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10 DOWNING STREET

File VC  
cc Sir P. Casade

From the Private Secretary

27 September 1985

Dee Gabe,

PRIME MINISTER'S MEETING WITH PRESIDENT MACHEL

The Prime Minister received President Machel of Mozambique this morning. The President was accompanied by Sr. Chissano, Sr. Veloso, Sr. Honawa and Sr. Muradi. Mr. Rifkind was also present.

Renamo

The Prime Minister invited President Machel to tell her about the situation in Mozambique and particularly the continuing problems with Renamo. President Machel said that after his meeting with the Prime Minister in Moscow last March and her intervention with a number of other governments, matters had improved and external support for Renamo had declined. However, there continued to be problems with Malawi where the security forces were providing covert support for Renamo. Possibly President Banda was not aware of this. South Africa and Israel were both also continuing to provide Renamo with practical assistance. In Israel's case this appeared to be seen as means of putting pressure on Mozambique to establish diplomatic relations.

President Machel continued that since the meeting of the Front Line states in March and the provision of military help from Zimbabwe and Tanzania, Mozambique had achieved a number of successes in military operations against Renamo. These had unearthed very large quantities of ammunition, explosives and medical supplies (he provided a wealth of detail). More disturbingly, they had also revealed ample documentary evidence of South Africa's continuing involvement with Renamo. For instance, there was evidence that South Africa had deliberately infiltrated armed Renamo supporters into Mozambique immediately before signing the Nkomati Accord. There was clear proof that the former South African Deputy Foreign Minister, Mr. Nel, had visited Renamo bases as recently as the middle of August. President Machel said that he was inclined to regard this involvement as largely the work of the South African military, who were a state within a state. He had confronted Pik Botha with the evidence recently and had received no convincing explanation.

The Prime Minister said that she had raised the question of Renamo with Dr. Banda during his State Visit.

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She had denied that the Malawi Government was providing any support to them though she had implied that there might be some freelance help. The Prime Minister continued that she was very disturbed to hear of South Africa's duplicity in this matter. Would President Machel wish her to send a message to President Botha reporting on their discussion and urging South Africa to abide by its commitments under the Nkomati Accord? We might have some influence as a country which had stood out against economic sanctions. President Machel confirmed that this would be very helpful. The Prime Minister's earlier messages to the South African Government on Mozambique's behalf had been well received.

### Bilateral Relations

The Prime Minister said that she was pleased that arrangements had been made to enable BMATT in Zimbabwe to provide training for Mozambiquean forces. She hoped that President Machel was content with them. President Machel said that he had met the Commander of BMATT and discussed the type of training with him. He was well content with what was being offered.

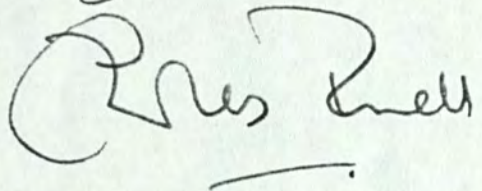
The Prime Minister said that we were ready to provide Mozambique with a further 14,000 tonnes of food aid to help overcome current difficulties. President Machel expressed gratitude for this. He added that President Reagan had asked him whether he enjoyed good relations with the Prime Minister and he had replied that they were excellent.

### South Africa

The Prime Minister said that she understood that President Machel was not happy with her views on economic sanctions against South Africa. She would like to explain her position very clearly. Britain observed the mandatory United Nations' arms embargo against South Africa. As a matter of practice, we did not export crude oil to South Africa. But she did not believe that full economic sanctions were desirable. There was no point in creating unemployment in Britain in order to create it in South Africa. Rather, economic growth in South Africa offered the best prospect for the early dismantling of apartheid; and in the longer term such growth was essential if all the people of South Africa were to enjoy prosperity when apartheid was eventually abolished. Moreover, she did not believe that it made sense to talk of economic sanctions now at the very moment when the process of change and reform in South Africa was at last underway. There was no doubt that important changes were afoot even though they were not skilfully presented. Of course much remained to be done. In particular the South African Government must be prepared to negotiate with the chosen representatives of black people. The Prime Minister continued that we had recently announced a decision to recall our defence attaches from South Africa. She did not think this would have any practical effect, indeed it would deprive us of the means of finding out what the South African military were up to in Mozambique.

President Machel said that the Prime Minister was not properly informed about his position on economic sanctions. He attached particular importance to two changes in South Africa: the first was the establishment of common citizenship; the other an announcement that apartheid was to be abandoned and a framework established within which the future of the country could be discussed. He believed that the threat of economic sanctions was an important factor in encouraging the South African Government to move towards these steps. But he was not suggesting that economic sanctions should be applied immediately. They were a sort of reserve power for the future. The Prime Minister said that she found this clarification very useful.

I am copying this letter to John Mogg (Department of Trade and Industry), Rachel Lomax (HM Treasury) and Michael Stark (Cabinet Office).

Yours sincerely,  


CHARLES POWELL

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