

MEMORANDUM

TOP SECRET

THE WHITE HOUSE

WASHINGTON

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TOP SECRET-SENSITIVE
CONTAINS CODEWORD

March 31, 1980

MEMORANDUM FOR:

THE PRESIDENT

FROM:

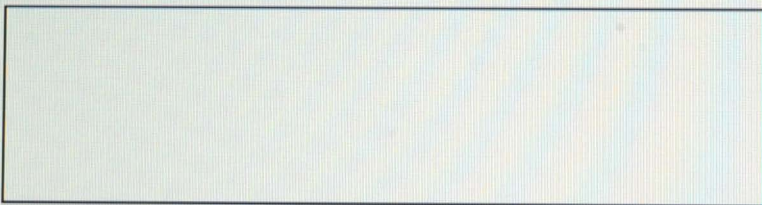
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SUBJECT:

Daily Report

Information

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Jamaican Economic Plans: In what our ambassador in Kingston calls an obvious attempt to allay our concern over the Jamaican government's intentions, Foreign Minister Patterson recently revealed that Jamaica's new economic plan will contain four basic points:

- the rescheduling of Jamaica's debts;
- an oil purchase agreement with Venezuela;
- closer cooperation and more aid from donor countries, including the U.S. and international financial institutions; and,
- further development of traditional foreign exchange earners such as bauxite, aluminum and tourism. (C)

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REVIEW ON MARCH 31, 2010

CLASSIFIED BY MULTIPLE SOURCES

State, NSA reviews completed

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Soviets Angling to Meet Mugabe:

[redacted] the Soviet delegation now visiting Mozambique, Tanzania, and Zambia hopes to meet with Mugabe in Lusaka if the Zimbabwean leader joins the Southern African Economic Summit scheduled for April 1. [redacted] the Soviets wish to use the hoped-for meeting to mend fences, lay the groundwork for diplomatic relations and offer military and other assistance. Deputy Foreign Minister Ilyichev on his arrival in Lusaka announced that Moscow will establish diplomatic relations with Mugabe and assist Zimbabwe "on a new basis." In Salisbury, Mugabe reportedly reacted coolly to the Ilyichev statement. (S)

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France May Again Be Seeking a Nuclear Market in the Middle East:

As part of an overall approach to increasing its influence in the Middle East, France appears to be renewing its efforts to establish nuclear cooperation ties with oil-producing countries in the Persian Gulf, [redacted] After encountering difficulties in Iraq and Iran, the nuclear export strategy has resurfaced in Saudi Arabia and the UAE. To promote the desired sales of nuclear power reactors, France probably is prepared to transfer a considerable amount of ancillary nuclear technology, but the French almost certainly will insist on international nonproliferation safeguards. (C)

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UK Budget: The Thatcher government's budget for FY 1980-81 uncompromisingly builds on its precedent-breaking budget of the past year. The budget speech also laid out guidelines extending the present rigorous economic policies through FY 1983-84. The Labor Party will react vigorously and a major clash may develop when unions challenge the government's anti-inflation program with their next round of wage demands. Highlights of Thatcher's budget include:

- a vigorous attack on inflation through further reduction of the budget deficit and restrictions on growth of the money supply, with the aim of cutting growth by half in 1984;
- changes in the income tax that would primarily benefit the affluent and cuts in the annual increase in family allowances to less than the inflation rate;
- taxation of unemployment benefits for the first time; and bigger tax breaks for small businesses and for new businesses in depressed areas. (U)

In effect, Mrs. Thatcher has told the public that her first budget was not a one-shot effort, but the beginning of a direct challenge to the welfare state and the philosophy upon which it is based. (U)

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