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MEETING BETWEEN THE PRIME MINISTER AND PRESIDENT MOBUTU OF
ZAIRE ON THURSDAY, 27 SEPTEMBER AT 10 DOWNING STREET

Present:

Prime Minister
Mr. J. Johnson
Mr. C.D. Powell

President Mobutu
State Commissioner Umba
Zairean Ambassador

The Prime Minister offered President Mobutu a warm welcome and invited him to tell her about his recent travels and the situation in Zaire.

Zaire Economy

President Mobutu said that the Prime Minister would know the main facts about Zaire's current situation. OECD Ambassadors in Kinshasa had recently been briefed. He had imposed two years of austerity on his people, and this would have to continue. A significant turn-around in the economy had already been achieved. For instance inflation had been brought down from over 100 per cent to 15 per cent, and the target was 10 per cent. But substantial problems remained. Communications in Zaire were poor: there were shortages of essential equipment and supplies, particularly medicines. Foreign exchange was desperately short. For instance the Ambassador in London and his staff had not been paid for eight months. Zaire's most pressing need was for a breathing space. This meant generous terms for further debt rescheduling. Zaire could not afford to make available more than U.S. \$250 million a year for debt repayment in each of the next two years. Zaire needed the help and understanding

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of its partners. The President handed over a letter (enclosed) detailing what Zaire had already done and its future needs.

President Mobutu continued that he had been very well received by President Mitterrand, who had complimented him on Zaire's efforts and undertook to study how France could help. President Reagan had said that Zaire could count on American help, provided it was part of a concerted Western effort. Chancellor Kohl had been sympathetic. President Mobutu concluded that Zaire would prefer to stand on its own feet but had no option but to appeal for help from outside. His country had always paid its debts and always would, but needed and deserved generous treatment over future rescheduling.

The Prime Minister acknowledged President Mobutu's reputation as a firm leader. Zaire's agreement with the IMF had been an important step. When a country imposed self-discipline as Zaire had, there was more incentive for others to help. The UK/Zaire debt rescheduling agreement had recently been initialled and provided generous terms. We would consider sympathetically any application for debt rescheduling in 1985. We would also be able to provide a little more aid next year. Was Zaire affected by food shortages? How had copper prices affected prospects?

President Mobutu said that copper prices had been weak, far below the levels estimated by the IMF. This had increased the difficulties of meeting the IMF's conditions. There were no food shortages as such, since he had given priority to agricultural development and food self-sufficiency. The problem lay rather in poor communications which meant that surpluses in some areas could not be moved to areas of shortage. President Mobutu continued that he regretted that the UK was no longer providing aid on the same scale as in the past for

communications. Mr. Johnson explained the projects to which UK aid was going, which seemed to surprise President Mobutu.

The Prime Minister complimented President Mobutu on his recent election results. President Mobutu conceded that they had gone very well. He had been idolised wherever he had travelled in the country.

Falklands

The Prime Minister thanked President Mobutu for Zaire's understanding attitude over the Falklands at the UN. We hoped for a further Zairean abstention this year. President Mobutu said that he had come under strong pressure from Argentina and others in the non-aligned movement to change Zaire's vote. He noted the Prime Minister's request.

Chad

The Prime Minister asked if Zaire would follow France and Libya in withdrawing its forces from Chad. President Mobutu said that he had not been consulted about the French and Libyan withdrawal. Others could not commit Zaire. He would shortly visit Chad and draw his own conclusions. But it was clear as a practical matter that Zairean troops could not stay once the French and Libyans left.

Southern Africa

The Prime Minister recalled President Botha's visit to London, on which she had sent President Mobutu a message. She thought it had done President Botha good to be exposed to our views, though there were no concrete results from the visit. Our relations with South Africa were currently very difficult because of the detainees in our Consulate in Durban. President Mobutu said that he was following the

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situation.

The Prime Minister concluded that there were no problems between Britain and Zaire. She would study the letter very carefully and follow with great interest all that President Mobutu was doing to deal with his country's economic problems. She would ensure that we looked sympathetically at rescheduling for 1985 and provided a little more aid for next year. President Mobutu thanked the Prime Minister for receiving him.

The meeting ended at 1900 hrs.

C.D.P.

27 September, 1984

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10 DOWNING STREET

27 September, 1984

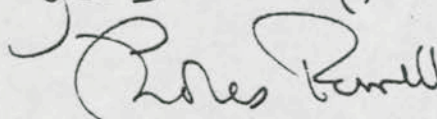
From the Private Secretary

Dear Colin,

PRIME MINISTER'S MEETING WITH PRESIDENT MOBUTU, 27 SEPTEMBER

I enclose a record of the Prime Minister's meeting with President Mobutu, together with a copy of the aide-memoire on Zaire's problems which he left.

I am sending copies of this letter and enclosures to David Peretz (HM Treasury) and to Callum McCarthy (Department of Trade and Industry).

Yours sincerely,

(C.D. Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.