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Subject on
Economic Policy,
Indebtedness,
AJS

10 DOWNING STREET

THE PRIME MINISTER

22 December 1983

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T229A/83.

Dear Julius,

It was good of you to write as you did on 3 December. I greatly enjoyed our talk in New Delhi.

I am sure you are right to think in terms of a Fund programme, and the amount and pace of devaluation of the shilling will be crucial to its success. Clearly the right policies are those which make sense in the market place: if one's goods and commodities find ready export markets, that in turn makes it possible to raise domestic returns and thus enhance incentives for private producers.

Details such as these clearly need to be settled bilaterally with the Fund. But I have no doubt that the successful conclusion of your discussions would greatly benefit Tanzania, both in terms of direct balance of payments support and indirectly as a signal of confidence to potential investors and creditors. I shall ensure that the UK Executive Director at the IMF considers your programme with the utmost care and sympathy when it comes before the Board.

My warm good wishes for 1984.

Yours sincerely
Margaret Thatcher

His Excellency Mwalimu Dr. Julius K. Nyerere

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6