CONFIDENTIAL

NOTE OF A MEETING BETWEEN THE PRIME MINISTER AND PRESIDENT KAUNDA
OF ZAMBIA AT THE HOTEL INTERCONTINENTAL, BELGRADE, AT 1845 HOURS
ON 7 MAY 1980

Present: Prime Minister
Mr. C. A. Whitmore

President Kaunda of Zambia
The Hon. M. Chakulya,
Minister for Foreign Affairs
The Hon. R.C.Kamanga, Member
of Central Committee
The Hon. E.H.K. Mudenda, MCC
The Hon. H. Mulemba, MCC
Mr. J.C.M. Punabantu,
Press Secretary
Mr. W. Munyantha, Director

of European Affairs

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Zimbabwe

President Kaunda said that he was very happy about Zimbabwe's achievement of independence. He thought that the country was settling down well and that Mr. Mugabe was playing a constructive role. If he was successful in what he was trying to do in Zimbabwe, this would set a very good example for Africa as a whole. Once the problem of Namibia was out of the way it would be possible to concentrate on the economic development of Zambia. He wanted to thank the Prime Minister for all she had done to help bring Zimbabwe to independence.

The <u>Prime Minister</u> said that President Kaunda had himself played a very substantial part in settling the Rhodesia question, not least by his Chairmanship of the Lusaka Conference. She very much hoped that all would now go well for Zimbabwe. If it did, it would be a considerable help to the economies of the surrounding countries, particularly Zambia and Mozambique. Britain wanted to help Zimbabwe but it was important to do so in a way which did not intrude.

President Kaunda said that Mr. Mugabe would certainly need support. He was not without his problems: one worrying one was the difficulty he was likely to have in satisfying the expectations of the workers.

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Zambia

President Kaunda continued that in his own country all the emphasis was now going on the improvement of agriculture. Zambian farmers had had two very bad years. The rain had come too late and when it did come it was too heavy. The result was that Zambia would have to import foodstuffs, primarily maize, once again this year. South Africa had already agreed to dispose of its white maize elsewhere and Zambia would have to put up with the second best, but still expensive, yellow maize. The people of Zambia were responding well to his Government programme for encouraging agriculture. He was particularly anxious to see more use made of Zambia's big rivers for irrigation.

European Community

In response to a question by President Kaunda, the Prime Minister said that the size of the United Kingdom present net contribution to the European Community budget was nonsense. Our contribution at present was greater than the whole of our overseas aid programme. We and Germany paid large sums of money into the budget, and the other seven took money out. This situation had come about because the UK had traditionally taken its imports from all over the world. But one of the rules of the European Community was that if Members imported goods from each other they paid no levy. however, they imported from countries outside the Community, they had to pay a levy to the Community. Because we remained big importers from countries outside the Community, we were paying bigger levies than countries like France. The problem was a difficult one, but nonetheless it would be solved. There was no question of the United Kingdom giving up its membership of the Community. Indeed, in today's world, all countries had to work on the basis of regional cooperation.

Iran

In response to a question by President Kaunda, the <u>Prime</u>

<u>Minister</u> described in some detail the recent siege of the Iranian

<u>Embassy</u> in London. She added that we did not know who had been

behind the terrorists. They were Arabs from South Iran who claimed

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that their minority interests were being disregarded. They appeared to think that they would be pressing their cause by attacking the Iranian Embassy We still did not know the full story behind the incident. Nonetheless, we hoped that the significance of the siege and in particular of what the British Government had done to protect Iranian diplomats in Britain would not be lost on the Iranians in their handling of the question of the American hostages. It seemed that President Bani Sadr wanted to get the Government of Iran more under control, but the problem was that the Revolutionary Council referred everything to Ayatollah Khomeni. We believed that the Ayatollah was a sick man and there was some doubt whether decisions were taken by him or by his entourage. Elections for a new Iranian Assembly were due to take place later this month. The results might serve to strengthen President Bani Sadr's hand, but we also had to reckon with the possibility that the new Parliament would have a strong Muslim character and would be content to leave power with Ayatollah Khomeni. It would be helpful if other Muslim countries would try to influence the Iranian Government on the American hostages, and given his connections with the Non-Aligned Movement, President Kaunda might be able to encourage such countries in this direction.

<u>President Kaunda</u> said that the problem with the Non-Aligned Movement was that it was not united. The United Kingdom might be in a better position quietly to influence matters in Iran.

The <u>Prime Minister</u> said that the British Government would go steadily on with its present efforts to help solve the problem of the hostages. We had found that we had to be very sensitive and careful in our dealings with the Iranian Government.

Namibia

In response to a question from President Kaunda, the <u>Prime</u>
<u>Minister</u> said that she believed that we should not hurry too much
on Namibia. The South Africans had much to absorb at present.
They had been alarmed at the prospect of elections in Zimbabwe,

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but they now accepted their outcome. She thought that they would cooperate with Zimbabwe and wanted to see independence there work successfully. The South Africans were, in short, coming to terms with reality but we must be patient if we wanted to get a solution of the Namibia problem on the lines of the United Nations proposals. If we proceeded firmly but gently, we should have a reasonable prospect of a solution. But if we hurried too much, we should meet resistance from the South Africans of the kind we did not want. She did not have any deadline in mind for a Namibia settlement, but she recognised the process could not last too long.

President Kaunda agreed that the best policy for the present was to wait and see. Nonetheless, experience showed that the South Africans were past masters of the art of stalling. So often in the had past a problem seemed to be well on the way to resolution when the South Africans had raised something unexpected and everything had gone back to square one. He very much hoped that this would not happen now over Namibia. There was a limit to how long we could go on telling the SWAPO fighters to hold back and wait without their losing confidence in the Front Line States.

The meeting ended at 1910.

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8 May 1980