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FM CAPE TOWN EMBASSY 150950Z MARCH 1980

TO IMMEDIATE FCO

TELGRAM NUMBER 235 OF 15 MARCH

INFO PRIORITY SALISBURY

SALISBURY TELEGRAMS NOS 1056 AND 1066 RHODESIA: FUTURE POLICY

1. THE SOUTH AFRICAN ATTITUDE WILL OBVIOUSLY BE VERY IMPORTANT. AFTER THE INITIAL SHOCK OF MUGABE'S VICTORY MINISTERS HERE APPEAR TO HAVE REGAINED THEIR POISE. AT A FUNCTION LAST NIGHT THE STATE PRESIDENT WENT SO FAR AS TO OFFER ME HIS CONGRATULATIONS ON OUR HANDLING OF THE RHODESIA PROBLEM. THE AFRICAANS PRESS HAS EXPRESSED PLEASURABLE SUPRISE AT MUGABE'S FIRST STEPS. BUT THE SAG REMAIN WARY AND CONCERNED THAT BEFORE LONG HE WILL BE OBLIGED TO DO THINGS WHICH ADVERSELY AFFECT SOUTH AFRICA'S INTERESTS.
2. THE DEPARTMENT OF FOREIGN AFFAIRS AND NO DOUBT THE GOVERNMENT IN GENERAL ARE CURRENTLY ENGAGED IN A THOROUGH POST-MORTEM AND CONSIDERATION OF FUTURE IMPLICATIONS. THE CONCLUSIONS THEY COME TO BOTH FOR NAMIBIA AND THEIR INTERNAL POLICIES HERE WILL BE OF GREAT IMPORTANCE TO US AND WE MUST SEEK TO INFLUENCE THEM IN ANY WAY WE CAN.
3. IN THE SHORT RUN THE SAG'S ATTITUDE TO ZIMBABWE AND TO THE POSSIBILITIES OF COOPERATING WITH IT WILL BE GREATLY INFLUENCED BY THREE THINGS IN DESCENDING ORDER OF IMPORTANCE: FIRST THE EXTENT TO WHICH THE NEW GOVERNMENT OFFERS SUCCOUR TO ANC GUERILLAS OPERATING INTO SOUTH AFRICA: SECONDLY THE HONOURING OF DEBTS: THIRDLY THE STATE OF DIPLOMATIC RELATIONS.
4. MUGABE HAS APPARENTLY MADE REASSURING NOISES ABOUT THE FIRST AND THE SAG WILL BE CONTENT TO WAIT AND SEE HOW THINGS TURN OUT, WHILE MAKING CONTINGENCY PLANS TO ATTACK ANY ANC BASES THAT MIGHT MATERIALISE. THE SECOND IS OF PERSONAL IMPORTANCE TO THE PRIME MINISTER SINCE IN THE LIGHT OF HIS CHAMPIONING OF HONEST ADMINISTRATION AFTER THE INFORMATION SCANDAL HE WOULD BE VULNERABLE TO ATTACK IN PARLIAMENT IF PUBLIC MONEY WHICH HAD BEEN COVERTLY COMMITTED TO RHODESIA WERE FORFEIT. IT IS NOT SO MUCH THE AMOUNT AS THE PRINCIPLE. ON THE THIRD POINT THE SAG MIGHT BE WILLING TO SHOW SOME FLEXIBILITY, EG TO HAVE A TRADE OR LIAISON OFFICE INSTEAD OF AN EMBASSY. BUT THEY WOULD TAKE IT BADLY IF MUGABE SEVERED ALL OFFICIAL CONTACTS.

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5. WHETHER THE SAG COULD BE BROUGHT TO SHOW GENEROSITY OVER IMMEDIATE FINANCIAL ASSISTANCE (PARAGRAPH 9 OF SALISBURY TELEGRAM NO 1056) WILL DEPEND ON THE ANSWERS TO THESE QUESTIONS, PARTICULARLY THE SECOND. I CANNOT SEE THE SAG SHELLING OUT MORE MONEY IF THE NEW ZIMBABWE GOVERNMENT DOES NOT GIVE AN UNDERTAKING TO HONOUR THE PREVIOUS DEBTS. THIS NEED NOT OF COURSE EXCLUDE THE POSSIBILITY OF SOME RESCHEDULING. PIK BOTHA APPARENTLY MENTIONED THE REGULAR FUNDINGS FROM THE SCFT LOANS IN SPEAKING TO MY GERMAN COLLEAGUE THE OTHER DAY AND SUGGESTED THAT THE BRITISH AND OTHER GOVERNMENTS WOULD NOW HAVE TO TAKE OVER THE RESPONSIBILITY. IT WOULD NOT TAKE THIS AS THE SAG'S LAST WORD, BUT IF MUGABE WANTS THEIR HELP HE WILL HAVE TO TAKE THE INITIATIVE AND SHOW HIMSELF WILLING TO MEET THEM MORE THAN HALF WAY.

6. SINCE WRITING THE ABOVE I HAVE SEEN SALISBURY TELEGRAM NO 1075. THE PENULTIMATE SENTENCE OF PARAGRAPH 8 IS ENCOURAGING, THOUGH I AM NOT CLEAR ABOUT THE IMPORT OF THE LAST SENTENCE.

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