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OO SALISBURY

RR LILONGWE

GRS 912

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FM FCO 121600Z DEC 80

TO IMMEDIATE SALISBURY

TELEGRAM NUMBER 1780 OF 12 DECEMBER

AND TO ROUTINE LILONGWE FOR BDDSA

MY TELNO 1762: BRITISH AID AND UK/ZIMBABWE RELATIONS

1. IT HAS BEEN AGREED THAT OUR 20 MILLION AID FOR LAND RESETTLEMENT SHOULD BE ON GRANT TERMS. IN CONVEYING THIS TO MR MUGABE, I WOULD LIKE YOU TO TAKE THE OPPORTUNITY TO PLACE THIS ADDITIONAL MEASURE OF SUPPORT FOR ZIMBABWE'S DEVELOPMENT FIRMLY IN THE CONTEXT OF OUR WIDER POLITICAL RELATIONSHIP WITH ZIMBABWE. YOU SHOULD TAKE THE FOLLOWING LINE, MAKING IT CLEAR THAT YOU ARE SPEAKING ON MY INSTRUCTIONS:-

(A) SINCE INDEPENDENCE, THE BRITISH GOVERNMENT HAVE GIVEN ZIMBABWE EVERY POSSIBLE SUPPORT, ECONOMICALLY AND POLITICALLY. WE SHARE MR MUGABE'S OBJECTIVE OF A PEACEFUL AND NON-RACIAL SOCIETY IN ZIMBABWE AND RECOGNISE THE COUNTRY'S IMPORTANCE TO THE FUTURE OF SOUTH AFRICA AS A WHOLE. THE PRIME MINISTER ASSURED DR ZWINOIRA ON 28 NOVEMBER OF OUR DETERMINATION NOT TO BE DEFLECTED BY INDIVIDUAL PIECES OF BAD NEWS IN OUR EFFORTS TO CONSOLIDATE THE HARD-WON POLITICAL SETTLEMENT.

(B) WE RECOGNISE THE POLITICAL CONSTRAINTS UNDER WHICH THE ZIMBABWE GOVERNMENT IS WORKING. SO TOO MUST THE ZIMBABWEANS UNDERSTAND THAT THERE IS NO BRITISH POT OF GOLD WHICH CAN SOLVE ZIMBABWE'S RECONSTRUCTION AND DEVELOPMENT PROBLEMS OVERNIGHT. OUR OWN FINANCIAL CONSTRAINTS ARE REAL. OUR OVERALL ASSISTANCE TO ZIMBABWE SINCE INDEPENDENCE, INCLUDING SUBSTANTIAL HELP OUTSIDE THE AID PROGRAMME (I.E. DEBT RELIEF, MILITARY ASSISTANCE), DEMONSTRATES THE SPECIAL POSITION

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ZIMBABWE HOLDS AND OUR RECOGNITION OF HER NEEDS. WE HAVE ALSO EXPENDED MUCH ENERGY IN GIVING SUPPORT TO MR MUGABE'S POLICIES AND IN ENLISTING INTERNATIONAL AID. PROMISES OF BILATERAL AND MULTILATERAL AID ARE NOW LITTLE SHORT OF THE BILLION DOLLARS ENVISAGED FOR THE KISSINGER FUND.

(C) WE HAVE NOT SOUGHT AT ANY STAGE TO MISLEAD MR MUGABE ABOUT THE TERMS OF OUR AID. I REGRET ANY MISUNDERSTANDING THAT HAS ARISEN. HOWEVER, IN VIEW IF THE UNIQUE POST-WAR CIRCUMSTANCES OF ZIMBABWE AND THE SPECIAL NEEDS OF A PROGRAMME IN WHICH LAND PURCHASE IS A MAJOR COMPONENT, THE BRITISH GOVERNMENT AGREE THAT THE ALLOCATION OF 20 MILLION FOR OUR JOINT RESETTLEMENT PROGRAMME SHOULD BE ON GRANT TERMS.

(D) THE BALANCE OF OUR CAPITAL AID (23.5 M) WILL BE ON LOAN TERMS. THE REASONS FOR THIS ARE SET OUT IN MY TUR. THE FIGURE FOR OUTRIGHT GRANTS (WHICH SHOULD HAVE READ 31.5 M IN PARAGRAPH 2 OF TUR) IS NOW INCREASED TO 51.5 M. TAKING ACCOUNT OF THE 60 GRANT ELEMENT IN OUR OTHER CAPITAL AID, THE GRANT ELEMENT IN THE OVERALL 75 M PACKAGE WILL BE AROUND 87 .

