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P. 2.

SUBJECT FILED ON:  
ZIMBABWE: Visit of Mr Mugabe



May 80

10 DOWNING STREET

**PRIME MINISTER'S**

THE PRIME MINISTER

**PERSONAL MESSAGE**

31 July 1984

**SERIAL No. T139/84**

Dear Prime Minister,

When we met during your recent visit to London we talked about Britain's assistance for Zimbabwe's development, and I undertook to write to you with clarification of our proposals for programme aid.

As I told you, we are ready to enter into agreements to provide, from the aid pledges we have made to Zimbabwe, £12 million for new programme aid. This is in addition to the £3 million of programme aid currently being spent. In accordance with your Government's wishes, £10 million of the new aid will fulfil our pledge at the Zimcord Conference to give further help with land resettlement. The other £2 million will come from an existing project loan which, following a request from your officials, we shall be happy to convert into programme aid. We expect as a first step to send your officials very shortly the draft of an agreement under which allocation of this money can begin.

You asked whether our aid for land resettlement could be paid in advance. The £10 million programme aid will finance urgent imports, with the importers then putting Zimbabwe dollars into the hands of your Government, to be used as required for its share of the cost of the land resettlement projects we are also supporting directly. This should help to speed up the progress of the scheme. What I am afraid that we cannot do is to provide funds in advance from the existing £20 million direct resettlement grant. This follows the reimbursement principle, in line with our standard practice.

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As for police training, we shall be glad to do our best within the usual constraints to provide what help we can, and I have asked my officials to contact yours to consider what might be done.

It might also be useful if I were to explain more fully our position on Zimbabwe's sugar quota, which you also raised with me. We are in no doubt about the importance of sugar to the Zimbabwean economy and recognise that you have always regarded your 25,000 tonne quota under the Lomé Sugar Protocol as inadequate. But, as you will recall, the quota was part of the package which was negotiated on Zimbabwe's accession to the Lomé Convention and was the best deal that could be got at the time. We have since been on the lookout for ways in which your quota could be increased. In particular, we have been pressing hard for Zimbabwe to be given priority in the reallocation of quotas occasioned by other ACP states' inability to meet their supply commitments. At the moment there is at least 12,000 tonnes available for redistribution and we very much hope that a fair proportion of this will go to your country. The final decision lies with the EC Commission but we have left them in no doubt of our views. Portugal's accession to the Community should also provide an opportunity to obtain an increase in Zimbabwe's quota. The precise arrangements for meeting Portugal's sugar requirements are still under discussion within the European Community and no decisions have yet been taken. I can assure you that the interests of Zimbabwe and of other ACP suppliers of the Portuguese market are very much in our minds. You will, I am sure, be keeping up the pressure on the Commission and other European Community members.

I also told you that we shall be able to provide the additional military assistance you had asked for in the armour and artillery and logistics fields. I am pleased that we are able to help on this occasion, but you will I know understand that the resources available to us for this

sort of task are limited and we may well not be able to meet any further requests for assistance going beyond the advisory and staff training functions which we see as BMATT's principal role.

Finally, may I say once again, on the subject of remittances, that I fully understand your Government's need for severe measures in the present difficult economic situation. I appreciate it all the more, therefore, that you were able to agree to consider the cases of those individuals (often very elderly and sick) for whom the controls mean genuine hardship.

I very much hope that you enjoyed your visit to Britain and found it useful. We certainly did. My congratulations, once again, on the honour paid to you by Edinburgh University. I greatly look forward to our next meeting.

Warm regards

Yours sincerely

Margaret Thatcher

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The Honourable R.G. Mugabe