

part A.

CONFIDENTIAL

(under cover and
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begins: 8/5/81
Ends: 15/5/81



PO -CH /GH/0043



PART A

Chancellor's (Howe) Papers:

VISIT BY THE PRESIDENT
AND FINANCE MINISTER OF
GHANA MAY 1981

PO -CH /GH/0043

PART A

PART A

Disposal Directions: 25 Years

[Signature]

25/7/95.

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C You are seeing
the Ghanaian

Finance Minister at 3.0 pm

on Thursday, 14 May.

Sir L Allinson

PS

Rt

~~Hand @ No. 11~~
~~What is mission?~~

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

1. The Prime Minister is to hold official talks with President Limann from noon on Wednesday, 13 May. I submit two sets of briefing for No 10 and a draft covering letter, together with a draft speech for Mrs Thatcher's use after lunch. Two sets of these papers are attached for use in the Private Office and a set for those to whom this submission is copied (additional copies where indicated).

2. The briefing is designed for use both in the talks at No 10 and for other Ministerial meetings during the President's visit. We shall submit separately a short additional brief for the Secretary of State's meeting with Dr Chinebuah at 1530 on 14 May in the light of the discussion on foreign policy matters at No 10 the previous day.

Christopher MacRae.

A C D S MacRae
West African Department

8 May 1981

Copied to:

PS(2 copies)

PS/LPS

PS/Mr Blaker

PS/Mr Luce

PS/PUS

PS/Chancellor of the Exchequer ✓

PS/Minister of Agriculture, Fisheries & Food

PS/Secretary of State for Trade

PS/Governor of Bank of England

PS/Sir Peter Preston

Lord Bridges

Mr Day

Sir L Allinson

Mr Lynch, ODA

Mr Mellon, c/o WAD

Mr du Boulay, PCD

Mr Barltrop, CCD

Mr Ridgwell, ODA

Mr Gordon, PCD

News Dept (2 copies)

13/5/81.

167
925

1. MR SLATER *James 13/5*
2. CHANCELLOR OF THE EXCHEQUER

cc CST
FST
MST (C)
MST (L)
Sir D Wass
Sir K Couzens
Mr Barratt
Mr Mountfield
Mr Atkinson
Mr McIntyre

VISIT OF PROFESSOR GEORGE BENNEH, FINANCE MINISTER OF GHANA, 14 MAY 1981

You will be meeting Professor Benneh at 3 pm on Thursday 14 May. You will be supported by Mr Slater, and James Mellon, the British High Commissioner in Accra, will also be present. Professor Benneh is in London accompanying President Limann who is here on an official visit.

2. You have already seen a copy of the full briefing prepared for the Prime Minister by the FCO. You should note particularly briefs 1 and 2, respectively a background note on Ghana and briefing on Ghana's economic problems.

Ghana/IMF

3. Professor Benneh is likely to ask for British support in obtaining a loan from the IMF. Ghana's economy is currently in considerable difficulties: the internal cocoa producer price is about 11% of world market prices (cocoa accounts for two thirds of Ghana's foreign exchange earnings), and the official rate of exchange for the cedi is one ninth of the black market rate. This has encouraged the black market, which has led to low tax revenues and aggravated the budget deficit. The IMF staff have, in their current negotiations with the Ghanaian authorities, insisted on an increase in the cocoa price and devaluation of the cedi. Although the Ghanaian government are now thought to accept the need for these measures, the potential instability of their political situation makes them wary of appearing to act under pressure from the IMF, and the President wishes to have control over the timing of any such moves.

4. We support the staff's efforts to obtain progress on both the cocoa price and the exchange rate. It would be improper for the UK to seek to influence them in Ghana's favour, and it would in any case be against Ghana's long-term economic interests to help them to avoid measures which, although unpalatable, are necessary for economic recovery.

. In discussion of the IMF negotiations, you may wish to draw on the following points to make:-

- i) We have considerable sympathy with Ghana's economic problems, and the UK is doing its best to help through a significant aid programme (£13 million in 1980).
- ii) It is important that Ghana should reach agreement with the IMF on a programme for economic recovery. It would be improper for us to seek to influence the IMF staff, but we hope an agreement will be possible.
- iii) We hope to be able to support a Ghanaian application for IMF drawings when it comes before the Executive Board, but this will of course depend on the outcome of the current discussions between Fund Staff and the Ghanaian authorities.

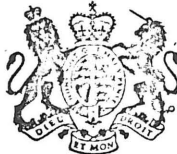
6. I attach a personality note on Professor Benneh.

S P B WALKER

13 May 1981

P.S. Professor Benneh may raise the subject of the current limit on ECGD cover for Ghana. President Limann will be seeing Mr Parkinson on Friday, and you should say that this is something which should be discussed with the department of Trade rather than the Treasury.

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

13 May 1981

CH/EXCHEQUER	
REC.	14 MAY 1981
ACTION	
COPIES TO	

Dear Roderic,

Call by the President of Ghana

I enclose a copy of the record of the conversation between the Prime Minister and the President of the Republic of Ghana, Dr. Limann, which took place here earlier today.

I am sending copies of this letter and its enclosure to John Wiggins (HM Treasury) and John Rhodes (Department of Trade).

Yours ever

Michael Alexander

Roderic Lyne, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

CORD OF TALKS HELD AT NO. 10 DOWNING STREET BETWEEN THE PRIME MINISTER AND THE PRESIDENT OF THE REPUBLIC OF GHANA ON WEDNESDAY 13 MAY 1981 AT 1200 HOURS

Present:-

- | | |
|--|---|
| Prime Minister | H.E. Dr. Hilla Limann |
| The Foreign and Commonwealth Secretary | The Hon. Dr. Isaac Chinebuah, Minister of Foreign Affairs |
| The Secretary of State for Trade | The Hon. Prof. George Benneh, Minister of Finance and Economic Planning |
| H.E. Mr. James Mellon, CMG | |
| Mr. Derek Day, CMG | H.E. Mr. Francis K. Badgie |
| Mr. M.O'D.B. Alexander | Mr. S.E. Quarm, Permanent Under Secretary, MEA |
| Mr. Christopher MacRae | Dr. A.M. Arthur, Private Secretary to the President |

* * * * *

The Prime Minister extended a warm welcome to the President and his party. HMG was flattered and honoured that this was his first port of call outside Africa since coming to power. Britain greatly appreciated Ghana's return to Parliamentary democracy. We understood the magnitude of the economic problems facing the Ghana Government and were most interested in the way these were being tackled. The importance of persuasion and good communications in the task of introducing unpopular measures was well understood. We were also following closely and with sympathy Ghana's talks with the IMF. The Prime Minister was interested to hear how the President viewed all these problems and to know more about his thinking on foreign affairs especially in the African context.

President Limann thanked the Prime Minister. It had been difficult to travel outside Africa during a time of great austerity at home, for there was a need to justify visits abroad to the electorate; but he had been most happy to accept HMG's invitation. He congratulated the British Government on the successes at Lusaka

Lancaster House Conference which had led to the independence of Zimbabwe.

He thought that High Commissioners and Ambassadors in Ghana had been trying to get out of the capital to see what was really happening in the countryside; and he felt sure that HMG would have been receiving accurate reporting on this. However, he felt that part of his present task was to explain the situation more clearly to the private sector. The political situation when he came to power a year and a half ago had been grave. For 10 years, there had been a virtual suspension of political activities; then had followed the bloody coup of 4 June. The security situation which he had inherited had been extremely bad and law and order had been a major problem. It was one of the achievements of his Government that they had kept their heads and had managed to restore the security of the citizen to a reasonable level. The real problem now was economic. After 10 years of neglect or abandonment, the country's economic infrastructure was in ruins. Foreign investment had dried up. Rehabilitation had inevitably been slow in the last 18 months, not least because of lack of foreign exchange for essential spare parts. He understood well the role which private foreign investors could play in improving the situation; to that end, he had already spoken to Taylor Woodrow and Cementation, firms which, having worked in Ghana for many years, understood the problems and could help. He would be seeing others soon. The pace of recovery was another important political problem. However, the people of Ghana recognised that the Government was doing its best in difficult circumstances. They expected much of Britain, their motherland, and indeed from this visit. Unfortunately, not all children readily understood that their mother too might be poor! However, it was the closeness of the links between the two countries which had encouraged him to explain the position so frankly.

Dr. Chinebuah added that internal stability had been precarious when the Government took office. Yet it had been determined to set up democratic institutions and make them work. Its record over this had been good. Moreover, the experiment was being watched by other African countries; and if it succeeded, stability might

spread in the region. The Government's changes would be greatly helped if older democracies, particularly the UK which understood Ghana's problems, could give the necessary backing and international support.

Professor Benneh explained that the fundamental problem was that the national cake had shrunk considerably at a time when the number of mouths to eat it were increasing fast (population growth was running at 3 per cent). The expectations of Ghanaians were nevertheless high. Unfortunately, the export sector was in extremely poor health. The world price for cocoa, which accounted for 70 per cent of exports, had dropped to about a third of its 1978 level. Timber had also been hit by the drop in world demand caused by the recession. Even gold production, despite the world price, was also badly down for lack of investment and spares. At the same time, one-third of exchange earnings were going straight away to cover the bill for crude oil imports. To get the economy moving, therefore, it was essential to improve exports especially in mining and timber. This needed a major injection of foreign capital from outside. That was why Ghana had been talking to the IMF to secure concessionary loans.

The Government well understood the need to attract inward investment from the private sector too. For this reason, the President had approved a new investment code (which was now before Parliament) to create a better climate for investment and improve confidence. This, for instance, did away with mandatory participation by the Government in new ventures and was a brave advance on the previous laws. The Government was already engaged in talks with the private sector, especially over timber and cocoa. But even the World Bank was waiting for the IMF's bill of good health to be issued first.

