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NOTE OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND MR. NICHOLAS ELLIOTT ON 13 AUGUST

Rhodesia

Mr. Elliott told the Prime Minister that he had seen Bishop Muzorewa, in Salisbury, very recently, in the company of General Alan Fraser. They had previously called on the South African Prime Minister, Mr. P. W. Botha, in Pretoria, and had found him friendly and very relaxed about the outcome of the Lusaka meeting. Mr. Pik Botha, however, had been in a very emotional state and had taken the line that Lusaka was a sellout. Mr. Elliott and General Fraser had done their best to cool Pik Botha down and had told him that he was over-reacting.

In Salisbury Bishop Muzorewa had been very relaxed and had spoken very warmly of his talks with the Prime Minister in London. He had said that his strong inclination was to trust the Prime Minister not to preside over a sell-out; and Mr. Elliott had assured him that there would never be a British Government which would give the internal parties a fairer deal.

Mr. Elliott told the Prime Minister that he thought it very important that David Smith (whom he had also seen in Salisbury) should attend the Constitutional Conference. All the more intelligent whites in Salisbury had taken a relaxed view of Lusaka and so had General Walls. Only the blimps were talking about a sell-out. Mr. Trott, the Governor of the Reserve Bank in Salisbury, had told Mr. Elliott that the Rhodesian economy was in fairly good shape in the short term; but that white morale would not stand up for more than a further six months.

Mr. Elliott said that he had found great suspicion in Salisbury of Lord Carrington and of the Foreign and Commonwealth Office: a number of people had said to him that they hoped that the Prime Minister was not being unduly influenced by them.

Mr. Elliott expressed the view that it was important to send a Government Minister to Salisbury very soon in order to provide the

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white Rhodesians with reassurance. The South African press was putting it about that the Prime Minister was aiming for immediate elections in Rhodesia; apart from the fact that this would obviously be impracticable, new elections would be greatly resented by the Rhodesians. Elections might, however, be acceptable if there were to be a ceasefire first.

The <u>Prime Minister</u> asked Mr. Elliott about President Machel's attitude to a ceasefire. <u>Mr. Elliott</u> said that Machel would probably like to get rid of the guerrillas if he could. 70% of Mugabe's material support now came from the Soviet Union, Cuba and the GDR, and only 30% from China.

Mr. Elliott told the Prime Minister that Bishop Muzorewa's only unsuccessful discussion during his visit to London had been with Mr. Callaghan, who had asked the Bishop to see him at the House of Commons and had then been very ill-tempered when the Bishop had asked him to call at his hotel instead.

Mr. Elliott said that David Smith had told him in Salisbury that he had recently received a visit from two elderly Americans (whose names he did not give) who claimed to be personal emissaries from Dr. Brzezinski. Their message had been that the white Rhodesians should not take any notice of Andy Young's pronouncements: they had asked David Smith to accept that the United States was fully aware of the crucial importance of Rhodesia both economically and as a bastion against the advance of Communism in Southern Africa. The emissaries had also said that if oil supplies from Saudi Arabia were to be threatened by political developments, the U.S. would not hesitate to intervene militarily in order to save the oil. David Smith had told nobody of this discussion except Mr. P. W. Botha.