on me today. The credit must spread to all Zambia's friends, colleagues and comrades in the world who have appreciated the thought, word and action of the Zambian people; to all those who have supported, defended and promoted the causes we cherish. This honour, therefore, belongs to our beloved

people and comrades of this very country - the German Democratic Republic. It belongs to this University Community. It is your honour.

I take the present occasion as a most serious engagement in my thirty days tour here in Europe, India and the Far East. I will, therefore, address myself to some serious issue of our time concerning you our brothers and sisters of Europe. I plead forgiveness if by what I say I shall be accused of exploiting the great academic freedom of these sacred grounds of high learning. But mankind owes it to itself to be free and fair - at least in thought and word, if short of action - about itself and some of its grave public affairs.

Comrade Rector, eminent scholars and friends, I believe there will be human beings still living and kicking around this planet, earth, in the year 2,980 A. D.; that is, a thousand years away from this day. These human beings will be more experienced members of our race than we their ancestors are today. They will have a rich past of a chain of events upon which to build their survival. And I believe they will think, speak and act better than we do in our own time.

These future men and women will analyse the one thousand years between us and them. They will study the events of the other two thousand years between us and the dawn of our modern times. When these future human beings will focus attention on our contemporary world of 1980 and analyse the public affairs and issues of our world, they may well ask what to me is the most pertinent question of our time. They may ask: "In the year 1980, where was Europe?" They will seek to know whether Europe was in Canberra; whether it was in India; whether it was in Washington or in Moscow or Paris or indeed any other part of the world.

Indeed, we ourselves may ask this question today: WHERE IS EUROPE? This to contemporary mankind is an important question.

We in Africa know imperial Europe very well. At the height of its adventures, it met here or there in Berlin and carved imperial spheres of influence over the entire continent of Africa. Then it broke loose and unleashed on our people and resources profit-seeking capital with its imperialism, colonialism and a full series of exploitative consequences.

Today we have driven out from our continent three quarters of the roughest part of this kind of Europe. We are fighting with all the means at our disposal to finish the remaining small but difficult portions. At the same time, we are picking and putting together the broken economic pieces as we rebuild the strength of our new nations in the aftermath of our very special experience of European adventure.

That kind of devastating Europe which visited Africa did visit other parts of the world too. And finally it returned to visit itself here in Europe and generated here and upon itself the same devastation and division of man from man. And Europe today is so divided and so unreal that the question I have asked is pertinent. The answer to it is urgent. It is urgent not for Europe's sake or for the sake of any one country or continent, but for mankind.

Today, in our time, Europe has spectacular technology and its consequences of abundant wealth. But it has no uniting soul. It has massive flesh everywhere but no common soul. While Europe has unity as geography, it has serious division as life and nation. European division cuts down to the marrow of its bone.

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Comrade Rector, comrades and friends, I beg you not to understand me in a small sense when I speak about divided Europe. Please do not understand me to mean I am speaking about the small wall that divides this city. The challenge to Europe I speak of is bigger than this. The little division shared by this city and all it entails is only a perfect symbol. You must raise your heads and increase the horizon of your vision on this most crucial issue. If you do, you cannot fail to observe what I see as the division of Europe in the perspective of our world and the life of mankind. In this regard, I am also not talking merely about social and political systems of Europe. These are also symbols of the absence of cohesion in Europe. I am talking about the very major subject of man in Europe.

I submit that as long as man in Europe has flesh but no common soul to unite his action, Europe will remain divided and will drift about in several directions but really going nowhere. The division of Europe maintains and causes divisions in the life of man in other parts of the world. It will continue to oil divisions in Africa. There will be an eastern and a western world for mankind. It will oil polarisation of social systems and delay the advance of man to one outlook and one civilization. It will deepen the polarisation of the poverty of man between north and south. The aimless adventures of a soulless ghost of unfixed and undecided Europe will haunt the life of mankind. The world needs a new and purposeful Europe acting as a body united to a clean soul.

The question, where is Europe, must be answered effectively if man is to face a less dangerously divided world. For the world to be safer, mankind needs a new Europe. A Europe in which all its people need one another in all the five areas of human endeavour - politically, economically, socially and culturally, scientifically and

technologically as well as in the security and defence of their interests and the interests of mankind.

I submit, comrade rector of this historic University, that if the people of Europe are afraid of one another in these areas of human endeavour, their fear will translate itself into a mobilisation of technology and resources for their own destruction. Salvation from this cannot come from outside. It must grow from inside Europe itself. At present Europe is shy of serious original initiative to know and understand itself in this way. Conditions of a general detente among the front leaders of the world are good, but these amount to little to Europe in practical terms if Europe itself does not want to co-exist inside itself.

A weak system of cohesion by the people of Europe makes for a bad world. This will be the case whether the systems of the super powers in our world are good. Until the nations of Europe act by themselves and within themselves, the peoples of the rest of the world will live to watch the escalation of the bad consequences of this European dilemma. And there will arise as many temptations in the new Europe as there always has been the case of old Europe. The decision is up to the people of Europe.

Detente, to those to whom it applies in our world of today, is good for all of us. I am myself a convinced humanist socialist, but I believe in the co-existence of different systems of nations. Co-existence is a necessary condition in the present transition of the society and civilisation of man. But all of us in our different social systems must strive to make co-existence more meaningful.

I believe we can do this by turning the focus of our practical thought, word and action upon man - man the human being, removed from our own and any other framework of a social system. We must focus on man naked of society. He is the critical essence and concept of action.

We can seek this man across national boundaries. We can seek him across national philosophies and across social systems. He will be present where economic activity is run for profit. And he will be present where these activities are run for the social benefit of all.

If we seek man in any system, we can find him. And when we find him, if we so wish, we can help him. We can help him without war. We can work with him without destroying him. He will respond if he knows we mean well and have not come to steal his resources or lord it over him.

Man always needs the other man if he knows the other man loves him. Love of man as man by man is what Europe lost somewhere along the way. It was such a great loss that Europe and the rest of mankind, despite the technological explosion, are still suffering from that loss today.

All old Europe which the present Europe has inherited sought profit and power in place of seeking man. Profit and power are the source of Europe in all the five areas of human endeavour.

Europe in action must strive to rediscover naked man and his central essence and importance. It is only then that Europe's proliferation of divisive adjectives about man-his life and ways- will start to fall away. Man in Europe will strengthen man in Europe.

The word in this important process of the rediscovery of man is not "profit" or "power". It is "love". Love towards man, regardless of profit and regardless of power. Man, not profit or power, is the precious item to be preserved. This is the uniting factor. It is the fine residue and essence of co-existence. It is the object of detente and disarmament by and between social and economic systems in conflict.

Can a new Europe lead the rest of us mankind into this rediscovery of man? At this juncture, Europe has not only the technology, but occupies a unique position in the world to strike a blow for mankind in this new direction.

Comrade Rector and all comrades, you will excuse me for speaking to you in this manner. I have no choice in this matter because I can clearly see in my own mind a great new world ahead of us. The great socialist movement and other efforts of today are pointing to this. But man must at every turn cut the dead wood from his endeavours and make his efforts purer and purer and more effective and closer to his true cause as man.

Comrade Rector, distinguished comrades, students and friends, I thank you for listening to me so well.

Thank you.

Zambia



ZAMBIA NEWSLETTER

Published by the Information Section.. Zambia House; 7, Cavendish Place, London, W.1. Tel: 01-580-0691

October 30, 1980

PRESS RELEASE

President Kaunda has revealed that a plot in which a clique of Zambian elements aided by mercenaries and fascist South Africa was to oust the Government on October 16, was crushed 24 hours before it started.

Members of the Defence and Security Forces who were tipped off by vigilant members of the public about the presence of plotters, moved in and thwarted the coup plan, Dr. Kaunda said.

Three members of the Defence Force were involved in the abortive take-over bid and are being held together with several other Zambians. A former Cabinet Minister and a white Zambian lawyer are now sought by the police to help them with investigations into the case.

The President told an open air press conference on the lawns of State House that the men who exchanged fire with Security Forces in Chilanga more than a week ago were part of a group of Zaireans mercenaries who were hired to take part in the plot. Two of them were killed and another captured while the rest ran away.

In the operation the mercenaries were to attack State House, the houses of the Defence Chiefs, the Zambia Broadcasting Services, the Central Police Station and the International Airport, the President revealed.

He said that, had the foreign gunmen met resistance from Zambian security forces, their Zambian collaborators would have summoned the help of South African Forces currently operating in the area bordering the Western Province who had been informed of the plot.

The President said that the men involved, apart from being anti-party and anti-socialism obsessed with making more money than they were under the present conditions.

The mercenaries, he said, were apparently remnants of the Ex-Katangese Gendarmes, as they were mostly Zaireans. About 40 of the 50 or so that were camped in Chilanga have since been captured while the rest are still at large.

Dr. Kaunda who appealed for vigilance amongst the Zambian people, said so far there had been no information to indicate that anyone in the Party or Government leadership was involved in the plot, but quickly added that should any leader be found to have had a role in it, the nation would be informed and the law would take its course.

The President emphasised that South African complicity in the plot was irrefutable as two nights before the attack, racist troops brought boats and ferries to be used by Pretoria troops to reinforce the mercenaries and local men in their attempt to crush any resistance.

Agence France Press (AFP) correspondent in Lusaka, Mr. Francois Cros is being held by police at Lusaka Central Prison to assist them with investigations of an attempted coup on October 16.

Mr. Cros is believed to be a close friend of the leader of the Ex-Katangese Gendarmes who were recruited by Zambian dissidents and exchanged fire with Zambian Security Forces at a farm near Chilanga.

The President said at a press conference that Mr. Cros whose release many people have been demanding, is believed to have given money to a man known to be the leader of the Katangese gang. "He is now helping the police with their investigations. What we do not know is whether he gave money to the Katangese man as a friend or for other sinister motives. I have the right to know the intentions of Mr. Cros, not because I am cruel but I have a duty to maintain law and order in this country," Dr. Kaunda said.

The State is investigating whether the threat by the labour movement to call for a country wide strike is part of the plot to overthrow the Government. President Kaunda said this when asked whether there was a link between the timing of the labour leaders pronouncements about a workers' plight and the plot just uncovered.

He said "Investigations are still going on. We shall find out whether the labour movement is involved. If anyone is found to have a hand in it, the law will take its course."

The President said that he was puzzled to hear that labour leaders were prepared to die or be jailed for championing the workers' cause because no leader in the Party and the Government had threatened to take such action against them.

Meanwhile, President Kaunda last Thursday imposed a dusk to dawn curfew on the eve of Zambia's 16th Anniversary of Independence. The areas affected are: Lusaka, all copperbelt towns, Mambwe, Kafue, Kabwe urban and rural, Keembe, Chisamba and Kapiri-Mposhi. The curfew runs from 1900 hrs. till 0600 hrs. in the morning and had been declared under the Preservation of Public Security Act.

All private and unscheduled flights have been banned during the period of curfew.

The curfew which does not involve total black out will be on for an indefinite period during which essential workers will be required to obtain special passes from the Police and National Registration cards.

Zambia

PS

PS/SIR I GILMOUR

PS/MR LUCE

PS/FUS

MR DAY

SIR A AGLAND

SIR L ALLINSON

LORD N G LENNOX

MR P H MOBERLY

HD/S AF D

HD/C AF D

HD/UND

HD/DEFENCE D

MR FREELAND LEGAL ADVISER RM K200A

HD/NEWS D

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TO IMMEDIATE FCO

TELEGRAM NUMBER 594 OF 27 OCTOBER

AND TO PRIORITY PRETORIA, SALISBURY, KINSHASA,

INFO ROUTINE UKMIS NEW YORK, PARIS, NAIROBI.

INFO SAVING TO MAPUTO, PARIS, GABORONE.

*Background on the comp
attempt in Zambia. No need
to read in detail. Phil*

MIPT

1. KAUNDA SPOKE WITH AUTHORITY AND COMPOSURE. HE WAS CLEARLY PLEASED TO REPORT WHAT HE REGARDED AS A SUCCESS AGAINST A LONG STANDING CONSPIRACY BUT WARNED THAT THE OPPOSING FORCES WOULD CONTINUE WITH THEIR EFFORTS AND HENCE VIGILANCE WAS STILL REQUIRED.

2. BY DETAINING THE PROMINENT ZAMBIANS REPORTED IN MY TELNO 591 (IT WAS YESTERDAY REPORTED THAT PATRICK CHISANGA ZIMCO EXECUTIVE DIRECTOR, LPR PAGES 17, HAD ALSO BEEN DETAINED) KAUNDA HAS STRUCK AT THE NUCLEUS OF THE GROUP OF ZAMBIANS CONSIDERED MOST CAPABLE OF PROVIDING A CREDITABLE ALTERNATIVE GOVERNMENT. WHETHER THE STATE PURSUES ITS INTENTION OF PROSECUTING THEM REMAINS TO BE SEEN. FOR THE SHORT TERM AT LEAST, KAUNDA SEEMS TO HAVE SECURED HIS POSITION EVEN IF THE COST IS A FURTHER POLARISATION OF ZAMBIAN POLITICS WITH LEADING BEMBA IN PARTICULAR BEING INCENSED.

3. KAUNDA'S WARNING TO THE TRADE UNIONS WAS UNEQUIVOCAL. FURTHER TALK OF A NATIONAL STRIKE WILL BE REGARDED AS TRECHEROUS, AND ZCTU CHAIRMAN GENERAL CHILUBA MUST EITHER WITHDRAW HIS CHALLENGE TO GOVERNMENT OR FACE THE WRATH OF THE PRESIDENT.