Talks with the IMF had gone on for several months now. But he felt that the technical experts leading the missions had seemed only able to consider strictly economic issues, whereas these had to be set in a socio-economic environment with a crucial political dimension. The Government was trying to retain democratic institutions so could not ride roughshod over all opposition; so

the IMF's prescriptions had to relate to the political realities of Ghana. Nevertheless, Ghana had managed to fulfil virtually all the IMF's requirements so far. They had been requested to increase interest rates by 1 per cent and had done so. Later, they had been asked to introduce a much higher rate and agreed to lift it from 13.5 per cent to 19.5 per cent. The main hurdle left concerned cocoa. The IMF had insisted on an increase in the price paid to cocoa farmers. Ghana had moved a long way towards this. But there was only a limited amount of money available: the considerable subsidies for new equipment, etc., which the farmers now enjoyed would have to be reduced if prices paid for their cocoa were to go up. Moreover, each time Ghana fulfilled the conditions demanded by the IMF, the latter imposed new ones.

The question of price for cocoa was linked to adjustments in the exchange rate which the Ghana Government had suggested they should be left to decide in the light of what actually could be achieved. He was sure that support from HMG would help greatly in bringing the IMF to agree to the stand-by credit which was essential to economic recovery. President Limann added that his party's election manifesto had committed it to increases in the cocoa price. But this would not automatically lead to an early increase in output which was bound to take some time. Mr. Mellon explained the course of the IMF talks. The last, modest, stand-by arrangements had been made with previous Head of State, General Akuffo. The present negotiations could in principle be settled reasonably quickly, say by June. But the IMF had to understand the difficulties of political survival of a government which had taken office after a major mutiny. He confirmed (in answer to a question by the Prime Minister) that the IMF team had hitherto been led by middle-level officials who were not very well placed to take account of the political dimensions of the situation. Mr. Biffen added that it was important that any decisions should be perceived by the Ghanaian people as being taken by the Ghanaian Government and that the latter were not viewed as mere office boys for the IMF. Professor Benneh, agreeing, said that the Government had taken some courageous decisions in the last few months. They had removed all subsidies on consumer goods, including petroleum products. They

had more or less decontrolled the prices of commodities, partly to satisfy the IMF but also because of their own determination to get the economy moving. But it was now necessary to get the supply side moving before prescribing any more painful medicine to the Ghanaian people. Indeed, the general position had been far better in 1971, when devaluation had led to a coup, than it was today. Moreover, devaluation now, with little in the shops, would certainly push up prices so would be politically very dangerous. There were very few options open to the Government.

The Prime Minister commented that the Ghanaian side was really pleading for a little more international understanding. She asked if exchange rates were badly askew? President Limann confirmed that they were. The Government had been trying to devise solutions. Devaluation was conventionally meant to help promote exports; but at present, Ghana was scarcely exporting at all so the theoretical advantages of a massive devaluation would not in practice much help the country to climb out of the economic morass in which it lay trapped. In due course, monetary reform was essential; but much careful planning was needed and some improvement in the general situation, before it could be carried out. The Prime Minister commented that she well understood the need eventually to demonstrate to the public some improvement in the situation if they were to continue accepting unpopular policies for long.

The Prime Minister and President Limann then retired to continue their discussion tête-à-tête.

Professor Benneh explained that the military governments' bad economic record had in effect closed international credit lines to Ghana. Over the last 18 months, on the other hand, the new civilian government had made great efforts to repay debts promptly. Indeed, their record had been better than most in Africa. Moreover, they had a good record over the honouring of international agreements. For instance, despite frequent disagreements with Togo, there had been no problems whatever over the sharing of electric power. Dr. Chinebuah remarked that allowance for the repatriation of profits by foreign firms had been another feature of the new Government's policy, despite the fact that this was not politically popular with all Ghanaians. Professor Benneh added that Ghana needed to benefit more from private British firms which, with ECGD backing, could bring more goods into the country, especially spare parts, so as to help get the economy moving. Objectively, such a task needed cover to the tune of £200 million at least. But he well understood that HMG could not provide anything on that scale. He hoped nevertheless that Britain would do all it could to assist, particularly since other Western countries would no doubt take their cue from the UK. The Ghana Government understood full well that its economic problems could be solved only by the efforts of the Ghanaians themselves. He understood the difficulties of determining how much could be given by way of ECGD cover; and would comment only that if the dose of medicine for a very sick patient was too small, it might not be sufficient to arrest the disease. Mr. Biffen said he well understood the problem and hoped that the IMF would be able to take the political dimension properly into consideration. Britain was only too familiar with problems of declining output. Over ECGD cover, we would do what we could to help. We hoped that the offer of unlimited short-term credit for six months would be useful. On medium-term cover, he understood that the Ghanaian side had just asked for £40 million. We had offered £25 million in advance of a satisfactory settlement with the IMF, over a 5-year term (rather than 2) and at a concessionary rate of 7½ per cent (rather than a market rate of 12-16 per cent). He hoped that would be taken as an indication of our understanding of Ghanaian problems at this difficult time.

Mr. Badgie mentioned that the President's team had been considering ECGD's offer of short-term cover. Although it was in principle unlimited, in practice they knew that each UK bank had a country limit. The result might turn out to be actually less helpful for Ghana than the previous arrangement.

Mr. Biffen replied that the British side would be happy to continue discussions over this with the Ghanaian team during the visit. Prof Benneh concluded by saying that in view of the critical supply situation, he was appealing to HMG to raise the figure for medium-term cover to £40 million: for in view of the shortages in the system, £25 million seemed to be barely adequate. Many of the industries in Ghana were linked to the UK in some way. Most were crippled through lack of spare parts. So there was always a core list of essential spares from Britain which would help create more exports, output and jobs. He hoped that we had not closed the door on this and that there would be occasion for further discussion of this point during the visit. Mr. Biffen replied that he quite took the point but had to add that we had reached the figure which had been offered only after close examination not only of Ghana's needs (which we well understood) but also our own financial capabilities. However, discussions should certainly be able to continue during the talks with the Chancellor of the Exchequer.

The meeting ended at 1255 hours.

13 May 1981



14/5/81. 12

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

Explan.

FM recog diff UK ec; UK-G relationship special;
sppt cd \rightarrow more sppt from elsewhere; grateful
for £10m loan; ECQD; put case to PM
about short + medium credit.

C understand most on short, med & diff.
talk to Trade.

FM Ghanaian pop expect \uparrow from UK;
HMG take lead in Western nations
aiding G with \uparrow from loans;
aid?

C understand case; aid budget prevld; prepd
alwps consid any proposal; not want give
impression cd early be done;

FM if mtg arrang wd have impact on other
countries; partic. if ag with Fund.

C Goodwill; wd certainly consider any proposal.

FM annual period; hope wd be out of
wood in 5 yrs;

Technical

FM provide opportunity to C to visit G.

14/5/81.

13

- not seen*
1. MR SLATER
 2. CHANCELLOR

cc CST
FST
MST(C)
MST(L)
Sir D Wass
Sir K Couzens
Mr Barratt
Mr Mountfield
Mr Hawtin
Mr McIntyre

VISIT OF THE GHANAIAN FINANCE MINISTER

In the postscript to my brief of yesterday's date I said that the Ghanaians would want to raise the subject of ECGD cover for Ghana. The Ghanaians had asked for an increase in the limit on medium-term ECGD cover from £25m to £40m. ECGD are not prepared to agree to any increase in this limit, but yesterday they and the Treasury agreed to an improvement in the terms of short-term cover, which was previously available only on a cash basis, but will now be available for periods up to 180 days. This concession has been made on 'national interest' rather than commercial grounds, and represents a significant move towards meeting the Ghanaians' requests. The attached submission by ECGD explains in more detail the agreement, which is likely to be signed on Friday.

2. The Governor of the Bank of Ghana has been informed of the ECGD decision, but you might like to take the opportunity of confirming to the Finance Minister that we have been able to improve the terms of the short term cover. You should say that you are glad that we have been able to give some help to the Ghanaians. If he raises the subject of the medium term limit, which we have not been able to raise at this stage, you should say that it can be reviewed next year.

3. The answers to your two questions about Professor Benneh's visit are as follows:-

i. Professor Benneh's predecessor, Dr Nikoi, was in London last July and saw the Financial Secretary. I attach the note of their meeting.

ii. Professor Benneh only took over his present job in November 1980, and so did not attend the last Commonwealth Finance Ministers' Meeting. FCO think it likely that he will attend this year's meeting.

S P B Walker

S P B WALKER

14 May 1981

REFERENCE 15
cc PS/MFT
Secretary ECGD
Mr Mountfield Tsy -
Mr MacRae FCO
Mr Smith CRE5 DOT

PS/Secretary of State (T)

GHANA
VISIT OF PRESIDENT LIMANN - ECGD COVER

Following the President's call upon the Prime Minister yesterday we have discussed with our Advisory Council the proposal put forward by the Ghanaian side for a £15m Short Term line of credit as an alternative to the more normal open Short Term cover we had earlier suggested to the Governor of the Bank of Ghana.

Our Council were of the clear opinion that they would not be prepared to accept such an exposure on Ghana under our Section 1 arrangements at this time.

We have therefore discussed with Treasury officials who have agreed that we may offer to support such a Short Term line of credit under our Section 2 arrangements given the wider National Interest considerations involved. The Chancellor is being advised accordingly for his meeting later today.

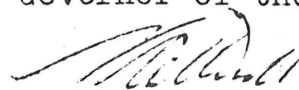
Contrary to the Ghanaian request this would not be a revolving line of credit but it will be for the Ghanaians to revert to us when the £15m had been fully utilised and it would be for consideration at that time whether any extension should be agreed.

As regards medium term cover, the Advisory Council are not prepared to accept any credit exposure on the market under Section 1. It has already been agreed that credit cover up to £25m can be given under Section 2 and neither we nor Treasury consider that this figure should be increased to meet the Ghanaian's request for £40m. Nor do we believe that credit terms beyond 5 years should be agreed.

The Governor of the Bank of Ghana has been advised of this position and a revised draft Memorandum of Understanding (~~copy attached~~) has been passed to him. This now provides for:

- i a Short Term line of credit for an amount of £15m, the terms of payment for individual orders to be at ECGD's discretion subject to an upper period of 2 years; in practice the type of goods involved are unlikely to attract longer than 180 days.
- ii Medium Term credit support on terms not exceeding 5 years up to a total of £25m, reviewable biannually as requested by the Ghanaians. Minimum permissible interest rates would be charged.