(E) MY COLLEAGUES AND I ARE ALREADY TAKING EVERY OPPORTUNITY TO EMPHASISE THE IMPORTANCE OF NEXT MARCH'S DONOR'S CONFERENCE. LORD SOAMES WOULD BE VERY HAPPY TO ATTEND THE CONFERENCE AS LEADER OF THE BRITISH DELEGATION. THIS DEMONSTRATES THE IMPORTANCE WE ATTACH TO ACHIEVING A POSITIVE INTERNATIONAL RESPONSE. WE HOPE THAT THE ZIMBABWE GOVERNMENT WILL SHORTLY BE ABLE TO DISTRIBUTE THE DOCUMENTATION AND BRIEFING FOR THE CONFERENCE. SOME DONORS SIMPLY DO NOT HAVE A DETAILED GRASP OF ZIMBABWE'S NEEDS. THE PRIME MINISTER IN HER LETTER TO MR MUGABE OF 13 NOVEMBER OFFERED THE HELP OF THE BRITISH GOVERNMENT IN THE PREPARATION OF THE CONFERENCE.

(F) (THE FOLLOWING IS SUBJECT TO CONFIRMATION FROM NO 10 DOWNING STREET, WHICH WILL BE SENT TO YOU BY SEPARATE TELEGRAM). THE

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PRIME MINISTER AND I WERE GLAD TO HAVE THE OPPORTUNITY TO DISCUSS UK/ZIMBABWE RELATIONS WITH MR MUQABE PERSONALLY DURING HIS BRIEF STOPOVERS IN LONDON IN MAY AND AUGUST. I AM ALSO PLEASED THAT WE HAVE BEEN ABLE TO MAINTAIN A FLOW OF MINISTERIAL AND OTHER HIGH-LEVEL VISITS IN BOTH DIRECTIONS. IN THIS SPIRIT, THE PRIME MINISTER AND I WOULD LIKE TO EXTEND AN INVITATION TO MR MUGABE TO MAKE AN OFFICIAL VISIT TO LONDON IN 1981 AS THE GUEST OF HMG. WE CAN DISCUSS DATES IN THE NEW YEAR. (WE APPRECIATE THAT THE DONORS' CONFERENCE AND THE INDEPENDENCE DAY CELEBRATIONS MAY PRECLUDE A VISIT BEFORE MAY).

(G) THE AIM OF BOTH OUR GOVERNMENTS IS TO BUILD ON THE GREAT PROGRESS WHICH ZIMBABWE HAS ALREADY MADE. THE BRITISH GOVERNMENT HAS NO WISH TO INTERFERE IN ZIMBABWE'S INTERNAL AFFAIRS. WE RECOGNISE THE RESOLUTE AND DETERMINED WAY MR MUGABE'S GOVERNMENT HAVE HANDLED THE RECENT SECURITY DIFFICULTIES. I AM GLAD THAT OUR OWN EFFORTS THROUGH BMATT HAVE BEEN SO SUCCESSFUL WITH THE FORMULATION OF THE INTEGRATED BATTALIONS. WE HAVE ADMIRERD THE ZIMBABWE GOVERNMENT'S DETERMINATION TO PURSUE THE POLICIES OF RECONCILIATION. THIS MUST APPLY EQUALLY TO ALL ELEMENTS IN THE POPULATION AND TO ALL POLITICAL GROUPINGS. ITS SUCCESS IS A VITAL ELEMENT IN BUILDING FOREIGN CONFIDENCE IN ZIMBABWE AND HENCE IN ENCOURAGING INVESTMENT.

2. LORD SOAMES WOULD NOT WISH MUGABE TO BE UNDER ANY MIS-APPREHENSION ABOUT HIS ROLE AT THE DONORS' CONFERENCE. WHEN SPEAKING IN TERMS OF PARA 1(E) ABOVE, PLEASE ENSURE THAT MUCABE UNDERSTANDS THAT LORD SOAMES WILL NOT ARRIVE LADEN WITH GIFTS OF ADDITIONAL AID. WE HAVE PLEDGED A VERY LARGE AMOUNT OF AID TO ZIMBABWE: AT THE CONFERENCE AND IN THE PERIOD BEFOREHAND, WE SHALL CONTINUE WITH OUR EFFORTS TO PERSUADE OTHERS TO TAKE MATCHING ACTION. (FOR EXAMPLE I TOOK THE QUESTION UP THIS WEEK WITH THE JAPANESE FOREIGN MINISTER, WHO WAS VISITING LONDON). THROUGH HIS STATUS AND INVOLVEMENT WITH ZIMBABWE, LORD SOAMES IS PARTICULARLY WELL QUALIFIED TO

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GIVE IMPETUS TO THESE EFFORTS.

3. A SEPARATE TELEGRAM WILL FOLLOW ON THE MODIFICATIONS
REQUIRED IN THE DRAFT AGREEMENT COVERING LAND RESETTLEMENT.
PLEASE SEE MIFT ON BRITISH MILITARY TRAINING ASSISTANCE.

CARRINGTON

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