4. THE PUBLIC REITERATION OF WHAT KAUNDA SAID TO THE LUSAKA FIVE ABOUT THE INVOLVEMENT OF SOUTH AFRICA (MY TELNO 576) SERVES TO SHOW THE STRENGTH OF HIS BELIEF IN A SOUTH AFRICAN HAND BEING CONTINUALLY RAISED AGAINST HIM. HIS REFERENCE TO THE ROLE OF "A FRIENDLY WESTERN POWER" (PARA 4 OF MY TUR) WAS COINED IN TONES OF MILD DISBELIEF AT WHAT HE SAW AS A BELATED RESPONSE. THIS CLEARLY HARKS BACK TO THE EXCHANGE IN LUSAKA TELNO 47 TO FCO AND SALISBURY TELNO 196 TO FCO ABOUT ALLEGED MILITARY TRAINING OF ZAMBIAN OPPOSITION ELEMENTS IN RHODESIA. THERE IS OF COURSE NOTHING WE CAN DO TO COUNTER KAUNDA'S REMARK, BUT IT DISPLAYS HIS INHERENT SUSPICION OF OUR MOTIVES.

5. KAUNDA'S PRAISE FOR THE SECURITY FORCES IS A FURTHER ACCOLADE FOR GREY ZULU WHOSE POSITION IS GREATLY STRENGTHENED. KAUNDA REITERATED HIS FAITH IN THE LOYALTY OF THE ARMED FORCES AND THE EFFECTIVENESS OF HIS INTELLIGENCE SERVICE, INSISTING AS HE DID THAT THE ATTACK AT CHILANGA WAS CAREFULLY PLANNED BY THE ZAMBIAN FORCES. WE BELIEVE HOWEVER THAT THEY STUMBLED UPON THE GANG WITH THE RESULT THAT INITIALLY THE CASUALTIES WERE SMALL.

6. THIS IS A COMPLEX PICTURE. THERE CERTAINLY APPEARS TO HAVE BEEN COLLUSION BETWEEN LEADING ZAMBIAN FIGURES, A FEW ARMY OFFICERS AND A GROUP OF ZAIREAN MERCENARIES. SOME OF THE CO-ORDINATION MAY BE ASCRIBED TO ANNFIELD WHO IS SEEN BY THE GOVERNMENT AS A MAJOR FIGURE IN THE CONSPIRACY. THE LINKAGE WITH ANY SOUTH AFRICAN ACTION IN WESTERN PROVINCE IS LESS CREDIBLE. WHAT IS IMPORTANT HOWEVER IS THAT KAUNDA CLEARLY BELIEVES IT ALL.

7. FCO PSE PASS SAVING TO MAPUTO, PARIS AND GABORONE.

JOHNSON

NNNN

PS

PS/SIR I GILMOUR

PS/MR LUCE

PS/PUS

MR DAY

SIR A ACLAND

SIR L ALLINSON

LORD N G LENNOX

MR P H MOBERLY

HD/S AF D

HD/C AF D

HD/UND

HD/DEFENCE D

MR FREELAND LEGAL ADVISER RM K200A

HD/NEWS D

RESIDENT CLERK

MR R L WADE-GERY
CABINET OFFICE

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ADVANCE COPY

GRS 500

UNCLASSIFIED

FM LUSAKA 271510Z OCT 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 593 OF 27 OCTOBER

AND TO PRIORITY PRETORIA, SALISBURY, KINSHASA,

INFO ROUTINE UKMIS NEW YORK, PARIS, LILONGWE, MAPUTO, NAIROBI,
GABORONE.

PRESIDENT KAUNDA'S PRESS CONFERENCE

1. PRESIDENT KAUNDA GAVE A 75 MINUTE PRESS CONFERENCE AT STATE HOUSE THIS MORNING. HE BEGAN WITH AN ACCOUNT OF ATTEMPTS BY SOUTH AFRICA TO DESTABILISE ZAMBIA SINCE INDEPENDENCE. AND WENT ON TO DESCRIBE THE EVENTS OF THE LAST FEW WEEKS.

2. KAUNDA STATED THAT NO ENEMY COULD SUCCEED IN OVERTHROWING THE GOVERNMENT WITHOUT THE HELP OF WILLING INTERNAL PUPPETS. HE COULD NOT MENTION NAMES BECAUSE THIS WOULD PREJUDICE THE COURT PROCEEDINGS WHICH WERE TO FOLLOW. BUT THE FACTS WERE AS FOLLOWS. ON 29 SEPTEMBER THE GARRISON AT SESHEKE RECEIVED A MESSAGE FROM THE SOUTH AFRICAN MILITARY DEMANDING A MEETING. GREY ZULU, WHO WAS IN WESTERN

AFRICAN MILITARY DEMANDING A MEETING. GREY ZULU, WHO WAS IN WESTERN PROVINCE AT THE TIME, REPLIED THAT IF THE SOUTH AFRICANS HAD ANYTHING TO DISCUSS THEY SHOULD APPROACH THE ZAMBIANS THROUGH A THIRD PARTY. THE SOUTH AFRICANS' MESSAGE WAS REPEATED ON 1 OCTOBER AND AGAIN IN THE FORM OF AN ULTIMATUM ON 10 OCTOBER. IF THE ZAMBIANS REFUSED TO MEET THE SOUTH AFRICAN COMMANDERS, SESHEKE WOULD BE BOMBARDED. AGAIN THE ZAMBIANS REFUSED TO MEET PARTICULARLY UNDER THESE THREATS.

3. BY THEN INTELLIGENCE REPORTS HAD LED TO THE LIKELIHOOD OF AN ATTACK ON STATE HOUSE ON THE NIGHT OF 16/17 OCTOBER MOUNTED BY A "GANG OF FOREIGNERS" HIRED BY ZAMBIAN ELEMENTS. KAUNDA ORDERED THE SECURITY FORCES TO ATTACK THE GANG THE NIGHT BEFORE ON 15/16 OCTOBER. SOMEHOW THE GANG KNEW ABOUT THE ATTACK AND MANAGED TO DISPERSE ALTHOUGH TWO WERE KILLED AND TWO CAPTURED. THANKS TO THE COOPERATION OF THE LOCAL PEOPLE OVER 40 OF THEM WERE NOW CAPTURED, 10 REMAINING AT LARGE. THERE COULD BE MORE HIDING IN COPPERBELT PROVINCE.

4. EARLIER THIS YEAR ZAMBIAN INTELLIGENCE DISCOVERED THAT ELIAS KAENGE WAS TRAINING ZAMBIAN DISSIDENTS AND EX-KATANGESE AT BINDURA MINE IN RHODESIA. ACCESS WAS THROUGH MALAWI (WITHOUT KNOWLEDGE OF THE MALAWIAN GOVERNMENT) VIA JOHANNESBURG TO SALISBURY. THE PLAN WAS TO ATTACK ZAMBIA WITH SOUTH AFRICAN BACKING IF MUZOREWA WON THE ELECTIONS AND TO INSTAL A GOVERNMENT OF "MONEY LOVERS WHO DID NOT LIKE ZAMBIAN SOCIALISM". KAUNDA THEN SAID THAT HE ASKED A "FRIENDLY" WESTERN POWER TO HELP AND WAS TOLD THAT THERE WAS NOTHING TO BE CONCERNED ABOUT. A FEW WEEKS LATER, AFTER MUGABE'S VICTORY, AN "OFFICER" CAME TO HIM FROM THE SAME "FRIENDLY" POWER TO SAY THAT THIS GANG HAD NOW GONE TO SOUTH AFRICA.

5. KAUNDA CONTINUED THAT PART OF THE PLAN WAS FOR THE UNIONS TO GO ON STRIKE EARLIER THIS YEAR TO HELP DESTABILISE THE COUNTRY AND PUT THE CAPITALISTS IN POWER. BUT GOD HELPED, MUZOREWA LOST, THE PF FORCES WON AND ZAMBIA WAS SAVED FROM ATTACK.

6. THOSE ZAMBIANS WHO HAVE BEEN ARRESTED WILL BE PROSECUTED BY THE STATE. THEY INCLUDE THREE MEMBERS OF THE ZNDF, ONE OF WHOM HAD ALREADY BEEN TRIED AND CONVICTED OF THEFT AND HAD APPEALED AGAINST CONVICTION. ONE WHITE ZAMBIAN WAS BEING SOUGHT BY THE POLICE PLUS TWO OTHER KEY PEOPLE AND A FORMER MINISTER IN THE GOVERNMENT. FROM CAPTURED MAPS IT WAS CLEAR THAT THE PLAN WAS TO ATTACK STATE HOUSE, THE RADIO AND TELEVISION STATIONS, THE AIRPORT, POLICE STATION, AIRFORCE BARRACKS AND THE ARMY COMMANDER. THE LINK WITH SESHEKE WAS THAT THE SOUTH AFRICANS WERE UNSURE ABOUT SUPPORT FROM THE ZNDF AND THEREFORE LAUNCHED A DELIBERATE PROVOCATION TO DRAW FORCES OFF

THEREFORE LAUNCHED A DELIBERATE PROVOCATION TO DRAW FORCES OFF TO WESTERN PROVINCE. ON THE NIGHT OF 16/17 OCTOBER THE SOUTH AFRICANS POSITIONED BOATS READY TO FERRY TROOPS ACROSS THE ZAMBEZI TO SESHEKE.

7. KAUNDA THEN WENT ON TO VOICE HIS PUZZLEMENT OVER THE CURRENT ACTIVITIES OF THE UNIONS. THEIR CASE WAS BEING ACTIVELY INVESTIGATED. HE HIMSELF HAD MET THE LEADERS OF EMPLOYERS AND UNIONS AND THEY HAD AGREED ON THE RIGHT WAY TO PROCEED. HE HAD PROMISED THAT THE RESULTS OF THE NEGOTIATIONS FOR PAY WOULD BE BACK-DATED TO THE FIRST OF AUGUST. ALL WORKERS WERE FREE TO NEGOTIATE FOR NEW TERMS WITH THEIR EMPLOYERS. WHY THEN WAS THERE NOW ALL THIS TALK OF A GENERAL STRIKE, OF GOING TO PRISON AND OF BEING PREPARED TO DIE? THERE WAS NO BASIS FOR A GENERAL STRIKE. BUT IT WAS CLEARLY PART OF THE PLAN EARLIER THIS YEAR THAT KASNGS'S GROUP SHOULD HAVE THE SUPPORT OF A GENERAL STRIKE.

8. KAUNDA CONCLUDED WITH SOME WORDS ABOUT THE AFP CORRESPONDENT FRANCOIS CROS. HE SAID SOME FRIENDS HAD SENT HIM INSULTING TELEGRAMS REVEALING THE CONTEMPTUOUS ATTITUDE OF WHITES FOR THE BLACK MAN BELIEVING HIM TO BE A "DEVIL'S OGRE" WHO DOESN'T VALUE HUMAN LIFE. CROS WAS HELPING THE POLICE WITH THEIR INVESTIGATION IN THE SAME CASE. HE WAS KNOWN TO BE PAYING MONEY TO THE (ZAIREAN) LEADER OF THE GANG WHO WAS ARRESTED ON A DIFFERENT CASE BEFORE THIS OPERATION. IT WAS NOT YET CLEAR WHETHER CROS WAS PAYING MONEY FOR HIS DEFENCE IN COURT AS A FRIEND OR FOR SOME MORE SINISTER PURPOSE. THIS NEEDED TO BE ESTABLISHED. IN THE MEANTIME KAUNDA HAD SIGNED A PRESIDENTIAL DETENTION ORDER FOR HIM.

9. IN ANSWER TO QUESTIONS KAUNDA SAID THAT THE ENTIRE LEADERSHIP OF THE CHILANGA GANG WERE ZAIREAN, NOT SENT BY MOBUTU - "FOR ALL I KNOW THEY MAY BE AGAINST PRESIDENT MOBUTU". HE GAVE NO INDICATION OF WHEN THE CURFEW WOULD END. FINALLY HE CONFIRMED THAT SO FAR NO ONE IN THE GOVERNMENT OR SENIOR RANKS OF THE PARTY HAD BEEN FOUND TO BE IMPLICATED IN THE PLOT.

10. SEE MIFT (NOT TO ALL)

JOHNSON

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IMMEDIATE

Zambia

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PP SALISBURY

CLARE.D.

SIR K. ALLINSON
CABINET OFFICE
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GRS 90 [STANDARD]
CONFIDENTIAL

FM LUSAKA 171510Z SEP 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 536 OF 17 SEPTEMBER
INFO PRIORITY SALISBURY, PRETORIA

M5

INTERNAL POLITICAL SITUATION

1. RUMOURS OF AN IMPENDING COUP POSSIBLY BY DISAFFECTED MEMBERS OF THE ZNDF HAVE BEEN CIRCULATING IN LUSAKA FOR THE LAST 24 HOURS. I UNDERSTAND THAT THE LONDON METAL EXCHANGE YESTERDAY REACTED TO THESE RUMOURS. THE ARMY STRENGTH IN LUSAKA HAS BEEN NOTICEABLY INCREASED IN RECENT DAYS OSTENSIBLY AS PART OF THE GOVERNMENT'S REACTION TO A WAVE OF VIOLENT CRIME IN THE CITY. THIS INCREASE MAY HAVE HELPED TO FAN THE RUMOURS.

2. ALTHOUGH THE WAVE OF VIOLENT CRIME AND INCREASING DOUBTS ABOUT THE MANAGEMENT OF THE ECONOMY PROVIDE ADDITIONAL GRIEVANCES TO FUEL A COUP, IT IS NOT AS YET POSSIBLE TO DISCERN A COHESIVE ALTERNATIVE GROUPING. WE KNOW THAT THE GOVERNMENT IS AWARE OF THESE RUMOURS AND THAT THEY ARE NOT DISPOSED TO TAKE THEM TOO SERIOUSLY.

JOHNSON

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CONFIDENTIAL *CL 450* CONFIDENTIAL
DESKBY 110730Z
FROM U.K. MISSION NEW YORK 110349Z APRIL 80
TO IMMEDIATE FOO

Zambia

TELEGRAM NUMBER 591 OF 10 APRIL
INFO IMMEDIATE CAPE TOWN LUSAKA PARIS WASHINGTON LISBON (FOR
PRIVATE SECRETARY) OSLO INFO SAVING BONN OTTAWA DAR ES SALAAM
MAPUTO GABORONE LUANDA.
MIPT: SOUTH AFRICA/ZAMBIA.