Subject to Ghanaian reaction we would hope that signature could take place during the course of Friday afternoon. This could be between the President and Mr Parkinson if the timing of their meeting makes this possible. Otherwise signature would be by ECGD and the Governor of the Bank of Ghana.


K W COTTERILL
ECGD: A5/45: Ext 202
14 May 1981 2890



244/8
A.E.H./C.S.
22 AUG 1980
16

NOTE OF A MEETING BETWEEN THE FINANCIAL SECRETARY, TREASURY AND
DOCTOR NIKOI, THE GHANAIAN FINANCE MINISTER

A.E.H.

The meeting was held in the Financial Secretary's room at
H. M. Treasury at 12 noon Wednesday 23 July.

Those present: Financial Secretary, Treasury
Mr Mountfield
Doctor Nikoi
Mr E Ako-Adjei
Mr Davis

After the introductions Doctor Nikoi said that he wished to discuss two points. The first was that he was trying to arrange extra export credit for Ghana's mining and timber industries. On this point both the Financial Secretary and Doctor Nikoi agreed that it was a matter for the Department of Trade (ECGD).

Secondly, Doctor Nikoi said that HMG's active support would be welcomed in relation to the IMF's programme for Ghana which, although broadly agreed to, still had to be worked out in detail. Dr Nikoi hoped that agreement would be finally reached by the end of the year. The Financial Secretary stressed that there had always been a tradition of support for Ghana and said that he particularly noted Doctor Nikoi's request.

The Financial Secretary in conclusion thanked Doctor Nikoi for coming. He also wished Doctor Nikoi every success in overcoming the difficulties which faced Ghana and that he did not underestimate these difficulties.

R. ELLIS

24 July 1980

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY 1981

Contents of brief

Steering brief

Detailed briefs

1. Background note on Ghana
- Bilateral relations
2. Financial relations
3. Aid
4. Trade and investment
5. Military assistance
6. Police advice
7. Air services
8. Cultural Relations
- 8a. Overseas students' fees
9. Defence sales
10. Immigration matters

International economic questions

11. Cocoa

International political questions

12. Southern Africa
13. OAU
14. Western Sahara
15. UNIFIL/South Lebanon
16. Chad
17. Commonwealth matters
18. East/West

President's Visit

19. Programme
20. Personality notes

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY 1981

STEERING BRIEF

INTRODUCTION

1. Ghana was the first of our African colonies to gain independence (in 1957). It was well endowed in economic and human resources and seemed destined for a bright future. But after the turbulence of the Nkrumah era which set the country on a spiral of economic decline, and the succession of military governments which followed, the economy is now in an extremely run down state, which puts enormous strains on its all too vulnerable civilian regime. After his visit exactly a year ago, Mr Luce concluded that both the new multi-party democracy, and the government's efforts to restore the economy, were on trial. Since then, the situation has gradually improved, although the difficulties remain immense.
2. President Limann and his ministers look particularly to Britain to help breathe new life both in Ghana's parliamentary democracy and convalescent economy. The visit is Limann's first outside Africa since taking office. The Ghanaians are grateful for the bilateral aid we have managed to provide and are unlikely to press for more during the visit. But they do want our support in international fora, and help and advice on how to get their industry and exports going again. We have an interest in responding positively.

OBJECTIVES

3. (a) to lend our public support to a democratic, constitutional and pro-Western Government in one of the more important Commonwealth countries in Africa;
- (b) by so doing, to improve the chances of stability in a country which, despite its economic straits, remains a useful export market and source of raw materials. Hence, to encourage stability in West Africa more generally;
- (c) to discuss Ghana's request to the IMF for assistance, which is an essential element in Ghana's economic (and hence political) recovery;
- (d) to take the opportunity to discuss other African political problems, and explain our current thinking over Namibia;

/(e)

- (e) to discuss international economic issues of immediate concern to Ghana, specifically the International Cocoa Agreement.

THE ISSUES

4. Political

Internal stability has improved since the Third Republic under Limann came into existence in October 1979 but the collapsed state of the economy could yet be the cause of violent industrial or social unrest. While the government's authority remains so brittle, there is always the risk that some move might be taken against the President during his absence from Ghana: but we do not rate this as a very serious possibility. Rather, in inviting Limann here, we may be able thereby substantially to boost his authority and acceptability in Ghanaian eyes.

5. Economic

The visit comes at a critical time for Ghana's negotiations for IMF assistance. This is of direct interest to us in that drawings by Ghana on the IMF will allow her to repay debts and maintain a certain level of imports, at least a fifth of which come from Britain. We are Ghana's traditional and major trading partner. Ghana's talks with IMF staff have not gone well because of the need for conditionality associated with IMF drawing - and, quite simply, because of a certain failure of communication between the two sides. An essential element is likely to be devaluation. Limann, for political reasons, has insisted on retaining control over its timing. He will hope to win our support for his case at the IMF and is bringing with him his new Finance Minister for talks with the Chancellor of the Exchequer. We should listen sympathetically to Limann's views while not undertaking to lobby on ~~her~~^{his} behalf: for we cannot openly interfere in Ghana's negotiations with the IMF or commit the UK in advance to support a stand-by programme which has yet to be drawn up.

6. Bilateral

Our relations are good, with no major issues in dispute. There are no points we wish to raise specifically at the No 10 talks.

7. International

Limann knows that he must put his political and economic house in order before his government can carry any weight on the African scene. But this is a good opportunity for a general tour d'horizon, especially on Southern Africa.

THE TALKS

8. Tête-à-tête

The Prime Minister may wish to stress our pleasure at the visit and congratulate Limann on the return to civilian rule and the maintenance of the principles of justice, freedom and equality in Ghana. She might invite the President to give his frank assessment of Ghana's future, whilst suggesting that detailed discussion of economic and any bilateral problems be brought up in the immediately following plenary talks. She might also say that we hope that the plenary talks will provide the opportunity for a free exchange of views, as between Commonwealth friends, on international issues, particularly southern Africa. Should Limann invite her to visit Ghana, the Prime Minister might respond positively but in general terms.

9. Plenary session

No agenda has been arranged. Of the 6 Ministers accompanying the President, the Foreign Minister (Chinebuah) and Finance Minister (Benneh) will take part, together with the Ghanaian High Commissioner and senior officials. The President might first be invited to speak about Ghana's economic problems (Brief No 2) and raise any bilateral issues which concern him. The Ghanaians can probably be left to do most of the talking during this part of the talks.

10. However, should they make unrealistic demands for further bilateral aid, we should draw attention to the substantial assistance we are already giving to Ghana, given our own limited resources. Within the constraints of our current aid framework, Ghana's economic plight has been recognized in a new £10 million programme loan just signed. £40 million has been pledged in bilateral capital aid over the past 6 years and our technical cooperation programme runs at £2 million a year (Brief No 3). We have also indicated our willingness to extend ECGD cover for commercial business and await Ghanaian views on the priorities (Brief No 4). In the military field, we have given the Ghanaians logistic assistance; have had other advisory teams helping the reorganisation of their armed forces; and have

lent personnel to the Staff College (Brief No 5). We have given advice to the police (Brief No 6). There is little more we can do beyond continuing to offer this form of help and referring to our support through various multilateral agencies, especially the EDF.

11. Contentious points are the Air Services Agreement (Brief No 7) and students' fees (Brief No 8b). But it is unlikely that the Ghanaians would wish to put the benefits of the visit in jeopardy for the sake of relatively minor disagreements. Immigration and nationality matters seem unlikely to come up (Brief No 10).

12. The President might possibly raise the question of British representation at Ghana's Silver Jubilee celebrations of Independence in March 1982.

13. The British side might then lead on to international issues. The latest position on southern Africa can be reviewed (Brief No 12), and Limann's views invited on the two main political issues in West Africa of international concern, Western Sahara (Brief No 14) and Chad (Brief No 16). If there is time UNIFIL/South Lebanon (Brief No 15) Commonwealth matters (Brief No 17), East/West relations (Brief No 18) might also be brought up. Limann is likely to feel obliged to emulate President Shagari in taking the OAU line on southern Africa, but is unlikely to speak with any great critical force about British policies there or, indeed, make a strong pitch against our role elsewhere in the international sphere.

14. The programme for the visit is attached (Brief No 19). Engagements of which the Prime Minister may wish to be aware are: the lunches offered by The Queen at Windsor and by the City of London at the Mansion House; the dinners hosted by the Governor of the Bank of England and the CPA; the separate meetings with the Chancellor and the Archbishop of Canterbury; and the meetings with British exporters at the London Chamber of Commerce.

22

CONFIDENTIAL

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY 1981

BRIEF NO 1: BACKGROUND NOTE ON GHANA

BASIC FACTS

Name : The Republic of Ghana

Land Area : 92,000 sq miles (cf UK 94,000)

Population : 11 million

GNP Per capita
(1978) : US \$ 390

Life expectancy
(1978) : 48

Climate : Tropical and humid

Currency : The cedi (official exchange rate
6.5 = £1)

Main exports : Cocoa, Aluminium, Gold, Timber

Tribes : Dominated by the Akans, a confederation
of which Ashanti are central element.
Important coastal tribes are the Ga and
the Fante.

Political parties : People's National Party:
71 seats of 140 in the National Assembly.
President Limann (not a member of the
Assembly) is Party leader, Nana Okutwer
Bekoe acting chairman). The PNP is the
successor to Nkrumah's Convention
People's Party.

Popular Front Party: 42 seats
Led by Victor Owusu.

United National Convention: 13 seats
Breakaway from PFP. Led by William
Ofori-Atta (who is also Chairman of the
Council of State). Formerly in
informal coalition with ruling PNP.

Action Congress Party: 10 seats
Led by Col (retired) Frank Bernasko.

