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FM SALISBURY 131530Z JUN 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 1654 OF 13 JUNE 1980

INFO IMMEDIATE ODA

YOUR TELNOS 1307 AND 1308 : ANGLO/ZIMBABWE RELATIONS

1. IN MY TELNO 1594 I PROPOSED THAT OUR AIM IN THE DISCUSSIONS IN LONDON SHOULD BE TO HELP THE ZIMBABWEANS AS MUCH AS IS NECESSARY TO ENSURE THAT THEY KEEP FAITH IN US AND ARE NOT PANICKED INTO UNWISE COURSES. I DOUBT IF WE HAVE YET ACHIEVED THIS. THE GENERALLY ANTI-BRITISH TENOR OF NKALA'S REMARKS ON 10 AND 11 JUNE (MY TELNO 1643) SUGGESTS THAT HE AT LEAST IS CONSIDERING ACTION AGAINST PUBLIC SERVICE BENEFITS FOR WHICH HE WILL SEEK TO PIN THE BLAME ON US. HOVE AND MUGABE HIMSELF ARE LESS IMPETUOUS AND WILL BE THINKING ABOUT THEIR NEXT STEPS CAREFULLY. BUT THERE IS STILL A SUBSTANTIAL RISK OF THE KIND OF ADVERSE DEVELOPMENTS CONSIDERED IN PARA 3 OF YOUR TELNO 1307, AND WE SHOULD DO WHAT WE CAN TO AVERT THIS.
2. THE PRESENT POSITION IS THAT WE HAVE EFFECTIVELY REFUSED ZIMBABWEAN REQUESTS FOR EXTRA CASH FOR RESETTLEMENT AND FOR FINANCING OF THE INDUCEMENT SCHEME. WE HAVE OFFERED HELP WITH ANY SUPERSESSION SCHEME AND WITH CIVIL SERVICE TRAINING OUT OF OUR £75 MILLION PLEDGE. WE HAVE ALSO OFFERED TO INCREASE SMATT TO 130 MEN BY OCTOBER AT AN ADDITIONAL COST TO US DURING THE CURRENT FINANCIAL YEAR OF £2 MILLION. WE HAVE REACHED AGREEMENT WITH THE ZIMBABWEANS ON THE PRE-UDI GOVERNMENT DEBT. THIS IS NOT A BAD PACKAGE, BUT WHAT I THINK IS MISSING IS SPECIFIC RECOGNITION OF AND A SYMPATHETIC APPROACH TO ZIMBABWEAN WORRIES ABOUT THEIR FOREIGN EXCHANGE SITUATION. THIS IS THE THEME TO WHICH MINISTERS HERE CONSTANTLY RETURN.
3. I THEREFORE HOPE THAT THE PRIME MINISTER'S REPLY TO MUGABE CAN MAKE ONE FURTHER GESTURE TO THE ZIMBABWEANS. THE DEAL ON THE PRE-UDI GOVERNMENT DEBT SEEMS FROM HERE TO BE VERY FAVOURABLE TO US, CONSIDERING THE POLITICAL AND ECONOMIC CIRCUMSTANCES. LIKE YOU,

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I DOUBT IF ZIMBABWEAN MINISTERS HAVE REALLY CONSIDERED THE IMPLICATIONS OF THE OUTCOME OF THE NEGOTIATIONS. WHETHER THEY UNDERSTAND WHAT THEY HAVE AGREED TO OR NOT, I BELIEVE THAT WE SHOULD BE MORE GENEROUS AND THAT THE PRIME MINISTER'S LETTER SHOULD MAKE THE FURTHER SUBSTANTIAL CONCESSIONS WHICH YOUR NEGOTIATING TEAM WERE AUTHORISED TO OFFER. AT THE SAME TIME, I BELIEVE THAT WE SHOULD STICK TO THE TERMS PROPOSED FOR MORATORIUM INTEREST, SINCE TO WITHDRAW THESE WOULD MAKE IT APPEAR THAT WE WERE OFFERING WITH ONE HAND AND TAKING AWAY WITH THE OTHER. I HAVE ALREADY MADE MY CASE FOR GENEROUS TREATMENT FOR THE ZIMBABWEANS ON THE DEBT IN PARA 4 MY TELNO. 1595. A FURTHER CONCESSION ON OUR PART IN THE PRIME MINISTER'S LETTER MIGHT BE PORTRAYED AS A PERSONAL GESTURE OF GOODWILL ON THE PART OF MINISTERS, IN RECOGNITION OF ZIMBABWEAN WORRIES ABOUT THEIR FOREIGN EXCHANGE SITUATION.

4. I SUGGEST THAT THE PRIME MINISTER'S LETTER SHOULD ALSO HIGHLIGHT THREE OTHER POINTS. I HAVE BEEN TRYING TO CONVINCE ZIMBABWEAN MINISTERS THAT THEIR DISAPPOINTMENT ABOUT PLEDGES OF AID RECEIVED SO FAR IS NOT NECESSARILY WELL-FOUNDED, SINCE MOST DONORS HAVE NOT YET MADE LONG TERM COMMITMENTS. I HOPE THAT WE CAN EMPHASISE THIS THEME, AND OFFER TO CONTINUE TO DO WHAT WE CAN TO PERSUADE DONORS TO TREAT ZIMBABWE FAVOURABLY. ALSO, THE ZIMBABWEANS HAVE SO FAR TENDED TO GLOSS OVER OUR GENEROUS MILITARY ASSISTANCE, SEEING IT AS A SEPARATE ELEMENT OF OUR COMMITMENT TO HELP ZIMBABWE. I BELIEVE THAT SOMETHING SHOULD BE MADE OF WHAT WE HAVE DONE SO FAR AND WHAT WE ARE NOW OFFERING. FINALLY, I SUGGEST THAT THE LETTER SHOULD REMIND MUGABE THAT WE REMAIN WILLING TO CONSIDER HELP WITH A SUPERSESSION SCHEME OUT OF THE POUNDS STERLING 75 MILLION AND TO OFFER ANY OTHER ADVICE HE MAY WISH TO HAVE ON THE CIVIL SERVICE, E.G. OVER TRAINING OR OVER THE IMPLEMENTATION OF A PRESIDENTIAL DIRECTIVE ON AFRICANISATION.

5. I DO NOT SUPPOSE THAT SUCH A RESPONSE WILL LEAD THE ZIMBABWEANS AWAY FROM SOME ACTION OVER THE INDUCEMENT SCHEME.

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GIVEN THE PRESENT EFFECT OF IT, PARTICULARLY IN THE ARMY AND POLICE, IT MAY EVEN BE IN THE INTERESTS OF ZIMBABWE THAT THERE SHOULD BE SOME CURB INTRODUCED. WHAT I BELIEVE WE COULD ACHIEVE BY A REPLY FROM THE PRIME MINISTER ALONG THE LINES THAT I HAVE SUGGESTED IS TO DEMONSTRATE THAT, ALTHOUGH OUR ABILITY TO ASSIST IS INEVITABLY LIMITED, WE HAVE A REAL SYMPATHY FOR THEIR DIFFICULTIES AND HAVE DONE SOMETHING CONCRETE TO HELP IN RESPONSE TO MUGABE'S PLEA TO THE PRIME MINISTER. THIS WOULD REDUCE THE RISK THAT MUGABE WOULD FEEL WE HAD LET HIM DOWN, AND BLUNT THE EDGE OF NKALA'S CHARGES THAT WE ARE TO BLAME FOR HIS DIFFICULTIES.

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