FOLLOWING IS AMENDED TEXT OF THE RESOLUTION.

1. TAKING NOTE OF THE LETTER FROM THE PERMANENT REPRESENTATIVE OF
THE REPUBLIC OF ZAMBIA CONTAINED IN DOCUMENT S/13878:

2. HAVING CONSIDERED THE STATEMENT OF THE REPRESENTATIVE OF THE
REPUBLIC OF ZAMBIA:

3. GRAVELY CONCERNED AT THE ESCALATION OF HOSTILE AND UNPROVOKED
ACTS BY THE RACIST REGIME OF SOUTH AFRICA, VIOLATING THE SOVEREIGNTY,
AIRSPACE AND TERRITORIAL INTEGRITY OF THE REPUBLIC OF ZAMBIA:

4. RECALLING ITS RESOLUTION 455 (1979) IN WHICH, INTER ALIA, IT
STRONGLY CONDEMNED THE COLLUSION BY RACIST SOUTH AFRICA, WITH THE
THEN ILLEGAL REGIME OF SOUTHERN RHODESIA, IN ACTS OF AGGRESSION
AGAINST THE REPUBLIC OF ZAMBIA:

5. GRIEVED AT THE TRAGIC LOSS OF HUMAN LIFE AND CONCERNED ABOUT
THE DAMAGE AND DESTRUCTION OF PROPERTY RESULTING FROM THE ESCALATED
ACTS AND ARMED INCURSIONS COMMITTED BY THE RACIST REGIME OF SOUTH
AFRICA AGAINST THE REPUBLIC OF ZAMBIA:

6. DEEPLY CONCERNED THAT THE WANTON ACTS BY THE RACIST REGIME OF
SOUTH AFRICAN ARE AIMED AT THE DESTABILISATION OF THE REPUBLIC OF
ZAMBIA:

7. CONSCIOUS OF THE NEED TO TAKE EFFECTIVE MEASURES TO MAINTAIN
INTERNATIONAL PEACE AND SECURITY:-

1. STRONGLY CONDEMNS THE RACIST REGIME OF SOUTH AFRICAN FOR ITS
CONTINUED, INTENSIFIED AND UNPROVOKED ACTS AGAINST THE
REPUBLIC OF ZAMBIA, WHICH CONSTITUTE A FLAGRANT VIOLATION OF
THE SOVEREIGNTY AND TERRITORIAL INTEGRITY OF ZAMBIA:
2. DEMANDS THAT SOUTH AFRICA WITHDRAWS FORTHWITH, ALL ITS
MILITARY FORCES FROM THE TERRITORY OF THE REPUBLIC OF ZAMBIA,
CEASES ALL VIOLATIONS OF ZAMBIA'S AIRSPACE, AND HENCEFORTH,
SCRUPULOUSLY RESPECTS THE SOVEREIGNTY AND TERRITORIAL
INTEGRITY OF THE REPUBLIC OF ZAMBIA:
3. SOLEMNLY WARNS SOUTH AFRICA THAT IN THE EVENT OF ANY FURTHER
ARMED INCURSIONS AGAINST THE REPUBLIC OF ZAMBIA, THE SECURITY
COUNCIL WILL MEET TO CONSIDER FURTHER APPROPRIATE ACTION UNDER
THE PROVISIONS OF THE UN CHARTER INCLUDING CHAPTER VII THEREOF.
4. COMMENDS THE REPUBLIC OF ZAMBIA FOR EXERCISING MAXIMUM
RESTRAINT IN THE FACE OF SERIOUS PROVOCATIONS REPEATEDLY
COMMITTED AGAINST IT BY THE RACIST REGIME OF SOUTH AFRICA:
5. DECIDES TO REMAIN SEIZED OF THE MATTER.

TRANSFERRED [PASSED AS REQUESTED]

DEPARTMENTAL
S.A.D. E.C.C.
O.P.S. F.A.D.
U.N.D. CABINET OFFICE
N.A.D.

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DESKBY 110730Z

FROM U K MISSION NEW YORK 110348Z APRIL 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 590 OF 10 APRIL

INFO IMMEDIATE CAPE TOWN LUSAKA PARIS WASHINGTON LISBON (FOR PRIVATE SECRETARY) OSLO INFO SAVING BONN OTTAWA DAR ES SALAAM MAPUTO GABORONE LUANDA.

MIPT: SOUTH AFRICA/ZAMBIA.

FOLLOWING IS ORIGINAL ZAMBIAN DRAFT:

1. TAKING NOTE OF THE LETTER FROM THE PERMANENT REPRESENTATIVE OF THE REPUBLIC OF ZAMBIA CONTAINED IN DOCUMENT S/13878:
2. HAVING CONSIDERED THE STATEMENT OF THE REPRESENTATIVE OF THE REPUBLIC OF ZAMBIA:
3. GRAVELY CONCERNED AT THE ESCALATION OF HOSTILE AND UNPROVOKED ACTS OF AGGRESSION BY THE RACIST REGIME OF SOUTH AFRICAN, VIOLATING THE SOVEREIGNTY, AIRSPACE AND TERRITORIAL INTEGRITY OF THE REPUBLIC OF ZAMBIA:
4. RECALLING ITS RESOLUTION 455 (1979) IN WHICH, INTER ALIA, IT STRONGLY CONDEMNED THE COLLUSION BY RACIST SOUTH AFRICA, WITH THE THEN ILLEGAL REGIME OF SOUTHERN RHODESIA, IN ITS ACTS OF AGGRESSION AGAINST THE REPUBLIC OF ZAMBIA:
5. GRIEVED AT THE TRAGIC LOSS OF HUMAN LIFE AND CONCERNED ABOUT THE DAMAGE AND DESTRUCTION OF PROPERTY RESULTING FROM THE ESCALATED ACTS OF AGGRESSION COMMITTED BY THE RACIST REGIME OF SOUTH AFRICA AGAINST THE REPUBLIC OF ZAMBIA:
6. CONVINCED THAT THE WANTON ACTS OF AGGRESSION BY THE RACIST REGIME OF SOUTH AFRICA ARE AIMED AT THE DESTABILISATION OF THE REPUBLIC OF ZAMBIA:
7. CONVINCED ALSO THAT THE POLICIES AND PRACTICES OF THE RACIST REGIME OF SOUTH AFRICA CONSTITUTE A SERIOUS THREAT TO INTERNATIONAL PEACE AND SECURITY:
8. CONSCIOUS OF THE NEED TO TAKE EFFECTIVE MEASURES FOR THE PREVENTION AND REMOVAL OF ALL THREATS TO INTERNATIONAL PEACE AND SECURITY:-
 1. STRONGLY CONDEMNS THE RACIST REGIME OF SOUTH AFRICAN FOR ITS CONTINUED, INTENSIFIED AND UNPROVOKED ACTS OF AGGRESSION AGAINST THE REPUBLIC OF ZAMBIA, WHICH CONSTITUTE A FLAGRANT VIOLATION OF THE SOVEREIGNTY AND TERRITORIAL INTEGRITY OF ZAMBIA:
 2. DEMANDS THAT SOUTH AFRICAN WITHDRAWS FORTHWITH, ALL ITS MILITARY FORCES FROM THE TERRITORY OF THE REPUBLIC OF ZAMBIA CEASES ALL VIOLATIONS OF ZAMBIA'S AIRSPACE, AND HENCEFORTH, SCRUPULOUSLY RESPECTS THE SOVEREIGNTY AND TERRITORIAL INTEGRITY OF THE REPUBLIC OF ZAMBIA:
 3. SOLEMNLY WARNS SOUTH AFRICAN THAT IN THE EVENT OF ANY FURTHER ACTS OF AGGRESSION AGAINST THE REPUBLIC OF ZAMBIA, THE SECURITY COUNCIL SHALL MEET TO TAKE ENFORCEMENT MEASURES AGAINST IT UNDER CHAPTER VII OF THE UNITED NATIONS CHARTER:

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4. COMMENDS THE REPUBLIC OF ZAMBIA FOR EXERCISING MAXIMUM RESTRAINT IN THE FACE OF SERIOUS PROVOCATIONS REPEATEDLY COMMITTED AGAINST IT BY THE RACIST REGIME OF SOUTH AFRICA;
5. DECIDES TO REMAIN SEIZED OF THE MATTER.

FCD PASS SAVING BONN DAR ES SALAAM MAPUTO GABORONE LUANDA

MANSFIELD

[CLASSIFIED AS REQUESTED]

DEPARTMENTAL

*S. # 3.
OAS.
UNB.
NAD.
ECB.
FRD
CHANCELLERY OFFICE*

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DESKBY 110730Z

FROM UKMIS NEW YORK 110347Z APR 80

TO IMMEDIATE F C O

TELEGRAM NUMBER 589 OF 10 APRIL

INFO IMMEDIATE CAPETOWN LUSAKA PARIS WASHINGTON LISBON (FOR

PRIVATE SECRETARY) OSLO

INFO SAVING TO BONN OTTAWA DAR ES SALAAM MAPUTO GABORONE LUANDA

CONFIDENTIAL Prime Minister

*You may like to have these
all available as background & care
there are further references about the
resolution over the weekend.*

Phunt

YOUR TEL NO 098: SOUTH AFRICA/ZAMBIA: SECURITY COUNCIL

1. AFTER CONSULTATION WITH KAMANGA, THE ZAMBIANS SECURED THE ENDORSEMENT OF THE AFRICAN GROUP AND THE NON-ALIGNED MEMBERS OF THE COUNCIL TO THE DRAFT RESOLUTION IN MY 1ST IFT. DURING THE AFTERNOON LUSAKA, ZAMBIAN PERMANENT REPRESENTATIVE, CONSULTED MEMBERS OF THE SECURITY COUNCIL INDIVIDUALLY. THE NORWEGIANS SAID THEY COULD VOTE FOR THE RESOLUTION BUT ALSO SAID THAT IT WOULD BE DESIRABLE THAT THERE SHOULD BE A UNANIMOUS VOTE. THE PORTUGUESE SAID THEY HAD NO INSTRUCTIONS, BUT THEY THOUGHT THAT LISBON WOULD HAVE SOME DIFFICULTY WITH THE REFERENCES TO CHAPTER 7. LEPRETTE (FRANCE) SAID THAT HE DID NOT LIKE THE CHAPTER 7 LANGUAGE AND FELT THAT IT WOULD HAVE AN ADVERSE EFFECT ON THE NAMIBIAN NEGOTIATIONS. THE AMERICANS SAID THAT THEY SAW A DANGER IN EFFORTS TO SOLVE THE SHORT TERM PROBLEM OF THE SOUTH AFRICAN MILITARY PRESENCE IN ZAMBIA WHICH IMPINGED ON THE LONG TERM OBJECTIVE OF A NEGOTIATED SETTLEMENT.

2. I TOLD LUSAKA THAT, IF IT WAS TRUE THAT SOUTH AFRICAN TROOPS WERE STILL IN ZAMBIA, MUCH OF THE DRAFT RESOLUTION WAS REASONABLE, BUT THE USE OF CHAPTER 7 LANGUAGE WOULD MAKE IT UNACCEPTABLE TO US AND SUGGESTED AMENDMENTS THAT WOULD REMOVE THESE.

3. LUSAKA DID NOT RESPOND TO ANY OF THESE REACTIONS BEFORE THE DEBATE BEGAN. IN HIS STATEMENT TO THE COUNCIL, KAMANGA LISTED A NUMBER OF ALLEGED SOUTH AFRICAN INCURSIONS AND ATTACKS IN SESHEKE DISTRICT, INVOLVING SIX DEATHS, THIRTEEN WOUNDED, SEVERAL ABDUCTED, SUBSTANTIAL MATERIAL DAMAGE AND VIOLATIONS OF AIR SPACE. HE CLAIMED THAT HUNDREDS OF SOUTH AFRICAN TROOPS WERE STILL ON ZAMBIAN SOIL AND SAID THAT THE SOUTH AFRICAN AIM WAS TO PROVOKE A MILITARY CONFRONTATION. HE CRITICISED THE FIVE FOR AN AMBIVALENT ATTITUDE TO SOUTH AFRICAN AGGRESSION AND FOR FAILING TO SHOW DETERMINATION IN DEALING WITH SOUTH AFRICA OVER NAMIBIA. HE THEN SAID THAT THE SECURITY COUNCIL SHOULD TAKE ACTION AND READ OUT THE OPERATIVE PARAGRAPHS OF THE ZAMBIAN DRAFT.

4. AFTER MAURITIUS, LIBERIA, CUBA AND ANGOLA HAD SPOKEN, THE DEBATE WAS ADJOURNED UNTIL TOMORROW. THE AMERICANS, FRENCH AND OURSELVES WERE THEN INVITED BY LUSAKA TO DISCUSS THE DRAFT RESOLUTION. AFTER THREE HOURS WE EMERGED WITH THE TEXT IN MY 2ND IFT. THE ZAMBIANS WERE INSISTENT THAT THEY MUST INCLUDE

/THE LAST

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THE LAST FOUR WORDS OF OPERATIVE PARA 3 IN ORDER TO SHOW SOME PROGRESSION OVER SCR 393 (1976) WHICH HAD BEEN IGNORED BY THE SOUTH AFRICANS AND BECAUSE IT WAS THE LANGUAGE USED IN SCR 428 ON CASSINGA FOR WHICH THE WESTERN THREE HAD VOTED. WE ARGUED THAT THE SITUATIONS WERE TOTALLY DIFFERENT; THAT IT WAS IMPORTANT TO SEND A UNANIMOUS SIGNAL TO THE SOUTH AFRICANS SO THAT IT WOULD NOT UNDERMINE THE DEMARCHE THE FIVE WERE CONSIDERING; AND THAT THE WORDS WERE UNNECESSARY AS THEY ADDED NOTHING TO THE REFERENCE TO THE UN CHARTER. BUT THE ZAMBIANS COULD NOT BE MOVED FURTHER.