Historical Background

2. From the 15th to the 19th centuries the coastal regions between Accra and Takoradi came under the influence of Portugese, Danish, Dutch and British traders, who established a network of fortified posts in treaty relations with the coastal tribes. The British eventually came into conflict with the expanding Ashanti Empire but victory resulted in the southern region becoming the British Crown Colony of the Gold Coast in 1874. British missionary commercial and political activity continued and resulted in a Protectorate over the northern territories being established in 1899. The Ashanti Empire was finally conquered in 1901. In 1902 the Gold Coast Colony, the territory of the Ashantis and the Protectorate of the Northern Territories were amalgamated. From 1920 onwards the economy prospered as the country's mineral and agricultural resources were exploited. A wage-earning class and a prosperous middle class developed. The expansion of education after 1920 fostered political consciousness in Ghana. British officials ran the key ministries, excluding educated and well-qualified Africans from the administration. The world slump of the 1930s and World War II cut back economic and social development. After the Second World War, political discontent grew and by the late 1940s a radical movement had emerged, demanding self-government. Kwame Nkrumah and his Convention People's Party won successive elections in the 1950s. At Independence on 6 March 1957 the Gold Coast became Ghana and the first British Colony in Black Africa to achieve independence. Ghana became a republic in 1960 but remains in the Commonwealth.

Tribal Matters

3. Ghana is dominated by the Akans, a large confederation of tribes of which the Ashanti are the central element. The Akans occupy the heavily forested middle belt area of the country which produces most of Ghana's agricultural and mineral wealth (cocoa, timber, gold, diamonds). The two most important coastal tribes are the Ga (Accra area) and Fante (Cape Coast Area), They have been in contact with Europe for much longer than the rest of the country and are well represented in business and the professions. Northern Ghana is much poorer and less developed than the southern half of the country. It is occupied by a large number of small tribes, some of them Muslim and others animist

/(Christianity

24

(Christianity is dominant among the southern tribes). On the southern border with Togo, the Ewes are the dominant tribe. Some Ewes have never accepted as satisfactory the United Nations plebiscite at Independence which led to the division of the Ewes between Ghana and Togo and dissidents still wish to see the creation of an independent Ewe State.

Internal affairs since Independence

4. Kwame Nkrumah was Ghana's first Prime Minister, and later President. His rule became increasingly autocratic, repressive and extravagant and there was popular rejoicing when he was overthrown in 1966 by an army coup. In 1969 the ban on political activity was lifted and civilian constitutional government re-introduced. Elections were won by the Progress Party led by Dr K A Busia, who became Prime Minister. His administration was overthrown in a military coup in 1972 when a National Redemption Council (NRC) was formed, with a Supreme Military Council (SMC), headed by General I K Acheampong, ruling the country. A palace revolution in 1978 removed Acheampong and replaced him with General Akuffo, who committed himself to a programme for returning the country to civilian rule in 1979. He in turn was overthrown on 4 June 1979 by a violent uprising of junior officers and other ranks, who established an Armed Forces Revolutionary Council (AFRC), headed by Flight Lieutenant J J Rawlings. Former SMC leaders were executed. The AFRC declared its intention to eradicate corruption. However, the group allowed general elections to go ahead as planned later in June (for Parliament) and in July (for President) and the Third Republic came into existence on 24 September 1979, headed by President Hilla Limann and his People's National Party which won 71 seats in the 140-seat Assembly.

The Limann Administration

5. President Limann's civilian government have steadily gained in confidence and returned the country to the threshold of stability. The AFRC and Rawlings are discredited in public eyes; morale amongst junior ranks in the forces, still a target for any subversive efforts, is still low but the army is less of an insistent security threat than 18 months ago. The present danger is less of a coup generated within the Army but more one of general industrial or social unrest and violence in which individual

/soldiers

soldiers or Army groups could become involved. Essentially, however, there remains broad and public support for the democratic system and constitutional government. The National Assembly is active, and the minority parties have cooperated to make the Parliament effective, (the term "opposition" has not been used, though criticism of Government policies is real and increasing). The President's principal task has been the rehabilitation of the economy, in a collapsed state after 7 years of inept and corrupt rule under military commanders, exacerbated by falling world cocoa prices and rising oil prices. Much of the government's efforts in economic management have been to reduce foreign debt arrears and to reassure Ghana's foreign aid donors and creditors. Massive help from the IMF is being sought and a series of IMF teams have visited Accra to negotiate terms, (see brief no 2). During these negotiations, the Ghanaian Government seem to have accepted in principle the need for devaluation of the cedi (Ghana being an island of artificially low prices amongst her neighbours), although being cautious about its timing, and for a full-scale economic stabilisation plan for national recovery. Prospects for sustained improvement in world demand for Ghanaian cocoa are uncertain, but, given massive investment, the country's gold reserves could be exploited further.

6. Within the PNP the intellectual group surrounding Limann has remained in ascendancy, although there are likely to be factional squabbles this year between the conservative 'old guard' and the new, young, pro-socialist 'revolutionary wing'. The recent death of Imoru Egala, founder of the PNP, enhances the President's role as coordinator of the Party. The next few months are likely to be particularly difficult for him as internal Party problems are added to those of industrial unrest, shortages of consumer goods and the political effects of devaluation. The President's honeymoon is over. But his firmness in adopting a policy of good housekeeping and his efforts to bring about political conditions conducive to a reconstruction of the economy give grounds for cautious optimism.

External Relations

7. Ghana is non-aligned but fundamentally Western-orientated. The emphasis in foreign policy under President Limann's

/administration

administration has been to restore overseas confidence in the country. The Government have looked principally to the West and to the IMF for economic assistance. President Limann has undertaken a series of visits to neighbouring African countries. But his visit to London will be his first outside the continent since he took office. The Ghanaian Government's reaction to major international issues such as Iran and Afghanistan has been muted, largely due to their preoccupation with internal economic problems. Ghana tends to follow the OAU line on African issues, including Southern Africa. In November 1980 the Government expelled the entire staff of the Libyan Embassy because of their suspected subversive activities.

UK-Ghana Relations

8. British relations with Ghana have traditionally been friendly and close, and are particularly so with the Limann Government. About 1700 Britons live in Ghana. During 1980 there was a lively exchange of Ministerial visits in both directions: Mr Luce and Mr Marten went to Ghana; the Ghanaian Vice-President, Finance and other Ministers came to London. The official invitation to the President is their natural continuation, (Dr Busi as newly elected Prime Minister, was the last Ghanaian Head of Government to visit Britain as an official guest in October 1969; a visit by General Akuffo planned for April 1979 was cancelled at Ghanaian request). The late Duchess of Kent attended Independence in 1957; Her Majesty The Queen and the Duke of Edinburgh visited Ghana in 1961 and the Prince of Wales did so in 1977.

Did
any
try
him
for
him?

Was he
at
CFM?

9. In March 1982 Ghana will celebrate her Silver Jubilee of Independence. Plans on the form the celebrations will take have not yet been announced.

West African Department

FCO

5 May 1981

CONFIDENTIAL

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 2: FINANCIAL RELATIONS

POINTS TO MAKE

IMF/GHANA

1. Great sympathy for Ghana's economic problems. UK doing best to help through aid programme, (see brief no 3).

2. Agreement with IMF important for economic recovery. Hope IMF Staff and Ghanaian Authorities will be able to reach agreement on satisfactory programme. Improper for UK to interfere in IMF/Ghanaian negotiations.

3. Hope to support a Ghanaian application for IMF drawings in the Executive Board. But must await outcome of Fund Staff discussions with Ghanaian Authorities before we can give any commitment.

28

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 2: FINANCIAL RELATIONS

ESSENTIAL FACTS

IMF/GHANA

1. Ghana's problems stem from the fall in the price of cocoa from 1974 onwards and the two oil shocks. These factors have been exacerbated by previous Ghanaian Governments' avoidance of parity adjustment and weak economic management. A small one-year standby drawing (SDR 53 million) was agreed in 1979. This low-conditionality drawing helped deal with the immediate balance of payments problem and was accompanied by a mild stabilisation programme (which did not, however, address underlying structural weaknesses).
2. Since the expiry of this standby in January 1980, Ghana has sought further assistance from IMF. The Staff preference was for a further one year standby agreement to be followed by an Extended Fund Facility (EFF) programme over a number of years; the latter would tackle the structural balance of payments problems which require longer-term assistance. An outline of a one-year standby agreement for SDR 100 million (63% of quota), was prepared in January 1981. In February, the Ghanaian authorities failed to reply to Staff requests for clarification of interest rate policy, cocoa prices and the exchange rate. As a result, the draft agreement was put on ice. (For their part, the Ghanaians had accused the Fund of being unsympathetic to the problems of developing countries, and, more specifically, of making their conditions tougher at successive negotiating sessions).
3. IMF/Ghanaian contacts since renewed. A Staff mission is due in Accra now. Negotiations may revive the standby arrangement; though the Ghanaian authorities may still prefer an EFF of SDR 715 million (450% of quota).
4. Most sensitive issue is likely to be devaluation. The President, while not against, wishes to keep control of the timing himself. We believe that this is mainly for the political reason that he does not wish to appear subservient to

the IMF. However, the Cedi is grossly overvalued, (its black market rate is nine times the official rate). This value, by making imports cheap and encouraging the black market evasion of import controls, deepens Ghana's chronic budget deficits through loss of Tax revenue. It is very unlikely that Staff would agree a programme without some explicit commitment to devaluation.

5. It would be most improper for the UK to lobby the IMF Staff on behalf of the Ghanaians. In any case the UK shares the Staff's concerns about exchange rate policy. It will be open to the UK to support an Agreement, once it has been reached, when it comes before the Executive Board. But we will need to be satisfied that it meets the requirements of Ghana's economic situation and is consistent with IMF lending policy.

Other issues

6. The Ghanaians are moderates on international economic issues. In September 1980, they voted with Western countries against the campaign, orchestrated by radical G77 states, to grant PLO observer status at IMF/IBRD Annual Meetings. They are likely to be among the moderates at the CHGM in Melbourne and on present form will take a sympathetic attitude to UK policy on relations with developing countries.

Economic Relations Department

FCO

1 May 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 3: AID

Points to Make

- 1. Mr Marten able to offer a new £10 million loan during his visit last November. Indicates our concern to support rehabilitation of Ghanaian economy. Appreciate Ghana squeezed between lower cocoa prices and rising fuel bills.
- 2. Technical cooperation programme continues at about £2 million a year. Hope the priority given to training and senior short-term advisers helpful.
- 3. European Community is contributing between £30 million and £34 million to Ghana's development under Lomé II. Ghana will benefit also from the £65 million to £81 million expected for regional cooperation in Western Africa. Our share of the contributions under Lomé II is 18.1 per cent.

Upper Region Agricultural Development Project (URADEP) (if raised)

- 4. Pity such a potentially valuable project should have gone astray - faults on both donor and recipient sides. Glad that steps now being taken to remedy situation so far as possible. UK intends to play constructive part in this process.

BRIEF NO 3: AID
ESSENTIAL FACTS

UK Bilateral Aid

1. Expenditure in both 1979 and 1980 was about £11 million capital aid and £2 million technical cooperation.

Capital Aid

2. Three loans current:

i. 1975 £10 million project loan. Used to rehabilitate fibre bag factory, Kumasi (£0.6m), construct oil palm processing factory, Benso (£2m) and cofinance with World Bank the Upper Region Agricultural Development Project (£4.3m plus £1.5m technical cooperation). Lack of progress on latter, highlights difficulty of implementing large scale integrated projects in West Africa. Most of remainder of loan expected to go on Kumasi Water Supply Project.

ii. 1978 £20m programme loan. Essentially for spares and replacements to increase Ghana's foreign exchange-earning capacity. Loan largely spent.

iii. 1981 £10 million programme loan. Expected to be used for equipment and spares in mining, agricultural and transport sectors.

Technical cooperation

3. Programme running at about £2 million a year. Mainly for supplementation of British staff in universities and schools, training of Ghanaians in Britain and Technical Cooperation Officers.

4. General strategy is to (i) run down number of supplemented staff in universities, (ii) maintain number of training awards in spite of increased cost, (iii) provide short-term advisers at senior level in key areas.

Multilateral Aid

5. World Bank. Our cofinancers of Upper Region Agricultural Development Project. Also financing large agricultural project in Volta Region. Interested in projects to rehabilitate cocoa and part of railway system.

6. European Development Fund. Priority given to agriculture, rural development and transport. Under Lomé I 50 million

/European

European Currency Units (ECU) (£27m); UK contribution 18.7 per cent. Under Lomé II 55-63 million ECU (£30 - 34 m); UK contribution 18.1 per cent. Ghana will benefit also from 120 - 150 million ECU (£65 - 81m) expected for regional cooperation in West Africa under Lomé II.

Eastern and Western Africa Department
Overseas Development Administration
30 April 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 4: TRADE AND INVESTMENT

POINTS TO MAKE

Development Plans

1. Is a development plan to be published? What are the priorities?

Gold

2. What degree of investor interest has there been in plans to revive Ghana's gold mining industry?

Debts

3. Glad that the Government has made the repayment of international debts a major priority. This is helping to re-establish Ghana's international creditworthiness and is encouraging for both UK exporters and investors.

Import Controls

4. The validity of unutilised import licences issued in 1980 was extended until 31 December 1981. What plans have been made for 1981 licences and what are the priorities?

Pre-Shipment Inspection

5. Pre-shipment inspection of imports for price, quality and quantity increases costs and involves delays for exporters and importers alike. Would there not be a cost saving if certain consignments were exempted? For example, the Nigerians exempt all consignments valued under about £8,000, raw materials and spare parts for vital industries.

Investment

6. HMG's policy is to encourage private overseas investment (eg abolition of exchange controls). We are willing to draw specific proposals to the attention of British industry. Payment delays and restrictions on remittance of dividends and profits will naturally deter prospective investors. We hope that new Ghanaian investment code will provide a more attractive investment climate.

Investment Promotion and Protection Agreement (IPPA)

7. HMG would welcome an IPPA with Ghana. We could begin negotiations on basis of our model agreement, given to the former Minister of Finance in June 1980.

ECGD (if raised)

8. ECGD guaranteed a third £10 million line of credit in 1980. A further £15 million line for the timber industry is being considered; and ECGD is considering a slight relaxation of its short-term cover policy. Finance on more normal commercial terms will be easier to obtain as Ghana's international creditworthiness is restored.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 4: TRADE AND INVESTMENT

ESSENTIAL FACTS

UK-Ghanaian Trade

£'m	1978	1979	1980	Jan-Feb 1980	Jan-Feb 1981*
UK exports	119	88	89	27	17
UK imports	110	90	105	15	10

* Provisional

In 1980 Ghana was the UK's fifth largest export market in tropical Africa. The UK is Ghana's principal trading partner; the UK's market share is in excess of 20 per cent. Other major suppliers are the USA, Nigeria (principally oil), West Germany and Japan. Our major exports are machinery, industrial raw materials and foodstuffs. Principal UK imports from Ghana are cocoa, timber and gold.

UK Investment in Ghana

2. The book value of UK investment in Ghana (excluding oil, banking and insurance) is £34 million. Ghana's economic and political problems and past policies of participation in indigenous industries have led to substantial disinvestment over the last decade. UK companies still operating in Ghana include Standard Chartered Bank, Barclays Bank, Elder Dempster (shipping), British Caledonian, Taylor Woodrow, BP, Tate & Lyle and UAC.

Prospects

3. UK trade and investment has been limited because of Ghana's chronic economic problems. Development has been hampered by political upheavals, economic mismanagement, administrative incompetence (particularly in state enterprises), lack of new investment and corruption. This has led to low industrial productivity, severe shortages of essential commodities and foreign exchange and has resulted in a restrictive import licensing policy. There is little prospect of substantial improvement in the short term. The Limann Government's policies have been geared towards re-establishing Ghana's international creditworthiness. Some success has been achieved - the pipeline of debt arrears has been reduced from 24 months to 18 months - but further progress is likely to be slow as Ghana is caught between rising oil prices and falling cocoa

production and prices. A 1981 import programme has not yet been announced and letters of credit to back extended 1980 licences are issuing only slowly.

4. The long term outlook is less bleak. Modest discoveries of domestic oil have been made (production is currently 3000 barrels per day), although Ghana is unlikely to achieve self-sufficiency in the near future. Attempts are being made to attract foreign investors into gold mining (present production is only 400,000 ounces per annum, but the Ghanaians claim that this could be increased to 2.8 million ounces per annum in less than 20 years). A 'Gold Seminar' held in Accra earlier this year attracted international interest (from the UK in the form of Warburgs, Johnson Mathey, Consolidated Goldfields, Chartered Consolidated and Alluvial Dredges), but massive investment will be required to realise any substantial gains.

5. An investment code bill designed to attract large scale investment overseas has been laid before Parliament. It consolidates existing legislation, but also provides amendments and additional incentives for prospective investors.

ECGD Cover

6. (a) Short Term:

Irrevocable letter of credit/cash against documents under Section 1 (Commercial Account)

(b) Medium/Long Term:

(i) Section 1 - there is no general authority for cover.

(ii) Section 2 (National Interest Account) - until recently cover was considered on a case by case basis but in February this year the EGC agreed, in addition to existing commitments, a further £25 million of cover.

Lines of Credit

7. In 1978 ECGD agreed two Lines of Credit, for £10 million and US\$20 million under Sections 1 and 2 respectively. In return the Ghanaians undertook to clear £7.6 million of short term debt arrears. A third Line of Credit for £10 million was agreed under Section 2 in 1980 (the Ghanaians originally requested £35 million).

/Attitude

Attitude to Market

8. In view of Ghana's history of foreign exchange shortages, poor payment record, rescheduling of medium term debts and generally bleak economic prospects ECGD's attitude to the market continues to be very cautious. However, they are now considering a slight relaxation of Short Term cover policy from ILC/CAD terms to 180 day tenor/ILC (because of Ghana's improved international credit rating; priority now given to repayment of international debts; restrictions on issue of new import licences to level of foreign exchange resources available; and good payment performance under the first two Lines of Credit).

9. During a recent visit to Ghana by an ECGD official the Governor of the Bank of Ghana said that they required £40 million of medium term credit and that £15 million would be in respect of the timber industry. In addition to the £25 million of cover recently agreed, ECGD are considering a £15 million Line of Credit for the timber industry under Section 1.

Shipping

10. Ghana's state owned shipping company, the Black Star Line, has serious financial and industrial problems. Last year, the line was suspended from United Kingdom West Africa Lines, the shipping conference serving UK-Ghana trade, for non-performance. The Ghanaian Government has now taken over the line's debts and German managers have been appointed. Steps are also being taken to replace the fleet's largely obsolete vessels.

CRE5/3

Department of Trade

30 April 1981

CONFIDENTIAL

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY
BRIEF NO 5: MILITARY ASSISTANCE

POINTS TO MAKE (IF RAISED)

1. Within our budgetary constraints we are happy to help, but we must be sure that training assistance is targeted.

2. Whole subject currently under review. Hope that forthcoming Coussey report will indicate future requirements. We are ready to give sympathetic consideration to any proposals put to us.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 5: MILITARY ASSISTANCE

ESSENTIAL FACTS

Ghana Armed Forces Staff College

1. The College opened in 1977. The Deputy Commandant and four Lieutenant Colonel Instructors are British Army Officers on loan. There are also two Canadian Officers. At the end of 1981 one British Lieutenant Colonel Instructor will be withdrawn. The College has given great prestige to Ghana. But in pure military terms it may be that effort would be better spent on more basic training.

Logistic Assistance

2. In February 1980 a two week logistic study of the Ghana Armed Forces (GAF) was carried out by a British Army team. The study recommended assistance in transport, movement, ordnance, stores control and maintenance. An eight-man advisory team covering these subjects was replaced by three men after four months in December 1980. They were in turn replaced by two men for six months in April 1981. It is in the field of logistics that most can be done to help the GAF.

Air Force Assistance

3. There have been RAF advisory teams on maintenance training and supply to GAF on three occasions in the last twelve months. They visited for two weeks, one month and two months respectively.

Engineer Assistance

4. There is currently a Royal Engineer plant foreman advising on constructional engineering. He is attached to the logistic team.

Infantry

5. A three man team has just returned from giving four months training to Ghanaian Infantry.

Coussey Commission

6. Both the Director (Major General Perkins) and Deputy Director, Military Assistance Office, MOD, have advised a Commission of Enquiry (the Coussey Commission), appointed by the President in February 1980 to consider Ghana's defence needs and the armed forces service conditions.