5. ON THE OTHER HAND, THEY HAVE AGREED TO A NUMBER OF AMENDMENTS WE WANTED IN ORDER TO TAKE THE RESOLUTION BACK TO CHAPTER 6, PROVIDED WE CAN ACCEPT THESE FOUR WORDS. LUSAKA HAS SECURED THE AGREEMENT OF KAMANGA TO THE REVISED DRAFT AND SHOULD HAVE NO DIFFICULTY WITH THE OTHER MEMBERS OF THE AFRICAN GROUP. MY FRENCH AND AMERICAN COLLEAGUES WILL BE RECOMMENDING TO THEIR CAPITALS THAT THEY SHOULD VOTE FOR THE RESOLUTION IN ITS PRESENT FORM. IF THEIR RECOMMENDATIONS ARE ACCEPTED I VERY MUCH HOPE WE CAN ALSO VOTE FOR THE AMENDED RESOLUTION. SINCE THE ZAMBIANS HAVE COME A FAIR WAY TO MEET US IT MAY BE POSSIBLE TO ARRANGE THAT IT SHOULD BE ADOPTED BY CONSENSUS WITHOUT A VOTE. IF WE CANNOT ALL VOTE FOR THE AMENDED RESOLUTION THE ZAMBIANS WILL REVERT TO THE ORIGINAL TEXT, IN WHICH CASE THE FRENCH AND THE AMERICANS WOULD PROBABLY ABSTAIN.

6. NO MEMBERS OF THE COUNCIL HAVE YET PUT DOWN THEIR NAMES TO SPEAK TOMORROW, BUT SOME ARE LIKELY TO DO SO. I WOULD PROPOSE TO MAKE A SHORT EXPLANATION OF VOTE, AND I EXPECT THE AMERICANS, FRENCH AND PERHAPS THE PORTUGUESE WILL DO THE SAME.

PCD PASS SAYING TO BONN DAR ES SALAAM MAPUTO GABORONE LUANDA

MANSFIELD [PASSED AS REQUESTED]

DEPARTMENTAL
S.A.D.
O.A.D.
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DESK BY FCO 101545Z APR 80

DESK BY UKMIS NEW YORK 101600Z APR 80

FM CAPE TOWN EMBASSY 101500Z APR 80

TO IMMEDIATE F C O

TEL NO 296 OF 10 APRIL

INFO IMMEDIATE UKMIS NEW YORK AND LUSAKA

INFO SAVING TO WASHINGTON, OTTAWA, PARIS, BONN, DAR ES SALAAM,
MAPUTO, GABORONE, LUANDA

SOUTH AFRICA/ZAMBIA

1. FOURIE HAS JUST GIVEN ME THE TEXT OF THE LETTER WHICH IS BEING SENT TO THE PRESIDENT OF THE SECURITY COUNCIL RESPONDING TO THE ALLEGATIONS IN THE ZAMBIAN LETTER OF COMPLAINT TO THE PRESIDENT OF THE SECURITY COUNCIL (S. 13978). I ASSUME THAT THE TEXT WILL SOON BE AVAILABLE TO YOU AND UKMIS NEW YORK BUT A BRIEF SUMMARY MAY BE HELPFUL. THE MAIN POINTS ARE:-

- (I) EXISTING CHANNELS COULD HAVE BEEN USED TO SETTLE THE ZAMBIAN COMPLAINT BILATERALLY:
- (II) THE ZAMBIAN INITIATIVE WAS TIMED TO PREEMPT SOUTH AFRICA'S REPLY TO THE SECRETARY GENERAL'S REPORT OF 31 MARCH:
- (III) ZAMBIA HAS BEEN HARBOURING SWAPO TERRORISTS FOR ATTACKS ON NAMIBIA. SOUTH AFRICA IS RESPONSIBLE FOR THE SECURITY OF NAMIBIA AND THEREFORE "HAS NO ALTERNATIVE BUT TO TAKE PROTECTIVE ACTION AGAINST AGGRESSION COMMITTED FROM ZAMBIAN SOIL". SOUTH AFRICA'S ACTIONS ARE AIMED SOLELY AT TERRORISTS BUT ZAMBIA MUST BEAR RESPONSIBILITY FOR GIVING THE TERRORISTS SANCTUARY. INDEED ZAMBIA RATHER THAN SOUTH AFRICA SHOULD STAND ACCUSED BEFORE THE SECURITY COUNCIL:
- (IV) SOUTH AFRICA HAS DEMONSTRATED A POLICY OF GOOD NEIGHBOURLINESS TO ZAMBIA BY ECONOMIC ASSISTANCE:

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/(V) SOUTH

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(V) SOUTH AFRICA IS WILLING TO PROMOTE THE DEVELOPMENT OF THE REGION BUT NEEDS THE RIGHT ATMOSPHERE OF COOPERATION. **INSTEAD OF DISSIPATING ITS ENERGIES ON HOSTILITY TO SOUTH AFRICA, ZAMBIA WOULD DO WELL TO CONCENTRATE ON SOLVING ITS OWN INTERNAL PROBLEMS**. THE SECURITY COUNCIL SHOULD ADOPT A RESOLUTION **ADVISING ZAMBIA TO CONCENTRATE ON THE UPLIFTMENT OF HER PEOPLE RATHER THAN TO ENGAGE IN CONFRONTATION WITH SOUTH AFRICA**.

FOURIE HINTED THAT HE WAS UNHAPPY WITH THE LAST PARAGRAPH OF THE LETTER SUMMARISED IN (V) ABOVE WHICH HE SAID HAD BEEN ADDED TO HIS DRAFT.

2. FOURIE ALSO TOLD ME THAT HE HAD NOW HEARD FROM MALAN (PARAGRAPH 1 OF MY TEL NO 276) THAT SO FAR FROM AN ESCALATION THERE HAD BEEN A **DE-ESCALATION** OF ACTIVITY IN THE AREA AND THERE WERE NO SOUTH AFRICAN TROOPS IN ZAMBIA AS OF THIS MOMENT. FOURIE SAID THAT IF THE COMPLAINT HAD COME SIX WEEKS AGO THEY MIGHT HAVE UNDERSTOOD IT BETTER. THE FACT THAT THE COMPLAINT HAD BEEN MADE NOW HAD MADE THEM HIGHLY SCEPTICAL OF ZAMBIA'S REAL MOTIVES.

FCO PLEASE PASS SAVING TO ALL.

LEAHY

[REPEATED AS REQUESTED]

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ADDITIONAL DISTN.

SOUTHERN AFRICA

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DESKBY FCO AND UKMIS NEW YORK 101600Z

FM LUSAKA 101420Z

TO IMMEDIATE FCO

TEL NO. 313 OF 10 APRIL 1980

AND TO IMMEDIATE UKMIS NEW YORK

REPEATED TO IMMEDIATE CAPETOWN

SAVING TO WASHINGTON, OTTAWA, PARIS, BONN, DAR ES SALAAM, MAPUTO,
GABORONE, LUANDA.

CAPETOWN TEL NO. 280: ZAMBIA/SOUTH AFRICA.

1. I HAVE ALREADY MADE CLEAR (MY TELS NOS 310, 302 AND 301) WHY THE ZAMBIAN GOVERNMENT ARE UNABLE TO IGNORE THE SITUATION IN WESTERN PROVINCE. THEIR REASONS FOR TAKING ACTION ARE NOT MISCHIEVOUS: EVEN IF THE SOUTH AFRICANS HAVE NOT ESTABLISHED A PERMANENT PRESENCE ON ZAMBIAN SOIL (AND THE EVIDENCE IS THAT THEY HAVE) THERE HAVE BEEN CONSTANT AND EXTENSIVE INCURSIONS. THESE HAVE BEEN REPORTED IN OFFICIAL ZAMBIAN STATEMENTS (FOR EXAMPLE, SEE MY TEL NO. 281) AND THESE ALLEGATIONS HAVE NOT, SO FAR AS I AM AWARE, BEEN DENIED BY SOUTH AFRICA.
2. WHEN HEAD OF CHANCERY CARRIED OUT OUR INSTRUCTIONS ON 9 APRIL TO BRIEF THE ZAMBIANS ON VILJOEN'S VISIT TO LONDON, THE DIRECTOR FOR EUROPE, MNYANTHA STATED THAT ZAMBIA DID NOT/WANT TO DAMAGE PROSPECTS FOR A NAMIBIAN SETTLEMENT. BUT THE OCCUPATION OF AREAS OF WESTERN PROVINCE AND SOUTH AFRICAN ATTEMPTS TO ALIENATE THE LOCAL POPULATION FROM THEIR PARTY AND GOVERNMENT LEADERS LEFT ZAMBIA NO CHOICE BUT TO GO TO THE SECURITY COUNCIL. HE EXPRESSED REGRET THAT WE HAD NOT ALREADY CONDEMNED SOUTH AFRICA (EVERETT REFERRED TO WHAT WISNER HAD SAID TO KAUNDA ON BEHALF OF THE FIVE (MY TEL NO. 300), BUT EXPLAINED THAT THE FIVE'S ROLE MADE IT PREFERABLE FOR US TO MAINTAIN A LOW PROFILE IN PUBLIC).
3. MAINZA CHONA, THE PARTY SECRETARY-GENERAL AND IN KAUNDA'S ABSENCE ACTING PRESIDENT, TELEPHONED ME TWICE TODAY ON THE SUBJECT TO UNDERLINE THE SERIOUS VIEW WHICH THE GOVERNMENT HAD TO TAKE OF SOUTH AFRICAN OPERATIONS IN ZAMBIAN TERRITORY. HE REFERRED TO AN INCIDENT OF 24 MARCH, WHICH WAS GIVEN PUBLICITY

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LOCALLY, IN WHICH IN THE COURSE OF A VISIT TO SESHEKE, HE PERSONALLY SAW AS SOUTH AFRICAN TROOP CARRIERS COME DOWN THE ROAD FROM SENANGA AND CROSS BACK INTO NAMIBIA. THIS WAS AN EXAMPLE OF SOUTH AFRICAN SHAMELESSNESS AND THEIR BLATANT CONTEMPT FOR ZAMBIA. HE ADDS THAT SCHOOLS AND CLINICS WERE UNABLE TO OPERATE AND BRIDGES DESTROYED. THE SENANGA/SESHEKE ROAD WAS NOW VIRTUALLY UNUSABLE BY ZAMBIAN TRAFFIC DUE TO SOUTH AFRICAN ROADBLOCKS.

4. IN SHORT, WHAT WE ALREADY KNEW FROM OUR OWN SOURCES ABOUT THE SITUATION IN WESTERN PROVINCE, HAS OVER THE PAST WEEK BEEN CONFIRMED DIRECTLY TO US BY THE HIGHEST ZAMBIAN AUTHORITY. IT IS A SITUATION WHICH ANY SELF-RESPECTING GOVERNMENT WOULD FIND IT HARD TO IGNORE AND THERE IS NOW CONSIDERABLE DOMESTIC PRESSURE FOR ACTION. CHONA EMPHASISED THAT WHILST RESOLUTIONS WERE IMPORTANT EVEN MORE IMPORTANT WAS ACTION TO GET THE SOUTH AFRICANS OUT. THEY WOULD BE WATCHING THE WESTERN EFFORTS TO THIS END CLOSELY.

5. AS FAR AS WE CAN ESTABLISH CHONA'S PLEA HAS BEEN DIRECTED ONLY TO OURSELVES.

FOR PLS ALL SAYING ADDRESSEES.

[REPEATED AS REQUESTED]

NEILSON.

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FM CAPE TOWN EMBASSY 290930Z APR 1980

TO IMMEDIATE FCO

TELEGRAM NO 276 OF 9 APRIL

INFO IMMEDIATE UKMIS NEW YORK

INFO PRIORITY LUSAKA, GABORONE, LUANDA, MAPUTO, DAR ES SALAAM,

PARIS, WASHINGTON, LISBON AND OSLO.

INFO SAVING OTTAWA AND BONN

UKMIS NEW YORK TELNO 563: SOUTH AFRICA/ZAMBIA

1. I ASKED BRAND FOURIE THIS MORNING WHETHER THERE HAD BEEN ANY UNUSUAL SOUTH AFRICAN MILITARY ACTIVITY RECENTLY WHICH COULD HAVE PROVOKED THE ZAMBIAN RECOURSE TO THE SECURITY COUNCIL. HE SAID THAT HE HAD ASKED THE SOUTH AFRICAN DEFENCE FORCE THE SAME QUESTION AND WAS AWAITING THEIR REPLY. ON THE OTHER HAND PIK BOTHA, WHEN I SAW HIM SEPARATELY, TENDED TO TAKE THE LINE THAT IT WAS ALL OLD HAT AND IF PRESIDENT KAUNDA WAS BRINGING THE MATTER UP NOW THERE MUST BE A SPECIAL REASON. HE SURMISED THAT IT MIGHT BE THAT AFTER THE SET-BACK TO HIS PROTEGE, NKOMO, IN RHODESIA, HE WANTED TO FLEX HIS MUSCLES AND THUS RESTORE HIS PERSONAL PRESTIGE.

2. FOURIE ALSO TOLD ME THAT WHEREAS THE SOUTH AFRICANS HAD BEEN TRYING VERY HARD TO GET OUT THEIR REPLY TO THE SECRETARY-GENERAL ON THE DMZ THIS WEEK, THEY HAD NOW DECIDED TO WAIT UNTIL AFTER THE SECURITY COUNCIL DEBATE WAS OVER, WHICH THEY EXPECTED TO BE BY THE WEEKEND. HE ADMITTED THAT IF THERE WAS NOW A HEATED DEBATE IN NEW YORK IT WOULD NOT MAKE HIS TASK EASIER IN TRYING TO GET THE WORDING OF THE REPLY RIGHT.

FCO PSE PASS ALL SAVING ADDRESSEES.

LEAHY

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FROM UKMIS NEW YORK 081740Z APR 80
TO IMMEDIATE F C O
TELEGRAM NUMBER 560 OF 08 APRIL 80
INFO IMMEDIATE LUSAKA CAPETOWN
INFO PRIORITY GABORONE LUANDA MAPUTO DAR ES SALAAM PARIS WASHINGTON
LISBON OSLO
INFO SAYING TO OTTAWA BONN

PRIME MINISTER

MS

LUSAKA TEL NO 300: SOUTH AFRICA/ZAMBIA

1. ZAMBIA HAS NOW CALLED FOR AN URGENT MEETING OF THE SECURITY COUNCIL "WITH A VIEW TO TAKING EFFECTIVE MEASURES TO COMPEL THE PRETORIA REGIME TO DESIST FROM COMMITTING AGGRESSIVE ACTS AGAINST ZAMBIA AND FOR THEM TO RESPECT ITS SOVEREIGNTY AND TERRITORIAL INTEGRITY".

2. THE ZAMBIAN NOTE ACCUSES SOUTH AFRICA OF INTENSIFYING ITS ACTS OF AGGRESSION SINCE EARLY THIS YEAR: "SOUTH AFRICAN TROOPS OF OCCUPATION IN NAMIBIA, A TERRITORY FOR WHICH THE UNITED NATIONS HAS DIRECT RESPONSIBILITY ARE REPEATEDLY CROSSING OVER INTO ZAMBIA TO COMMIT THE BESTIALITIES OF INTIMIDATION, HARRASSMENT, TORTURE AND OUTRIGHT DESTRUCTION OF ZAMBIAN LIFE AND PROPERTY". IT ALSO CITES DAILY VIOLATIONS OF ZAMBIAN AIRSPACE.

3. A HIGH-LEVEL ZAMBIAN DELEGATION LED BY KAMANGA IS REPORTEDLY ON ITS WAY TO NEW YORK. WE MAY THEREFORE EXPECT A SECURITY COUNCIL MEETING IN THE NEXT FEW DAYS. THE ZAMBIANS ARE TALKING OF A DEBATE BEGINNING ON THURSDAY AFTERNOON.

4. SINCE THE ZAMBIAN NOTE SPEAKS OF "PERSISTENT AND EVER-ESCALATING ACTS OF AGGRESSION AGAINST ZAMBIA AS CONSTITUTING A SERIOUS THREAT TO INTERNATIONAL PEACE AND SECURITY", ANY DRAFT RESOLUTION PRODUCED BY THE ZAMBIANS MAY BE EXPECTED TO INCLUDE CHAPTER VII LANGUAGE.

FCO PLEASE PASS SAYING TO BONN

MANSFIELD

[REPEATED AS REQUESTED]

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Zimbabwe



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-8362822 218 2111/3

RESTRICTED

16th January 1980

MO 5/6/1

NR007
Rush 17/1

John Roddie

LOAN FOR ZAMBIA

My Secretary of State was grateful for a sight of the Foreign and Commonwealth Secretary's minute to the Prime Minister of 3rd January.

My Secretary of State noted that you expressed the hope that it might be possible to use the Royal Engineers for reconstruction work in Zambia. This, as you say, would require careful consideration in the light of circumstances in Rhodesia; it is also relevant that there has been little British Service presence in Zambia for some time. My Secretary of State would of course be prepared to look further at the possibility of Royal Engineer assistance, taking account of these factors and of the training programmes and other overseas projects in which the Royal Engineers are involved. I understand that FCO and MOD officials are keeping in touch on this subject.

I am copying this letter to Michael Alexander and Martin Hall.

Yours sincerely
John Dawson

(J D S DAWSON)

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(73) [RHODESIA: FOMOST]

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27

PS
PS/SIR I GILMOUR
PS/MR LUCE
PS/PUS
~~SIR J. MASTERS~~
MR DAY
LORD R G LENNOX
MR ASPIN

IMMEDIATE

PS/NO 10 DOWNING STREET
SIR R ARMSTRONG)
MR R L WADE GERY)
MR P M MAXEY) CABINET
MR COULTY) OFFICE
MR P J FOWLER)
DIO)

HD/RHOD DEPT (4)

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HD/TUSD (2)

HD/NEWS DEPT
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MR FREELAND LEGAL ADVISER FMK200A
MR FIMOOT LEGAL ADVISER FM K164

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DESKBY 151700Z

FM LUSAKA 151508Z

TO IMMEDIATE FCO

TEL NO 53 OF 15 JANUARY 1980

REPEATED TO PRIORITY SALISBURY.

ANGLO ZAMBIAN RELATIONS.

1. MAINZA CHOMA, SECRETARY GENERAL OF THE PARTY AND NO.2 IN THE ZAMBIAN HEIRARCHY, HAS JUST TELEPHONE ME OUT OF THE BLUE. HE SAID THAT RELATIONS BETWEEN OUR COUNTRIES HAD BEEN BADLY SOURED BY THE RHODESIAN DESTRUCTION OF ZAMBIA'S BRIDGES AND THE HIGH COMMISSIONER'S SUBSEQUENT STATEMENT ON COMPENICATION IN CONTRADICTION OF THE PRESIDENT. WHATEVER THE RIGHTS AND WRONGS OF THIS UPSET HAD BEEN "THE VICIOUS CIRCLE MUST SURELY BE BROKEN". THE TIME HAD COME TO TOTALLY NORMALISE OUR RELATIONS AND HE WAS TELEPHONING ME ON HIS PERSONAL INITIATIVE TO SUGGEST THAT THE BEST WAY IN WHICH THIS COULD BE DONE WOULD BE FOR AN EARLY MINISTERIAL VISIT FROM BRITAIN IN ORDER THAT A NEW AND FRIENDLY PHASE TO OUR RELATIONS COULD BE LAUNCHED AT A MEETING WITH KAUNDA. AS KAUNDA WAS HIMSELF A PARTY TO THE DISPUTE HE, CHOMA, HAD NOT THOUGHT IT APPROPRIATE TO CLEAR HIS PRESENT INITIATIVE WITH THE PRESIDENT BUT KNEW HIS MAN WELL ENOUGH TO KNOW THAT SUCH AN INITIATIVE ON OUR PART WOULD BE MOST WARMLY WELCOMED.

mo
!

WELCOMED.

2. I DO NOT REPEAT NOT BELIEVE FOR ONE MOMENT THAT CHONA'S OLL WAS A PERSONAL INITIATIVE. HE WOULD NOT MOVE IN THIS AREA WITHOUT THE FULL AGREEMENT OF KAUNDA. I THEREFORE INTERPRET HIS CALL AS THE CLEAREST SIGN THAT THERE IS A WISH FROM THE TOP TO ENTER INTO A NEW PHASE OF OUR RELATIONSHIP. RECOGNISING THE PRESSURE ON MINISTERS I REALISE THAT SUCH A VISIT MAY PROVE PARTICULARLY DIFFICULT TO ARRANGE. BUT THE REWARD IN THE OVERALL RHODESIAN CONTEXT COULD BE VERY CONSIDERABLE AND I STRONGLY RECOMMEND THAT THE PROPOSAL BE URGENTLY CONSIDERED. THE MAIN SUBJECT OF DISCUSSION WITH KAUNDA WOULD INEVITABLY BE RHODESIA.

3. I TOLD CHONA THAT HMG FULLY RECIPROCATED THE WISH TO SEE RELATIONS AS GOOD AS POSSIBLE AND MENTIONED TO HIM OUR INITIATIVE IN PROPOSING THAT PART OF THE £10% AGRICULTURAL LOAN MIGHT BE USED FOR RECONSTRUCTION PURPOSES, SOMETHING TO WHICH HE RESPONDED MOST FAVOURABLY.

NEILSON.

NNNN

IMMEDIATE



Zambia

10 DOWNING STREET

From the Private Secretary

7 January 1980

£10 MILLION LOAN FOR ZAMBIA

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute to her of 3 January on this subject.

The Prime Minister agrees that the £10 million loan to Zambia, for which money is already earmarked, should now be proceeded with and that £5 million of the loan should be used for the reconstruction of bridges.

The Foreign and Commonwealth Secretary's minute also refers to "a completely new allocation" of £5 million for reconstruction. The Prime Minister would wish to be consulted again about this allocation. She would wish at that time to be informed about the source of the new money.

I am sending copies of this letter to Tony Battishill (HM Treasury) and Brian Norbury (Ministry of Defence).

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

TRK



PM/80/3

PRIME MINISTER£10 Million Loan for Zambia

You will recall that last August you asked that the signing of the £10 million Loan to Zambia, offered by the previous Administration essentially for agricultural projects, should be delayed for the time being for tactical reasons. The correspondence between our Private Offices on 28 and 30 August refers to this.

Now that we have a settlement on Rhodesia, it seems to me that the time is ripe for us to proceed with this Loan. Our relations with the Zambians have been distinctly awkward in recent weeks, but it is now very much in our interests to restore them if possible to normality. The Loan would be a good way of doing this, as well as of encouraging their co-operation in what will undoubtedly be a very difficult period while the cease-fire is being established.

If you agree that we should proceed with this Loan, I have it in mind to propose to the Zambians that they might wish to use £5 million of it for the reconstruction of bridges and other communications destroyed by the recent Rhodesian raids. We have of course made it clear that we reject the Zambian claim that we were responsible for the raids and that we should pay compensation, but we have also said that we could play our part in reconstruction when the time came. I also have it in mind that we might provide a completely new allocation of £5 million for reconstruction at a later stage, but I would propose to wait until the cease-fire is firmly established before proceeding with this. If the Zambians complain that we are proposing to use for reconstruction only money which had already been tentatively allocated to them, we shall point out that expenditure on reconstruction will be much faster than it would have been on agricultural projects.

/If the

Prime Minister
 Agree that the loan should
 go ahead?

Handwritten initials: "P.M." and "3/1"

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If the Zambians accept a proposal on these lines, I hope that we may be able to use the Royal Engineers for reconstruction work. This will require careful consideration in the light of the situation prevailing in Rhodesia, but it would help to create the maximum impact for our assistance.

I am copying this minute to the Chancellor of the Exchequer and to the Secretary of State for Defence.

C

(CARRINGTON)

Foreign and Commonwealth Office

3 January 1980

Agree

The F.O. must have a
lot of contingency money
if they can suddenly find
an extra £5m.

not

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Zambia

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PS/MR LUCE
PS/PUS
SIR J GRAHAM
MR WILLSON
MR DAY
LORD N G LENNOX
MR ASPIN

PS/NO 10 DOWNING STREET
MR R L WADE-GERY)
MR P M MAXEY) CABINET
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MR P J FOWLER)
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MR FIFOOT LEGAL ADVISER RM K164
RESIDENT CLERK

Prime Minister

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FM PRETORIA 071530Z NOV 79
TO PRIORITY FCO
TELEGRAM NUMBER 317 OF 07 NOVEMBER 1979
INFO PRIORITY LUSAKA AND NIRINBA SALISBURY.


ZAMBIAN MAIZE

1. THE ZIMBABWE/RHODESIAN BAN ON THE TRANSPORT OF MAIZE TO ZAMBIA HAS AROUSED INTENSE INTEREST HERE, WITH MOST OF THE PRESS TAKING THE LINE THAT PRESIDENT KAUNDA HAS BROUGHT IT UPON HIMSELF BY HIS POLICIES.
2. AT A COMMUNAL BRIEFING FOR HEADS OF MISSION ON 6 NOVEMBER (OTHER ASPECTS OF WHICH WE ARE REPORTING SEPARATELY), MR PIK BOTHA SAID THAT THE SOUTH AFRICAN GOVERNMENT HAD "NO JURISDICTION ON TRANSPORT MATTERS BEYOND HER BORDERS". THE LATEST DEVELOPMENT UNDERLINED THE DECISIVE IMPORTANCE OF ACHIEVING PEACE AND STABILITY IN SOUTHERN AFRICA AS SOON AS POSSIBLE.

BUT THIS WAS BEING PREVENTED BY THE TERRORISTS AND THOSE WHO HARBOURED THEM. THIS TIME IT WAS A QUESTION OF MAIZE, NEXT TIME IT WOULD BE SOMETHING ELSE. "THE DISEASE WOULD SPREAD TO THE REST OF SOUTHERN AFRICA". AS MRS THATCHER HAD POINTED OUT IN THE CASE OF RHODESIA, IT WAS TOTALLY UNNECESSARY TO GO ON MAKING WAR BECAUSE MAJORITY RULE HAD ALREADY BEEN ACHIEVED AND NEGOTIATIONS WERE STILL IN PROGRESS TO REACH A PEACEFUL SETTLEMENT. HE THEREFORE WISHED TO APPEAL TO THE GOVERNMENTS REPRESENTED ROUND THE TABLE TO PERSUADE THOSE COUNTRIES THAT HARBOURED TERRORISTS TO STOP THEM OPERATING IN THEIR TERRITORIES.

3. BEFORE THE BAN, SOUTH AFRICAN RAILWAYS IS SAID TO HAVE BEEN SHIPPING MAIZE TO ZAMBIA AT THE RATE OF ABOUT 1,400 TONS A DAY. THESE SHIPMENTS HAD HOWEVER ONLY JUST STARTED, AND THE BULK OF THE 200,000 TONS WHICH SOUTH AFRICA HAD AGREED TO SELL TO ZAMBIA HAS NOT YET BEEN DELIVERED. KOBUS LOUBSER, GENERAL MANAGER OF THE SOUTH AFRICAN RAILWAYS, HAS EMPHASISED THAT ONLY MAIZE SHIPMENTS TO ZAMBIA ITSELF ARE AFFECTED. ALL OTHER TRAFFIC THROUGH SOUTH AFRICA AND RHODESIA (INCLUDING ZAMBIAN COPPER AND APPARENTLY ALSO MAIZE FOR ZAIRE) WILL CONTINUE AS NORMAL

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Master Set

Top Copy on: Rhodesia, Sit. Pt. 7.