UK Courses

7. Ghana has eleven students attending courses in UK Army establishments.

Payment

8. All the above training was paid for under UKMTAS: a total expenditure in 1980/81 of just over half a million pounds.

Defence Department

FCO

1 May 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA

12-17 MAY

BRIEF NO 6: POLICE ADVICE

POINTS TO MAKE

1. Hope existing co-operation in police field can continue.

2. Close links established between Overseas Police Adviser (FCO) and Inspector-General of Ghana Police. We intend to consolidate these ties.

3. (Defensive) We cannot give further assistance beyond training already on offer.

42

BRIEF NO 6: POLICE ADVICE

ESSENTIAL FACTS

1. Overseas Police Adviser visited Ghana in February and December 1979. Also British Police Liaison Team visit in February/March last year whose report was received very favourably by Inspector-General of Ghanaian Police. Further visit by Overseas Police Adviser March 1981.

2. As a result of our Liaison Team report and Overseas Police Adviser's visit, Ghanaians asked for help with CID and general police training. A CID officer has been nominated and will travel to Accra shortly; a second officer will follow. HMG is funding both attachments.

3. Main priorities for Ghanaian Police are:
 - (i) Improvement in pay, conditions of service, and standards of recruits.
 - (ii) Increase in strength.
 - (iii) Training at all levels - with an emphasis on management.
 - (iv) Transport.
 - (v) Communications.

Overseas Police Adviser

FCO

4 April 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 7: AIR SERVICES

POINTS TO MAKE

1. We should like to see an improvement in air services relations. Lord Trefgarne will be raising this separately with your Attorney-General.

(DEFENSIVE)

2. British Caledonian's carryings are artificially depressed by Ghanaian currency restrictions. Ghana Airways currently outcarry British Caledonian by more than 3:1 on the London-Accra-London route. Until B Cal's opportunities are improved we cannot allow increases in Ghana Airways' capacity.

3. We hope further talks can soon be arranged to achieve a fair solution for both sides. Meanwhile Ghana Airways should respect the limits we have had to impose.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 7: AIR SERVICES

ESSENTIAL FACTS

1. Air services relations are strained. British Caledonian's carryings are artificially depressed because of the way the Ghanaians apply currency restrictions to sales by foreign airlines. The same issue recently led to a severance of air services relations between Ghana and Italy.
2. In late 1980 the Ghanaians introduced wide-bodied DC10 aircraft. In the absence of progress towards a better operating environment for B Cal we have insisted under terms of Air Services Agreement that the Ghanaians should limit carryings on their aircraft to the weekly capacity formerly provided when they used VC10s. This still enables them to carry nearly four times as many passengers as B Cal are currently able to secure. The Ghanaians resent this restriction and on a number of recent occasions have exceeded the prescribed limits. We have warned them that if they do not respect the conditions in their operating permit we may have to reduce their services.
3. Lord Trefgarne will be raising the matter at a separate meeting with the Attorney General with a view to persuading the Ghanaians that it is in their own interest to reach an accommodation providing for an improvement in B Cal's opportunities. Officials are ready to visit Accra at an early date for talks.

MAED

FCO

1 May 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY
BRIEF NO 8: CULTURAL RELATIONS

POINTS TO MAKE

1. Pleased that UK/Ghanaian Cultural Relations are on a sound footing and that British Council make a substantial contribution to Ghanaian development in the educational field.
2. Delighted that the Museum of Mankind have been able to mount the prestigious "Asante -- Kingdom of Gold" exhibition which brings to the British public and visitors to Britain a part of Ghana's history and culture.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 8: CULTURAL RELATIONS

ESSENTIAL FACTS

BRITISH COUNCIL

General

1. British Council has been represented in Ghana since 1943. It has centres at Accra, Kumasi, with four and one London-appointed staff respectively. The office in Kumasi will be maintained for the immediate future but as a result of cuts in the Council's budget its future is uncertain. A final decision has yet to be made.

Country Budget

2. The gross budget in 1981/82 (including a proportion of London overheads) is £2,407,000, consisting of a grant-in-aid of £389,000 (10% from FCO and 90% from ODA), a grant of £220,000 from ODA for aid administration work, £93,000 in revenue from book sales and £1,703,000 in respect of agency expenditure, mainly on behalf of ODA.

Activities

3. The Council administers the ODA Technical Cooperation Training Awards of which there are 115 in 1981/82. It also administers a special supplementation scheme, financed by ODA, involving 18 British teachers in Head of Department posts in key secondary schools and teacher training colleges.

4. The Council's libraries in Accra and Kumasi, which have about 6,000 members, are well used. The ODA-funded Book Presentation Programme, for which £43,000 was allocated in 1980/81, provides much needed books for a wide variety of schools and other institutions.

5. The Council's other activities consist of aiding generally the development of education in Ghana, organising exchanges in both directions, film shows in the Council centres and schools and cultural manifestations on a modest scale.

Ghanaian Cultural Manifestations in Britain

6. The Museum of Mankind at Burlington Gardens has mounted the "Asante - Kingdom of Gold" Exhibition which opened in February. The exhibition, one of the largest the Museum has mounted, was opened by the Asantehene (King) of Asante. This gave much pleasure to the Asantehene who, in his opening speech, said "as the President of Ghana, His Excellency Dr Hilla Limann, said when he learned of the invitation to me to open the exhibition, the honour is not for me or the Asante nation alone, indeed it is not for Ghana alone: in a very real sense it is an honour for West Africa and Africa in general".

Cultural Relations Department

FCO

1 May 1981

POINTS TO MAKE

1. Ghana's views on the increase in UK overseas student fees are well noted.
2. Deeply regret need to end subsidy for overseas students, costing some £90 million a year. But UK in difficult economic situation; now having to save on things that directly affect British people -health service, hospitals, education and roads.
3. Would like to help Commonwealth as a whole. But cannot since more than half the overseas students coming here are from the Commonwealth and that would halve the savings which the decision was designed to produce.
4. Ghana, as an aid-recipient country, will continue to be helped more than some other, richer Commonwealth countries, (eg Malaysia, Nigeria, Hong Kong).
5. Decision to raise the fees applies only to new students, in higher education, from 1980-81. Students already here continue at the overseas, but subsidised, rate.
6. Teacher : student ratio in UK much higher than in most other countries. Therefore costs higher. But our courses often shorter, which reduces overall cost.

Our Help

7. We are concentrating help on deserving cases through aid funds, British Council scholarships and DES's programme for 500 postgraduate students of exceptional ability annually. (Mr Hurd announced on 4 March an extra £8 million to help at least 600 more students from developing countries). These will have their fees paid in full. For some less wealthy private candidates, a fee support scheme to make up the difference in fees is administered by ODA.

Future

8. We are monitoring consequences and are in touch with bodies representing overseas students' organisations. But, no short-term solutions can be expected.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 8a: OVERSEAS STUDENTS' FEES

ESSENTIAL FACTS

1. Ghana has had a long tradition of sending a proportion of top students to Britain. It has to be accepted that some of these will now turn to training elsewhere in English-speaking countries (USA, Canada and Australia). Ghana's own universities (Cape Coast, Accra, and Kumasi) are well equipped for undergraduate studies, and have always had support from the British Government.

2. Though no full 1980 statistics of Ghanaian students in the UK are available, about a thousand are now in Britain:

(a) <u>Universities</u>	(b) <u>Polytechnics</u>	(c) <u>Other Public Sector</u>
250 (of whom 200 postgraduate)	120	400
(d) <u>Nursing</u>	(e) <u>Lawyers and other Private Sector</u>	
120	110	

Of these, about 140 (100 at universities and 40 at polytechnics) are affected by the rise in fees; and a proportion of these (perhaps half) are fortunately covered by the help (detailed above) which we are still able to give.

Cultural Relations Department

FCO

1 May 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY
BRIEF NO 9: DEFENCE SALES

POINTS TO MAKE

1. Hope the British Army training and support teams are providing useful assistance to the Ghanaian Armed Forces and will continue to do so.
2. Hope that when any new equipment is being ordered, British companies will be able to compete.
3. [If appropriate] Discuss the facilities which International Military Services can offer in co-ordinating package deals and offering specialised in-country training.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 9: DEFENCE SALES

ESSENTIAL FACTS

1. Ghana's present economic difficulties, coupled with HMG's policy of according highest priority to preserving the stability of the Ghanaian Armed Forces, means that the sale of defence equipment is taking a back seat for the moment. There would appear to be some scope for sales, albeit on a very small scale. However, Ghana is unlikely to be a market of any great significance in the immediate future.

2. The various training and support teams currently assisting the Ghanaian Armed Forces are uncovering numerous instances where equipment is not being properly utilised or maintained, partly through staff inefficiency but also through lack of parts. Small amounts of funds are being made available and it would appear that the Ghanaian Forces regard the UK as the most natural source of supply. The assistance being given by the British Army teams should help to strengthen the goodwill that exists towards the UK and give UK firms a good start when a choice is being made between competing suppliers.

DS13b

Ministry of Defence

1 May 1981

POINTS TO MAKE (IF RAISED)

General Position

1. Firmly applied immigration policy is important for good race relations. Thus while the Government welcomes visitors, students and others coming for temporary purposes, strict measures are necessary to prevent abuse by those who seek to remain permanently and are not qualified to do so under the Immigration Rules.

Non-discrimination

2. The Immigration Rules approved by Parliament are applicable to all who are subject to immigration control. They expressly require that immigration officers should carry out their duties without regard to the race, colour or religion of people seeking to enter the United Kingdom.

Right of Appeal

3. Extensive entitlements to appeal to an independent appellate authority are available to people whose applications to enter or to stay are refused. A valid appeal once lodged enables the appellant to remain until his case is determined.

Refugees

4. The UK and Ghana are both signatories to the UN 1951 Convention and its Protocol relating to the Status of Refugees. In 1980, 14 applications for asylum in the United Kingdom by Ghanaians were granted in accordance with this Convention and the recommendations of the UN High Commissioner for Refugees.

BRIEF NO 10: IMMIGRATION MATTERS

ESSENTIAL FACTS

Passenger Traffic

1. In 1980, around 30,000 citizens of Ghana were admitted to the UK. Business visitors, ordinary visitors, and passengers in transit accounted for 23,000; 6,100 were Ghanaians returning from temporary absences abroad. 510 citizens of Ghana were given leave to enter as students; 80 Ghanaians were accepted for settlement on arrival.

Figures for 1980 show an 8% total increase over 1979. Ordinary visitors were up 14%, business visitors 16% and transit passengers 4%. Students declined by 24% (in actual numbers there were 160 fewer).

Refusals of leave to enter

2. 695 Ghanaians were refused leave to enter in 1980, (2.3% of total arrivals, cf Indians 0.7%, Nigerians 0.7%, Tunisians 3.0% and Moroccans 3.1%). The number of refusals was 160 higher than the previous year, an increase of 30%.

Ghanaians detained under powers contained in the Immigration Act

3. On 29 April, 14 citizens of Ghana were in detention under these powers.

Ghanaians deported

4. In 1980 deportation orders were enforced against 102 Ghanaians. Of these, 41 were made on court recommendations, 60 were signed against overstayers, and 1 on the ground that deportation was conducive to the public good.

Illegal entrants

5. On 10 April, 5 citizens of Ghana were detained as illegal entrants.

54

Ghanaians in prison for other reasons

6. On 31 December 1980, 50 Ghanaians were serving prison sentences after conviction by a court.

Complaints

7. In 1980, 3 citizens of Ghana wrote letters of complaint against immigration officers. There were no complaints from Ghanaians against the control or procedures at ports.

Home Office

30 April 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY
BRIEF NO 11: COCOA

POINTS TO MAKE

1. UK supports Third International Cocoa Agreement. (So does Ghana). It should benefit cocoa producers, as market price at present well below intervention levels.

2. UK hopes that Ivory Coast will change its mind and support Agreement as negotiated. If so, Agreement should enter into operation at early date and have immediate effect of raising world prices. But we are not prepared to reopen negotiations on the terms of the Third Agreement, which many countries have now signed, to meet the Ivorian wish to see price support levels raised.

UK Intentions on Provisional Application of Agreement (If pressed)

3. We favour early operation of Agreement, provided it commands wide support. Otherwise will need to consider viability of Agreement in light of likely level of participation. We will determine our views in consultation with EC partners.

4. We shall remain in close touch with the Ghanians.

56

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 11: COCOA

ESSENTIAL FACTS

1. Cocoa accounts for two-thirds of Ghana's export earnings. Her cocoa sector is in grave difficulty and Ghana badly needs Agreement, as do many other exporters. Present price of 95 cents per pound is well below proposed intervention price and cocoa is in considerable world surplus.
2. Ghanaians were first to sign Third International Cocoa Agreement, concluded in November 1980. UK and other EC countries signed in March 1981. Agreement aims to stabilise world cocoa prices by means of buffer stock. Purchases to be made when price of cocoa falls below 1.10 c/lb, sales when above 1.50 c/lb, (with an important provision for price adjustment downwards when there is a certain volume of purchases within a given time period).
3. Agreement will enter into force automatically if 80% of exporters and 70% of importers indicate that they wish it to operate; it is not sufficient merely for governments to sign the Agreement - a second stage of notification of intention to apply provisionally and/or ratification must be completed.
4. At present only 72% of exporters and 60% of importers have signed. USA (22% of imports) does not support. Nor does Ivory Coast (22% of exports). Latter seeks re-negotiation of Agreement to give higher level of market support and guaranteed return to producers within CAP-type framework.
5. Very few exporting governments have completed second stage (ratification etc) because efforts to resolve differences with the Ivory Coast (most recently in Abidjan 27 April) have failed. Few importing countries have moved to second stage because of doubts over the viability of Agreement which may not include major producer (Ivory Coast) and consumer (USA). As well as US, a number of other importing countries (including Canada, Australia, New Zealand and Japan) have not yet shown a willingness to join. If requisite percentages of support are not pledged by 31 May, the UN

/Secretary General

Secretary General will call together those who have registered a wish for the Agreement to operate and ^{they will} decide whether to bring the Agreement into effect amongst themselves.

6. Ghanaians likely to press whether we intend provisionally to apply the Agreement. EC members are attempting to reach co-ordinated view on line to take on provisional application/ ratification and at UN Secretary General talks: Coreper will discuss on 13 May.

7. UK preference is to apply Agreement provisionally. But it would be wrong to pre-empt Community discussion, particularly as this could embarrass the Germans (frequently our allies on commodity matters).

Economic Relations Department

FCO

7 May 1981

RESTRICTED

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY
BRIEF NO 12: SOUTHERN AFRICA

POINTS TO MAKE

South Africa Internal: Election

1. Reforms inadequate but may generate momentum. Not yet clear how Mr Botha will interpret election outcome (which was mixed for him). But we hope he will feel that he has remit to press on with reforms.

Five committed to search for Namibia settlement

2. UN plan a solid basis for settlement, but needs strengthening with new proposals to create confidence among all parties. Five are preparing proposals on constitutional arrangements for discussion with all concerned. Would supplement Security Council Resolution 435, not replace it.

Security Council [Defensive]

3. We vetoed on 30 April to keep open possibility of a negotiated settlement. Not siding with apartheid.

South African raids into Mozambique and Angola [Defensive]

4. With EC Ten, we deplored such raids but such action is a symptom of the problem, not a cause. Important thing is to find solutions to the underlying problems eg Namibia.

Nuclear Questions [Defensive]

5. We continue to seek to persuade South Africa to accede to NPT. No direct evidence of nuclear weapons programme, but existence of an unsafeguarded enrichment plant is worrying. Our nuclear contacts minimal.

59

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 12: SOUTHERN AFRICA

ESSENTIAL FACTS [MAY BE FREELY USED]

South Africa Internal: Election

1. The NP have won 131 seats, the PFP 26 and the NRP 8. The extreme right-wing HNP won no seats but took about 11% of the poll. This result is mixed for P W Botha: he can claim to have his own mandate but he has lost support within the Afrikaner community to the far right. The liberal PFP have also strengthened their position, especially in English-speaking areas.
2. Various projected reforms (eg Mr Koornhof's three Bills) have been held up pending the election outcome. It is too early to tell whether Mr Botha will now feel strong enough to carry them through.

Nuclear Questions

3. Our contacts mainly in fields of safety, medicine and agriculture. No possible help in any weapons programme. CECB have a contract for supply of uranium from Namibia.

Namibia

4. Communiqué issued by the Five Foreign Ministers on 3 May is attached.

Southern African Department

FCO

5 May 1981

NAMIBIA

COMMUNIQUE ISSUED BY THE FOREIGN MINISTERS OF THE FIVE, 3 MAY 1981

1. The Foreign Ministers of Canada, France, the Federal Republic of Germany, the United Kingdom and the United States of America met in Rome on 3 May 1981, to review the situation in Namibia. The Five Ministers expressed their Governments' deep concern over the failure of the Geneva Conference and their regret over the outcome of the recent consideration of the issue by the Security Council. They noted, however, that the discussions in the Security Council indicated a general desire on the part of the great majority of participants in the debate for the Five to continue their efforts in the search for a solution to this problem.
2. The Five Ministers reiterated their Governments' commitment to an internationally acceptable settlement to the Namibia issue, one of the major problems of the African continent, the solution of which they see as essential for the stability of Southern Africa. The Ministers reaffirmed their conviction that only a settlement under the aegis of the United Nations would be acceptable to the International Community.
3. The Ministers stated their belief that Security Council Resolution 435 provides a solid basis for the achievement of a negotiated settlement and agreed that continued efforts should be made to bring Namibia to early independence in accordance with Security Council Resolution 435. At the same time, the Ministers recognized that the settlement plan as endorsed by Resolution 435 with the complementary measures that have been added to it, such as the proposal for a demilitarized zone, has not proved sufficient to bring about implementation. They agreed that the search for a settlement should be intensified and that ways to strengthen the existing plan should be considered.
4. The Ministers believe that there is a need to establish understanding among all parties about the shape of the future, independent Namibia. Accordingly they instructed officials to develop proposals

encompassing measures, including constitutional arrangements, with the aim of enhancing prospects of achieving a negotiated settlement. Senior Officials of the Five will meet in late May for this purpose.

5. The Ministers affirmed that the close cooperation of all the parties concerned is essential to the effort to bring about a negotiated solution. The Western Five intend to consult with all interested parties in exploring and developing specific proposals which would facilitate a settlement.

6. Finally, the Ministers agreed that the Namibia issue has been on the International Agenda for too long. They committed their governments to vigorous action in the effort to bring Namibia to independence at an early date.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 13: OAU

POINTS TO MAKE

1. What is likely to be achieved at the OAU Summit in June? Does Limann expect any significant progress on Western Sahara or Chad (see separate briefs) or on Lagos Plan of Action?
2. Are any firm decisions on an OAU Defence Force likely to be made at the Summit?

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 13: OAU

ESSENTIAL FACTS

1. Since its establishment in 1963, the Organisation of African Unity has concentrated its efforts on political issues, specifically the decolonisation of Africa and the elimination of white minority rule. It has attempted also to play a role in securing peaceful settlements of disputes among its members. It has so far invested little effort towards the social and economic development of Africa, although the Lagos Plan of Action drawn up at a special OAU Summit in April 1980, called for an African "Common Market" by 2000.

Organisation

2. The political power rests with the Council of Ministers, which meets twice yearly, and the Assembly of Heads of State and Government, which meets in Summit once a year. The 18th Summit will take place in Nairobi in June, immediately preceded by a meeting of the Council of Ministers. It will see the Chairmanship pass to Kenya after two out of the last four years with West Africa. The Agenda is unlikely to contain much that is new - Namibia/South Africa, Western Sahara and Chad are almost certain to be included, and it is already known that the issue of an OAU Defence Force is to be raised again, although the formation of such a force seems to be growing ever more unlikely.

Central African Department

FCO

7 May 1981

CONFIDENTIAL

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY
BRIEF NO 14: WESTERN SAHARA (IF RAISED)

POINTS TO MAKE

1. Our position one of neutrality. We do not accept Moroccan claims. Neither do we recognise the Polisario Front or the 'Saharan Arab Democratic Republic' (SADR).

2. We hope for a peaceful solution. Concerned at threat to peace in area. Libyan involvement worrying. Danger that attitudes may harden.