Zambia

NOTE OF A TALK BETWEEN THE PRIME MINISTER AND MR. MARK CHONA AT
10 DOWNING STREET AT 0900 ON THURSDAY 27 SEPTEMBER

Present:

Prime Minister

Mr. Mark Chona

Mr. Michael Alexander

H.E. Miss L.P. Chibesakunda

* * * * *

Mr. Chona said that he had come to deliver a personal message to the Prime Minister from President Kaunda. President Kaunda had been much encouraged by the speech that the Foreign and Commonwealth Secretary had just delivered to the General Assembly. The passage on the Middle East had given President Kaunda renewed confidence in the co-operation between the United Kingdom and Zambia. Lord Carrington's references to the Palestinian problem had shown that the Conservative Party were facing up to the realities of the problem. This gave grounds for hoping that they would do the same on Zimbabwe.

Mr. Chona said that President Kaunda was greatly encouraged by the progress that had so far been made at the Constitutional Conference. Problems remained but none had come so close as the Prime Minister to achieving a solution. There was a combination of forces in favour of a peaceful outcome. The Patriotic Front recognised this and would never, in President Kaunda's view, walk out of the Conference whatever anyone else might do. President Kaunda was sure that agreement on the constitution was now within reach. He hoped that the Prime Minister would now be prepared to face the problems of the transitional period.

There was now a consensus that a transitional period was necessary. There were of course different interpretations of this: Bishop Muzorewa thought that his regime should remain in charge while the Patriotic Front were seeking a new arrangement. President Kaunda was also aware of the differing views about the length of the transitional period. In his view the requirement was that the period should be long enough to allow for the creation of an environment in which a genuinely democratic process could take place. It must be long enough to allow for the registration of voters, the

/ delimitation

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delimitation of constituencies and the organised return of refugees i.e. women, children and unarmed men. But the transitional period should not be so long as to risk the creation of new complications before an election was held.

President Kaunda considered that in the transitional period Britain's constitutional responsibility should be established in a way that would be unquestioned and that would permit Britain's responsibilities to be discharged without risk of failure. Success was within reach and must not be thrown away. In Angola, the Portuguese had failed to put in place machinery for the administration of the peace process. The Portuguese had turned their back on the country and left the various parties to fight it out. This must not be allowed to happen in Zimbabwe. President Kaunda accepted that both General Walls and the guerilla leaders were sincere, but he did not think too much reliance should be placed on their good will. Britain's reluctance to accept the concept of an international force in Zimbabwe was understandable, but President Kaunda wondered whether the Prime Minister should not re-examine the concept to establish whether such a force could not help Britain discharge her responsibility for separating the forces. (Mr. Chona stressed at this point that President Kaunda's confidence in the Prime Minister was complete. But he considered that Britain would need all the backing she could get in the transitional period.)

According to President Kaunda, the Patriotic Front accepted that the armies involved in the Zimbabwe conflict would not be disbanded before independence. The creation of a unified army would be a matter for the elected government of Zimbabwe. The regular forces of the Salisbury regime would remain in being as would the main forces of the guerillas outside Zimbabwe in Mozambique and Zambia. The only forces, in the view of the Patriotic Front, which would be disbanded would be the Selous Scouts and some of the auxiliary forces which had been established recently in Zimbabwe. (Mr. Chona seemed to suggest at one point that some of the guerilla forces within Zimbabwe would also be disarmed.) These units were a threat to the electoral process. There were good precedents e.g. when Mozambique, Zambia and Tanzania had become independent, for keeping trained guerillas outside the country at the time of the first election.

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/ The Patriotic Front

The Patriotic Front were keen to avoid a huge undisciplined influx of their people into Zimbabwe during the transitional period. They wished to see a programme for the return of the guerillas and their integration into the regular forces worked out after an elected government had taken power. They did not see the continuance in being part of the regular army, controlled by General Walls, during the transitional period, as a problem.

Mr. Chona said that President Kaunda was confident, provided Britain did not turn her back on Zimbabwe and provided there was some form of machinery to supervise the separation of forces, that the transitional period could be managed. Given that the registration of voters and the delimitation of constituencies was carried out in a way acceptable to the parties involved, the results of the election would be accepted. The most difficult problem was that related to the psychology of the white population in Zimbabwe. If they could be brought to accept that a victory for the Patriotic Front in a fair election would be a challenge for them rather than a disaster most of the other problems would disappear. Mr. Nkomo and Mr. Mugabe both wanted the whites to stay. They had both, after all, received much support from white governments such as those in Scandinavia and the Soviet Union. They recognised that the Rhodesia Front did not speak for all the whites. It was for this reason that they had been prepared to accept entrenched seats. (In this connection Mr. Chona asked whether something could be done to discourage the Daily Telegraph and other newspapers from publishing editorials such as that which had appeared in the Daily Telegraph that morning. The Prime Minister said that there was nothing that she could do.)

Mr. Chona asked whether there was any message he could send back to President Kaunda about the Prime Minister's view on the course of the Constitutional Conference. The Prime Minister said that the Conference was going steadily forward. Bearing in mind the Lusaka agreement, she was inclined to think that progress was a little slow but the Foreign and Commonwealth Secretary did not altogether agree. Mr. Chona said that he thought the present rate of progress was about right. The bargaining between the parties had gone better than anyone could have expected. He said that President Kaunda was anxious about

/ what would

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- 4 -

what would happen if Bishop Muzorewa were to walk out. The Prime Minister said that she did not think that, provided progress continued to be made anyone, would walk out. Mr. Chona agreed.

The discussion ended at 0940.

Amk

27 September 1979

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

12 September 1979

(2)

h.g. [unclear] - 13/5
Prime Minister
[unclear]
[unclear] - 12/5

Dear Michael,

Food Shortages in Zambia

The Prime Minister asked that the Foreign and Commonwealth Secretary should be aware of the attached report by Mr Charles Douglas-Home describing the food supply situation in Central Africa and Rhodesia's capacity to meet the shortfall.

Mr Douglas-Home's figures for current Rhodesian and Zambian production accord with our own information. We would not dissent from his estimates of Rhodesian potential, given stable political conditions. Zambia is likely to face a critical situation at the end of this year. By then, such imports as have arrived may no longer be sufficient to meet the estimated shortfall of some 300,000 tons of maize. (We are in the process of offering the Zambians 13,000 tons).

As the enclosed telegram from Lusaka shows, the Zambians themselves are aware that a peaceful settlement would enable Rhodesia to assist its stricken neighbours.

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'DB Alexander Esq
 10 Downing Street
 LONDON SW1

Fact on Food in Zimbabwe-Rhodesia

- 1) The white farmers provide 94 per cent of the grain traded through the Grain Marketing Board.
- 2) Over the past eight years food exports from Rhodesia have averaged 600,000 tons p.a. at 10 bags per ton. Of this total 200,000 tons went to Zaire, Zambia, Botswana, Mozambique and Malawi. Since 1972/3 Zambia has taken no maize; Mozambique has taken none since 1975. Both countries take seed for their planting programmes.
- 3) For 1979/80 Zimbabwe-Rhodesia is programmed to supply 160,000 tons of maize to Zaire. The whole sub-continent is short of white maize, which Africans eat, so Zimbabwe-Rhodesia is exchanging its substantial stocks of white maize for yellow maize which can be used for stock feed. This traffic will go through Zambia.
- 4) Up to 40,000 tons of maize will go to Botswana (and some elsewhere) as meal.
- 5) Thus even in drought conditions Zimbabwe white farmers are providing enormous succour for its neighbours and could increase those totals substantially if farmers' confidence was restored to the point where the reductions in land under cultivation were stopped and up to 260,000 hectares restored to cultivation.
- 6) It will be a miracle if Zambia avoids a desperate famine this year. At a recent meeting in Johannesburg the Zambian representative discussed the minimum requirements for Zambian avoidance of a famine and the transport implications of those requirements:
 - a) by January 1980 Zambia will require 300,000 tons of grain in addition to the 100,000 tons promised from Kenya. (The latter is supposed to be transported on the Tazara railway but is unlikely to get through on that scale).
 - b) The Maize Board in Pretoria has undertaken to supply all that is necessary (yellow maize only) by railway if it can be physically moved.
 - c) Zambian railways can only handle 35 wagons per day. They request a breakdown as follows:

11	maize
6	wheat
8	general goods
6	coke
4	fertilizers

totalling 1,264 tons per day.
 - d) At existing rates of movement (e.g. 35 wagons per day) and no further interruption only 100,000 tons would get through by the end of January leaving a shortfall of 200,000 tons.

continued.....

- e) The alternative road route via Chirundu is not mountable before the end of August. Moreover to transfer 200,000 tons along that road between the end of August and January would require 32 trucks per day seven days per week giving a total requirement of 270 20-ton trucks which are not known to be available in Zimbabwe-Rhodesia given the other demands of the war and the economy.
- 7) Substantial quantities of vegetable oil go to Zambia and Zaire providing the vast majority of cooking oil for food. \$1m dairy products annually go to Botswana and Zaire. Zaire in addition to maize receives 20,000 tons of wheat and 4,000 tons of beef. If the political barriers come down Zambia could receive substantial wheat supplies later this year.
- 8) Zambia, Botswana, Zaire and Mozambique will be chronic food importers for the foreseeable future. All their reasonable demands for maize, beef, wheat, dairy products and oil foods can be supplied overland by the white farmers of Zimbabwe-Rhodesia given stable political conditions without in any way affecting their capacity to continue feeding the Zimbabwe domestic population.

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FM LUSAKA 101225Z SEP 79

TO PRIORITY FCO

TELEGRAM NUMBER 981 OF 10 SEPTEMBER

INFO PRIORITY MAPUTO, DAR ES SALAAM, MIRIMBA SALISBURY, GABORONE, LUANDA, ROUTINE PRETORIA, WASHINGTON, UKMIS NEW YORK, LAGOS

RHODESIA CONSTITUTIONAL CONFERENCE

1. BOTH ZAMBIAN DAILIES TODAY (10 SEPTEMBER) PRINT EDITORIALS ON THE CONSTITUTIONAL CONFERENCE. ACCORDING TO THE TIMES OF ZAMBIA THE CRUCIAL QUESTION IS "WILL IT BE WAR OR PEACE". THE TIMES MAINTAINS THAT THE WHOLE REGION BADLY NEEDS PEACE. ANGOLA HAS FAILED TO ACHIEVE UNITY SEMICLN THERE IS NO GENUINE PRODUCTIVITY IN MOZAMBIQUE SEMICLN ZAIRE AND UGANDA ARE SUFFERING FROM THE BREAKDOWN OF LAW AND ORDER SEMICLN TANZANIA IS AFFLICTED BY NEAR TOTAL DESTITUTION SEMICLN ZAMBIA FACES A GRIM ECONOMIC SITUATION AND IN NAMIBIA THERE ARE "THE RUNNING SORES OF RACISM AND COLONIALISM". IN THE FACE OF THIS, THE TIMES BELIEVES THAT THE CONTINUATION OF FIGHTING IN RHODESIA WILL HASTEN THE "GEO-POLITICAL COLLAPSE" OF THE REGION.
2. THE TIMES ALSO MAINTAINS THAT THE REASONS WHY AFRICAN COUNTRIES FAIL TO PRODUCE SUFFICIENT FOOD FOR THEIR POPULATIONS ARE LARGELY POLITICAL. IF, AS A RESULT OF THE LONDON CONFERENCE, RHODESIA BECOMES ZIMBABWE IN CONDITIONS OF PEACE AND FREEDOM, IT CAN ALSO HELP ITS STRICKEN NEIGHBOURS. BUT IF THE CONFERENCE FAILS, THE TIMES PREDICTS THAT THE SLAUGHTER WILL ESCALATE AND THE FIGURE OF 20,000 PEOPLE ALREADY KILLED IN RHODESIA WILL SEEM MODEST COMPARED WITH WHAT WILL FOLLOW.
3. THE ZAMBIA DAILY MAIL DESCRIBES MUZOREWA AS "A PRIEST TURNED MASS MURDERER", WHOM IAN SMITH WILL USE "AS A MEGAPHONE" IN HIS ATTEMPTS TO RETAIN WHITE PRIVILEGES IN RHODESIA. THE MAIL STATES, HOWEVER, THAT THE BLOCKING POWER OF THE WHITES MUST BE ABOLISHED AND GENUINE MAJORITY RULE INSTALLED. IT STRESSES THAT THE PARTIES ARE MEETING "IN GREAT FEAR AND SUSPICION" AND ADMITS THAT THE NEGOTIATIONS WILL BE TOUGH. NEVERTHELESS, HAVING EMPHASISED THE DIFFICULTIES, THE MAIL EXPRESSES CONFIDENCE THAT YOU AND MRS THATCHER HAVE THE ABILITY TO PRODUCE A SUCCESSFUL OUTCOME.

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4. ON TELEVISION LAST NIGHT, A PANEL OF FIVE ZAMBIAN BACKBENCH MPS DISCUSSED PROSPECTS FOR THE CONFERENCE. PARTICULARLY STRIKING WAS THE CONTENTION OF ONE MP THAT ZAMBIA COULD NOT/NOT MAKE GREATER SACRIFICES FOR THE ZIMBABWEAN LIBERATION STRUGGLE. HE WARNED THAT THE ZAMBIAN PEOPLE WOULD NOT UNDERSTAND IF THE PF WALKED OUT OF THE LONDON CONFERENCE AND THE ZAMBIAN GOVERNMENT STILL CONTINUED TO SUPPORT THEM. IT WAS ALSO URGED BY TWO OF THE MPS THAT THE PF SHOULD AGREE TO A CEASEFIRE DURING THE CONFERENCE.

5. COMMENT: AS I HAVE PREVIOUSLY REPORTED, ZAMBIANS DO NOT SEEK PEACE AT ANY PRICE. THE DAILY MAIL LEADER QUOTED ABOVE IN PARTICULAR STRESSES THE REQUIREMENT FOR GENUINE MAJORITY RULE. BUT THE EXPECTATIONS WHICH HAVE BEEN AROUSED BY THE CONVENING OF THE CONFERENCE HAVE SHOWN HOW TIRED THE AVERAGE ZAMBIAN HAS BECOME OF THE WAR AND OF THE BURDEN IMPOSED BY ZAPU'S PRESENCE IN ZAMBIA. THE SENTIMENTS EXPRESSED BY THE MPS HAVE LONG BEEN COMMON IN CONVERSATIONS WITH LEADING ZAMBIANS OUTSIDE THE GOVERNMENT (AND OCCASIONALLY INSIDE IT EXCLAIM) BUT IT IS NOVEL TO GET THEM IN THE MEDIA.

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FILES

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ADDITIONAL DISTRIBUTION
 RHODESIA POLICY

- 5 -
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Foreign and Commonwealth Office documents

Reference: DD No.186/79
Description: The Zambian Economy
Date: 6 September 1979

The above FCO documents, which were enclosed on this file have been removed and destroyed.

Such documents are the responsibility of the Foreign and Commonwealth Office. When released they are available in the appropriate FCO CLASSES.

Signed J. P. [Signature] Date 15.3.16

PREM Records Team

Original filed Rhodesia (Int) P+S.

Rhodesia



Foreign and Commonwealth Office

London SW1A 2AH

h.s. Pmt 3/5

(2)

Prime Minister:

30 August 1979

Dear Bryan,

These are the answers to two points that you raised on the attached letter.

Rhodesia

Thank you on our Pmt 3/5

Your letter of 28 August in reply to mine of 22 August about Rhodesia asked for advice on two specific points raised by the Prime Minister.

On the first point, I can confirm that the UK aid programme in 1979/80 will be 2% higher in real terms than it was last year. On the second, the position is that the British High Commission in Lusaka has been instructed to postpone signing of the £10 million loan agreement with the Zambian Government until given the go-ahead from London. The Zambians are of course well aware of this offer of aid which was made by the previous Government last August.

Yours ever,

Stephe

(J S Wall)
Private Secretary

Bryan G Cartledge Esq
10 Downing Street
LONDON

Original West Rhodesia
(Sat) Pts



BF 4/9/79

10 DOWNING STREET

From the Private Secretary

28 August 1979

Rhodesia

Thank you for your letter of 22 August about the scope, or rather the lack of it, for exercising leverage through our aid programmes on certain Commonwealth countries in order to influence their attitudes towards the Rhodesia problem.

The Prime Minister has seen your letter and has taken note of the background. She has raised two specific questions. Firstly, the Prime Minister is under the impression that, inspite of the present Government's cuts, the UK aid programme in 1979/80 will still be 2% higher than it was last year: is this the case? Secondly, the Prime Minister would be glad to have confirmation that the additional £10 million in agricultural aid which is to be offered to Zambia, and which she asked to be withheld for the time being for tactical reasons, is in fact still in abeyance. I should be grateful for advice on both points.

B. G. CARTLEDGE

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

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FM LUSAKA 130920Z AUG 79

TO PRIORITY FCO

TELEGRAM NUMBER 896 OF 13 AUGUST

INFO PRIORITY GABORONE, DAR ES SALAAM, MAPUTO, LUANDA, MIRIMBA
SALISBURY, LAGOS, ROUTINE: PRETORIA, NAIROBI, ADDIS ABABA, WASHINGTON
UKMIS NEW YORK.

Zambia 2

Prime Minister

BM

14/8

ZAMBIA

1. PRESIDENT KAUNDA ADDRESSED A MASS RALLY IN LUSAKA YESTERDAY (12 AUGUST). ON THE DOMESTIC FRONT HE PROMISED ACTION TO BRING AN END TO SHORTAGES OF ESSENTIAL COMMODITIES. ON RHODESIA, WHILE EXPRESSING SOME HOPE ABOUT THE PROSPECTS FOR A SETTLEMENT, HE ALSO WARNED THAT ZAMBIA WAS IMPROVING HER DEFENCES WITH THE HELP OF THE EAST.

2. IN OUR VIEW, THE RALLY'S MAIN PURPOSE WAS TO ENABLE THE GOVERNMENT TO COLLECT CREDIT FOR THE SUCCESS OF THE COMMONWEALTH CONFERENCE AND TO SILENCE CRITICS OF THE GOVERNMENT'S AND PARTY'S INABILITY TO GET TO GRIPS WITH THE COUNTRY'S ECONOMIC PROBLEMS AND GENERAL ADMINISTRATIVE INEFFICIENCY (THE LATTER HAVING LAST WEEK RECEIVED HEADLINE PUBLICITY IN THE CASE, WHICH HAS BECOME A LOCAL CAUSE CELEBRE, OF A PATIENT DISCHARGED FROM HOSPITAL WITH A GAPING STOMACH WOUND). KAUNDA CERTAINLY REFLECTED A NEW MOOD OF CONFIDENCE, CLAIMING THAT THE SUCCESS OF CHOGM WAS A TRIUMPH FOR ZAMBIA AND AFRICA OVER "RIGHT WING ELEMENTS IN FOREIGN CAPITALS" WHO WANTED THE MEETING TO FAIL. HE ALSO CLAIMED THAT THE ATTENDANCE OF LEADERS AT LUSAKA WAS HIGHER THAN AT ANY PREVIOUS CHOGM. THIS SHOWED THAT THE COMMONWEALTH HAD CONFIDENCE IN ZAMBIA.

3. KAUNDA LISTED A NUMBER OF MEASURES TO IMPROVE THE SUPPLY OF ESSENTIAL COMMODITIES; THESE INCLUDED THE DECENTRALISATION OF MARKETING SERVICES SEMICOLON THE INSTALLATION OF NEW MACHINERY FOR PROCESSING COTTON SEED, SUNFLOWER AND GROUNDNUTS AND THE ENCOURAGEMENT OF AGRICULTURAL IMPLEMENT MANUFACTURERS. HE ALSO STATED THAT ZAMBIA HAD IMPORTED 600 ROMANIAN TRACTORS. HOWEVER, THE PRESIDENT'S STATEMENT REVEALED NO NEW STRATEGY FOR TACKLING THE FUNDAMENTAL PROBLEMS OF AGRICULTURE AND HIS CLAIM THAT THE ECONOMY WOULD BE MUCH STRONGER BY NEXT JULY SEEMS EXTRAVAGANT.

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4. KAUNDA SAID THAT THE APPROACH TO THE RHODESIA PROBLEM OF MRS THATCHER, WHOM HE DESCRIBED AS "COURAGEOUS AND FORCEFUL" AND WHO HE TRUSTED, HELD HOPE FOR A SETTLEMENT. HE APPEALED TO THE PATRIOTIC FRONT, MUZOREWA AND THE WORLD AT LARGE TO GIVE THE PRIME MINISTER "A CHANCE". BUT HE IMPLIED THAT SMITH AND MUZOREWA WERE NOT TO BE TRUSTED AND THAT THEY MIGHT SEEK TO DUCK THE CHALLENGE OF FRESH ELECTIONS. MEANWHILE IT WAS COMPLETELY UNTRUE AND "IDIOTIC" TO CLAIM, AS MALICIOUS RUMOURMONGERS WERE SUGGESTING, THAT HE HAD INSTRUCTED THE ZAMBIAN FORCES (ZPDF) NOT TO HIT BACK AT RHODESIAN RAIDERS. KAUNDA STATED THAT THE ZPDF HAD ORDERS TO STRIKE AT ENEMY PLANES WHICH CROSSED THE BORDER, BUT NOT TO STRIKE INTO RHODESIAN TERRITORY. ALTHOUGH ZAMBIA HAD THE CAPABILITY TO LAUNCH RAIDS ON SALISBURY, THIS WOULD INTERNATIONALISE THE WAR AND BRING SOUTH AFRICA AND THE WEST INTO THE CONFLICT ON THE SIDE OF THE REBELS.

5. KAUNDA REFERRED TO THE RECENT VISIT BY GREY ZULU (CHAIRMAN OF THE CENTRAL COMMITTEE'S DEFENCE SUB-COMMITTEE) TO THE SOVIET UNION, ROMANIA AND THE GDR, WHERE HE HAD SOUGHT MILITARY ASSISTANCE, BUT SAID THAT MOST OF THE WEAPONS OBTAINED WOULD NOT BE READY FOR SOME TIME BECAUSE THE ZPDF FIRST NEEDED TO TRAIN ON THEM. KAUNDA ALSO STATED THAT NEW WAR PLANES WHICH WERE FASTER THAN THOSE IN RHODESIA, HAD BEEN ACQUIRED FROM CHINA. HE REPEATED CLAIMS THAT THE WEST WAS ARMING RHODESIA AND SOUTH AFRICA, SO THAT ZAMBIA HAD NO ALTERNATIVE BUT TO LOOK TO THE EAST, AND THAT BRITAIN'S REFUSAL TO SUPPLY THE ZPDF WITH RAPIER SPARES HAD BEEN A FACTOR IN THE RHODESIAN DECISION TO START BOMBING ZAMBIA.

6. KAUNDA MADE TWO OTHER REMARKS IN THE COURSE OF HIS SPEECH DISTINCTLY UNHELPFUL TO US. HE SAID THAT "UP TO NOW I AM NOT (NOT) SURE THAT THE PEOPLE WHO BOMBED JOSHUA NKOMO'S HOUSE ARE NOT (NOT) RESIDENT IN ZAMBIA". THIS CAN ONLY CONTRIBUTE TO SPY-MANIA AND THE HARASSMENT OF EXPATRIATES. KAUNDA ALSO APPLAUDED NIGERIAN ACTION AGAINST BRITISH ECONOMIC INTERESTS: THE BP NATIONALISATION HAD THE SUPPORT OF ZAMBIA BECAUSE THE BRITISH GOVERNMENT'S (SIC) SALE OF

OIL TO SOUTH AFRICA WAS INIMICAL TO AFRICA'S INTERESTS. THE NIGERIAN
SUSPENSION OF BRITISH TENDERS LAST MONTH HAD ALSO BEEN JUSTIFIED
AS BRITAIN HAD NOT AT THAT TIME MADE CLEAR ITS ATTITUDE TOWARDS
THE MUZOREWA REGIME.

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FOLLOWING FROM PRIVATE SECRETARY

BRITISH DETAINEES IN ZAMBIA

1. LORD CARRINGTON RAISED THE CASES OF MESSRS EDWARDS, FOLEY, HUMPHREYS, RILEY AND MEEKIN WITH PRESIDENT KAUNDA IN THE MARGINS OF THE CONFERENCE THIS AFTERNOON. HE HANDED THE PRESIDENT A BRIEF NOTE OF THESE CASES. LORD CARRINGTON EXPLAINED THAT HE DID NOT WISH TO INTERVENE IN ZAMBIAN JUDICIAL PROCEDURE, BUT THOUGHT THAT A NUMBER OF PEOPLE ON THE LIST HAD BEEN FOOLISH RATHER THAN WICKED, AND HE HOPED THAT THE PRESIDENT WOULD FIND IT POSSIBLE TO MAKE A GESTURE BY RELEASING SOME OF THEM. SUCH A GESTURE WOULD BE GREATLY APPRECIATED BY BRITISH OPINION.

2. THE PRESIDENT, WHO WAS CLEARLY WELL INFORMED ON THE BACKGROUND TO EACH CASE, WENT THROUGH THE LIST CAREFULLY. HE TICKED THE NAMES OF EDWARDS, FOLEY AND HUMPHREYS. BUT HIS COMMENT ON MESSRS RILEY AND MEEKING (THE TWO PILOTS DETAINED UNDER SUSPICION OF COOPERATING WITH THE RHODESIAN INTELLIGENCE SERVICES) WAS THAT INVESTIGATION WOULD HAVE TO CONTINUE TO ASCERTAIN WHETHER OR NOT THERE WAS A CASE AGAINST THEM. ON ELAINE BATTERSBY, WHOSE CASE LORD CARRINGTON ALSO RAISED, THE PRESIDENT COMMENTED THAT THIS HAD BEEN A SAD BUSINESS, BUT MADE NO COMMITMENT TO COMPENSATION. HE PROMISED TO HIS BEST TO PROVIDE AN ANSWER ON ALL THESE CASES BEFORE THE END OF THE CONFERENCE (THOUGH IT SEEMS UNLIKELY ON PRACTICAL GROUNDS THAT HE WILL IN FACT BE ABLE TO DO SO). THE PRESIDENT'S MANNER SEEMED, HOWEVER, RECEPTIVE.

3. LORD CARRINGTON MENTIONED THAT HE WAS DELIBERATELY REFRAINING FROM RAISING THE CASE OF MICHAEL BORLACE. THE PRESIDENT DID NOT COMMENT

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TO IMMEDIATE LUSAKA

MODEV 358 OF 02 AUG

File

YOUR MODEV 209

PDS STG 10M PROJECT LOAN AGREEMENT

A. LIMITATION ON LOCAL COSTS

IT WAS ONLY WITH CONSIDERABLE DIFFICULTY THAT WE PERSUADED TREASURY AND DEPARTMENT OF TRADE TO ACCEPT LOCAL COST ELEMENT AS HIGH AS 60 PERCENT IN LOAN. THEY WOULD NOT ACCEPT HIGHER FIGURE. HOWEVER 60 PERCENT APPLIES TO WHOLE LOAN. LIMIT CAN THEREFORE BE HIGHER ON CERTAIN PROJECTS AND LOWER ON OTHERS.

B. LOCAL CONTRACTS/PURCHASES

IT IS NORMAL REQUIREMENT OF OUR LOAN AND GRANT AGREEMENTS WITH ALL DEVELOPING COUNTRY RECIPIENTS THAT GOODS AND SERVICES SHOULD BE FROM UK OR PROJECT COUNTRY. TERMS OF PROCEDURES AND PRACTICES DOCUMENT (EG QUOTE UNQUOTE UNLESS OTHERWISE ACCEPTED BY THE UNITED KINGDOM GOVERNMENT UNQUOTE IN PARA 5 AND QUOTE AS FAR AS IS PRACTICABLE UNQUOTE IN PARA 5(III)) ENABLE US TO WAIVE THIS REQUIREMENT IN EXCEPTIONAL CASES WHERE NOT TO DO SO WOULD JEOPARDISE PROJECT. SO THERE IS NO NEED FOR WORDING OF DOCUMENT TO BE MODIFIED ALTHOUGH ZAMBIANS SHOULD NOT BE LED TO THINK THAT AGREEMENT TO WAIVE UK/ZAMBIA REQUIREMENT IS IN ANY SENSE AUTOMATIC.

C. DRAWING PROCEDURES

THIS POINT IS COVERED IN DETAIL IN OUR MODEV 339. WE CAN AGREE EXCEPTIONALLY TO ADVANCE DISBURSEMENT FROM LOAN FOR LOCAL COSTS ALONG LINES OF STANTON'S LETTER MF198/225/01 OF 14 MARCH TO DOWDS, ALTHOUGH WE WOULD BE READY TO CONSIDER ARRANGEMENTS UNDER MAWD PRECEDENTS REFERRED TO IN YOUR TUR, IF DETAILS OF THESE CAN BE PROVIDED BY ZAMBIANS. IN EITHER CASE THESE ARRANGEMENTS CAN BE DEALT WITH IN INDIVIDUAL PROJECT SIDE LETTERS AMENDING DRAWING PROCEDURES LAID DOWN IN SECTION B OF PROCEDURES AND PRACTICES DOCUMENT AND THIS ISSUE NEED NOT THEREFORE HOLD UP SIGNING OF LOAN.

CARRINGTON

NNNN

SENT AT 02/1039Z BD

LOAN TO ZAMBIA

As you may know, the British Government has just given final approval to a further loan of £10 million to your Government in support of Zambia's agricultural development programme.

The first project which the loan will finance is an integrated rural development scheme in the North East, costing about £3 million. A team of British experts will begin a planning survey of the area next month.

(This loan is in addition to our existing aid programme, which has amounted to £34 million in grants and loans since 1976.)

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Prime Minister

FM ODA LONDON 311630Z JUL 79

TO PRIORITY LUSAKA

MODEV 353 OF 31 JULY

POUNDS STERLING 10M AGRICULTURAL LOAN

WE PROPOSE THAT FOLLOWING PRESS NOTICE BE RELEASED IN LUSAKA AND LONDON IF AND WHEN LOAN IS SIGNED: QUOTE

NEW £10M BRITISH AID LOAN TO ZAMBIA

BRITAIN HAS AGREED TO MAKE AVAILABLE A LOAN OF £10M TO THE GOVT OF ZAMBIA IN SUPPORT OF THE COUNTRY'S AGRICULTURAL DEVELOPMENT PROGRAMME. THE LOAN AGREEMENT WAS SIGNED TODAY BY THE FOREIGN AND COMMONWEALTH SECRETARY, LORD CARRINGTON, AT THE END OF HIS STAY IN ZAMBIA'S CAPITAL LUSAKA FOR THE COMMONWEALTH HEADS OF GOVT/MEETING.

THE FIRST PROJECT TO BE FINANCED FROM THIS LOAN, WHICH IS LIKELY TO BE SPENT OVER THE NEXT TWO TO THREE YEARS, IS AN INTEGRATED RURAL DEVELOPMENT PROJECT IN THE LITTLE DEVELOPED NORTH EASTERN AREA OF ZAMBIA. THE OVERALL COST OF THIS PROJECT IS LIKELY TO BE ABOUT £3M TO BE SPENT BOTH LOCALLY IN ZAMBIA AND ON GOODS AND SERVICES FROM

~~BRITAIN~~. IT IS EXPECTED THAT A TEAM OF BRITISH EXPERTS WILL BEGIN A PLANNING SURVEY OF THE AREA NEXT MONTH. OTHER AGRICULTURAL PROJECTS TO BE FINANCED FROM THE LOAN WILL BE IDENTIFIED IN DUE COURSE.

THE £10 MILLION LOAN IS IN ADDITION TO BRITAIN'S EXISTING AID PROGRAMME TO ZAMBIA. THIS CONSISTS MAINLY OF A PROGRAMME GRANT AND LOANS TOTALLING OVER £34 MILLION SINCE 1976, FOR THE PURCHASE OF ESSENTIAL BRITISH IMPORTS; AND A SUBSTANTIAL PROGRAMME OF TECHNICAL COOPERATION. CURRENTLY ABOUT 600 UK STAFF WHOSE SALARIES ARE SUPPLEMENTED UNDER THE AID PROGRAMME ARE WORKING IN ZAMBIA; AND OVER 200 ZAMBIANS ARE ON TRAINING COURSES IN THE UK.

UNQUOTE

2. IF YOU ARE HAPPY WITH TEXT ORATEFUL IF YOU COULD ADVISE US AS SOON AS YOU KNOW IF AND WHEN SIGNING IS DUE TO TAKE PLACE. GRATEFUL ALSO FOR FLASH CONFIRMATION OF ACTUAL SIGNATURE SO THAT RELEASE CAN ISSUE SIMULTANEOUSLY IN LUSAKA AND LONDON

CARRINGTON

CCN TO BE SPENT BOTH LOCALLY IN ZAMBIA AND ON GOODS AND SERVICES FROM BRITAIN. ETC

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FILE

ZAMBIA

10 DOWNING STREET

From the Private Secretary

14 May 1979

Dear Martin,

Aid to Zambia

The Prime Minister has seen Sir John Hunt's minute (AO9525) about aid to Zambia, containing the information concerning the level of U.K. aid for which the Prime Minister had asked.

The Prime Minister has taken note of the position.

Yours ever,

John Carrivick.

M. J. Vile, Esq.,
Cabinet Office.

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2
Prime Minister

Ref. A09525

MR. CARTLEDGE

Thanks - [initials]

You raised this question after reading the attached brief on Rhodesia.
GJM
11/5

Aid to Zambia

Your letter of 8th May on Rhodesia (sub-paragraph (v)) said that the Prime Minister had asked how much aid, in total, the United Kingdom provides for Zambia.

United Kingdom aid prior to 1978

2. For some years prior to 1978 United Kingdom aid to Zambia was limited to technical co-operation (at about £8 million a year, including £7 million for 950 British staff whose pay is supplemented from aid funds and to £2 million a year (until 1989) to service World Bank loans for the Kariba Dam for which we have assumed liability. A grant of £5 million for essential imports was made in 1976.

3. Zambia's economic situation has sharply deteriorated since 1974 due to low copper prices; impediments to transport and trade, and economic mismanagement. By the end of 1977 reserves were down to 5 weeks' imports and very substantial and growing arrears of commercial debt were due to external suppliers, very largely British. The International Bank for Reconstruction and Development agreed standby drawings amounting to United States \$380 million until the end of 1979 and called a Consultative Group meeting in June 1978 to seek additional aid from donor countries.

Aid in 1978

4. British aid to Zambia rose sharply in 1978. Besides the £8 million for technical co-operation and £2 million to service the Kariba Dam loans we gave loans of £9.26 million and then of £20 million for essential imports (about £22 million of these commitments remains to be spent). In addition an advance payment of £20 million was made in November 1978 for copper to be supplied during 1980 and £10 million was allocated for military aid and equipment (on the FCO Vote), which has now mostly been delivered.

Future aid

5. A £10 million loan for Zambia's agricultural sector has been offered but no agreement signed. A further £10 million has been under consideration for Zambian Railways but no formal offer has yet been made. Britain has agreed

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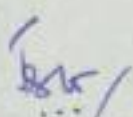
to supplement the pay of an additional 200 posts in parastatal organisations (beyond the 950 already supplemented - see paragraph 2.)

6. In addition Zambia has appealed (not only to Britain) for food aid to offset the drastic maize shortage expected next winter. We have been considering a modest offer of 8,000 tons as United Kingdom 'national action' under the European Development Fund Food Aid Programme but have deferred a firm reply until we have a more accurate estimate of the likely shortage.

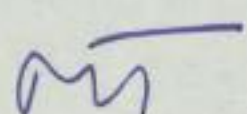
7. The next World Bank Zambian Consultative Group Meeting is due in mid-1979.

ECGD cover

8. Remittances owing to United Kingdom firms and individuals now total £360 million. Some payments are still being made but are 18 months or more in arrears. The Export Credits Guarantee Department, which has carried a heavy burden of claims, has since March given cover under Section 2 only (with the effect that cover is no longer given to non-United Kingdom exports to Zambia shipped by British firms) and has told Lusaka that from August 1979 cover will be given only against a £25 million line of credit (which will enable a much tighter control).


(John Hunt)

11th May, 1979





10 DOWNING STREET

From the Private Secretary

8 May 1979

RHODESIA

Rhodesia (April 79) 'Situation'

The Prime Minister has seen and considered Sir John Hunt's minute (A09470) of 4 May about Rhodesia. The Prime Minister has made the following comments:-

- (i) The Prime Minister has noted the statement, in paragraph 4, that the Third World would be likely to follow the lead of the African governments in reacting negatively to the Rhodesian elections. The Prime Minister has commented that this might be less likely if the UK were to give the Third World a firm lead in the other direction.
- (ii) The Prime Minister has commented on paragraph 5 of the minute that she would be glad to know of another country in Africa which has a one man/one vote system and in which every adult is allowed to cast his vote for one of four different political parties.
- (iii) On paragraph 6(i), the Prime Minister has commented that black Africa will react for a time to recognition of the Rhodesian regime but Zambia will still use the railway through Rhodesia.
- (iv) On the question of the disruption of plans for The Queen's State Visit and the CHGM (paragraph 6(ii)), the Prime Minister has commented: "They [i.e. the Africans] will do the disrupting".
- (v) On paragraph 6(iii), the Prime Minister has asked how much aid, in total, the UK provides for Zambia. I should be grateful for early advice.
- (vi) On the reference to the United Nations in paragraph 6(iv), the Prime Minister has commented that the UN have gone back on their agreements over Namibia.

/(vii)

Rhodesia
File JKS

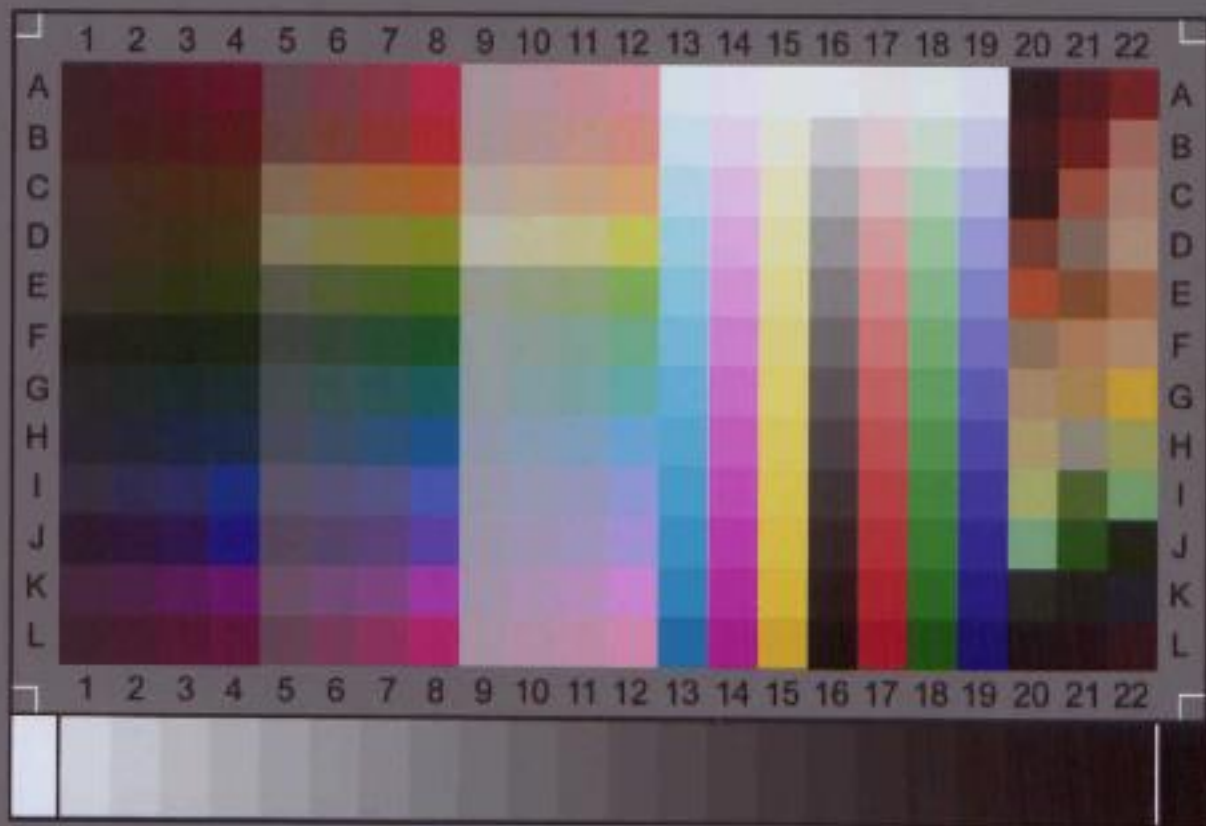
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- (vii) On the last sentence of paragraph 6, the Prime Minister has expressed agreement with Sir John Hunt's view that precipitate action could risk adverse consequences without achieving the main objective. The Prime Minister has added, however, that there should be no doubt about what the British Government intends to do: the only question is how and when.

The Prime Minister has made the general comment on Sir John Hunt's minute that she agrees that care is needed; but that a little courage is necessary, too.

M.J. Vile, Esq.,
Cabinet Office.



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