3. OAU Summit in Nairobi may be crucial. Problem is essentially an African one and OAU role therefore important. If OAU decide to admit SADR at Nairobi Morocco will almost certainly leave. Seems to us this would be unfortunate and would close door on possible OAU mediation role.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 14: WESTERN SAHARA (IF RAISED)

ESSENTIAL FACTS

1. When Spain withdrew from the Sahara, Morocco and Mauritania divided the territory between them. This move was opposed by the Polisario Front. Backed by Algeria the Front began a guerilla struggle to gain independence for the territory. When Mauritania made peace with the Polisario in 1979 and renounced her claim to any of the Western Sahara, Morocco seized the former Mauritanian Sector.
2. The war continues. The Polisario Front have gained considerable propaganda victories especially within the OAU where the Front and its 'government in exile' of the 'Saharan Arab Democratic Republic' (SADR) has been recognised by half of the OAU states. The SADR intend to make a bid for OAU membership at the OAU Summit in Nairobi in June. If they are admitted Morocco is bound to walk out and the prospect of the OAU playing a mediation role in the dispute will disappear.
3. Qadhafi's recent visits to Algiers and Nouakchott (he proposed a union between Algeria and Mauritania) seem to have been designed to raise Polisario morale and bring Mauritania back into the dispute. The Mauritanians believe that the Moroccans were behind a recent attempted coup in Nouakchott.

Near East and North Africa Department

FCO

5 May 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 15: UNIFIL SOUTH LEBANON

POINTS TO MAKE

1. Seriously concerned at the escalating cycle of violence in South Lebanon. UNIFIL are in an impossible position so long as they are not able to deploy fully over the ground and are subject to harassment by both sides. Hope the troop contributors will not lose heart. They do an essential job in very difficult circumstances. Shocked at UNIFIL deaths already this year.

2. Any ideas on what we or the EC can do to help? We support deployment of Lebanese troops to the South under UN auspices as a means of reaffirming authority of Lebanese Government.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 15: UNIFIL SOUTH LEBANON

ESSENTIAL FACTS

1. The Ghanaians have contributed troops to UNIFIL since their withdrawal from the UN Sinai force (UNEF) in September 1979 (UNIFIL itself was formed in March 1978). The Ghanaians have an infantry batallion of around 800 men in UNIFIL. Their numbers were increased by 500 in May 1980 when the Nepalese contingent withdrew. It is understood that the Nepalese will return in May and the Ghanaians will be reduced to accommodate them. For internal reasons the Ghanaians are anxious to keep as many troops as possible occupied in UNIFIL.
2. The Ghanaians have responsibility for areas which border on the enclave controlled by the Christian militia of Major Haddad. However, their casualties at the hands of the militia have not been as severe as those of either the Nigerians or Irish, although they do suffer periodic shelling.
3. For three years a Ghanaian, General Erskine, was Commander of UNIFIL. He was succeeded in February by General Callaghan (Irish).
4. No effective ceasefire has been sustained in South Lebanon. Both Palestinians and Major Haddad's militia operate in and through UNIFIL's area. Recently two Nigerians and an Irish soldier in UNIFIL were killed. Shelling and counter-shelling continues. Israeli actions in South Lebanon have intensified with frequent air or commando raids on Palestinian positions. Palestinians have retaliated with rocket attacks on North Israel.
5. It now seems that the plan of General Callaghan to deploy further Lebanese troops to the South under UN auspices is being implemented. It has been reported that 200 medical staff and engineers from the Lebanese Army were to travel to the South on 1 May. We fully support this deployment as a means of reaffirming the authority of the Lebanese Government.

Near East and North Africe Department

PCO

1 May 1981

CONFIDENTIAL

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 16: CHAD

POINTS TO MAKE

1. We support OAU attempts to find a solution to Chad problem. In particular we should like to see an OAU peace-keeping force of some sort set up to replace Libyan troops and the organisation of free and fair elections.
2. 'Mini Summit' in Lagos on 10 April cancelled. How do Ghanaians see OAU now proceeding, with OAU Chairmanship moving to Kenya at end of June?
3. What are chances of opponents or rivals to Goukouni (eg Kamougue or Acyl Ahmet) ousting him? What is Qadhafi's next move likely to be?

IF RAISED

4. Should the OAU seek outside help (eg logistic support for installation of peace-keeping force), then we should examine request sympathetically. But our means are limited and we would need to know exactly what we and others were expected to do.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-27 MAY

BRIEF NO 16: CHAD

ESSENTIAL FACTS

1. Ghana has not played a significant role in OAU activities on Chad, but is very concerned about Libyan intentions generally in West and Central Africa. She ordered all Libyan diplomats out of Ghana in November 1980 because of subversive activities.
2. There has been no real progress over a peace settlement for Chad since OAU sub-committee meeting on 14 January in Lomé (which called for Libyan withdrawal; OAU peacekeeping force; and elections by April 1981).
3. Attempts by Sierra Leone (current OAU Chair) to bring Libyan intervention in Chad to UN Security Council, were frustrated by Libya, with Soviet backing. OAU Council of Ministers meeting in Addis Ababa in February deferred discussion of Chad to Summit Meeting in Nairobi in June.
4. OAU mini-summit between Heads of State of Nigeria, Libya, Cameroon, Algeria, Chad and Sierra Leone, planned for 10 April in Lagos (on Nigerian initiative), cancelled when Qadhafi declined to attend. Reason appears to have been Qadhafi's disagreement with proposed composition of new OAU peacekeeping force (Nigeria, Libya, Algeria and Cameroon). Cameroon also had reservations, as did many non-participating OAU states since new force would have superceded earlier proposed one of Guinea, Benin, Congolese, Togolese force. A further OAU meeting on Chad may take place in Lagos, Freetown or Ndjamena in May.
5. Chadian economy is in ruins. Libya seems to be consolidating military hold. Some evidence of East European technicians in Chad to maintain Soviet bloc equipment used by Libyans. Habré (ex-Defence Minister and Goukouni's opponent in last year's Civil War) continues sporadic and apparently ineffective raids over Sudanese border (with Egyptian, Sudanese, French and possibly CIA backing). Vice-President Kamougué, an 'African' from southern Chad, aloof from Goukouni/Habré fighting. The South is relatively unscathed by civil war and most populous and fertile region. Kamougué might yet come into his own, but at present seems isolated.

VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 17: COMMONWEALTH MATTERS

POINTS TO MAKE

COMMONWEALTH (GENERAL)

1. Delighted to welcome the leader of a country that plays such an active part in Commonwealth affairs.

COMMONWEALTH HEADS OF GOVERNMENT MEETING (CHGM)

2. Looking forward to the Melbourne CHGM. Very much hope President Limann will attend. Will Ghana be suggesting any agenda items?

AGENDA AT CHGM: UK VIEWS (IF RAISED)

3. North/South matters and Southern African issues expected to loom large. But now Zimbabwean problem is solved, important to devote a little more time at CHGMs to subjects of more direct interest to non-African countries (eg those in Pacific).

GLENEAGLES AGREEMENT: DISCUSSION AT CHGM (IF RAISED)

4. Hope this item can be kept off formal agenda, perhaps for informal discussion during Canberra weekend. We do not think modification of Gleneagles Agreement warranted. What are your views?

5. We discourage sporting contacts in accordance with Gleneagles Agreement. But our sports bodies are independent; we cannot stop them arranging visits to South Africa or any other country. Case in point: our athletes went to Moscow Olympics against our wishes.

COMMONWEALTH GAMES BRISBANE 1982 (IF RAISED)

6. It would be illogical and unjust to boycott Commonwealth Games in response to ill-considered actions by one group of sportsmen whose sport, rugby, is not even represented at Brisbane. Hope this will not happen.

BELIZE (IF RAISED)

7. The next step is the conversion of the Heads of Agreement (signed with Guatemala on 11 March) into a full treaty or treaties at negotiations beginning on 20 May. We intend to take Belize to independence by the end of the year.

VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 17: COMMONWEALTH MATTERS

ESSENTIAL FACTS

COMMONWEALTH (GENERAL)

1. Ghana has traditionally taken a positive attitude towards the Commonwealth, regarding it inter alia as a useful forum in which to maximise her diplomatic effort. Ghana's Commonwealth-related activities in recent years have included:
 - (a) participation in the Commonwealth Observer Group in Zimbabwe;
 - (b) provision of a Chairman for the Commonwealth Observer Team in Uganda;
 - (c) participation in the Commonwealth Working Party on Human Rights (set up, following the Lusaka CHGM, to consider a Gambian proposal for a Commonwealth Human Rights Commission);
and
 - (d) resumption of membership of the Commonwealth Parliamentary Association (CPA) (which went into abeyance following temporary disappearance of legislative council after 1972). Delegation from CPA's UK branch visited Ghana in November last year.

COMMONWEALTH HEADS OF GOVERNMENT MEETING (CHGM)

2. In Melbourne 30 September - 7 October. First such meeting in Pacific Region (and first since 1965 not dominated by Rhodesia issue). Mr Ramphal is expected to consult Heads of Government in second half of May about content of agenda (after visit to Canberra for discussions with Mr Fraser). North/South expected to be dominant topic, but Southern African issues, will also be important.

GLENEAGLES AGREEMENT: DISCUSSION AT CHGM

3. Recent Nigerian and Guyanese actions have focussed attention on Gleneagles Agreement and raised questions about its interpretation. Certain to be discussed at CHGM. (Four

Caribbean Governments have already indicated their intention to raise Agreement with a view to securing its more effective implementation). Understand Commonwealth Secretary-General hopes to keep item off formal agenda (reserving it for discussion at Canberra week-end); we would support this.

COMMONWEALTH GAMES BRISBANE 1982

4. Scheduled for Brisbane (30 September - 9 October 1982). Abraham Ordia, Nigerian President of the Supreme Council for Sport in Africa (SCSA), announced recently that if Springbok tour of New Zealand goes ahead later this year, an African boycott of the Games must be a possibility.

BELIZE

5. Ghana was not represented on Commonwealth Ministerial Committee on Belize but President Limann may nonetheless be interested in it as a current Commonwealth topic.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 18: EAST/WEST RELATIONS

POINTS TO MAKE

1. A sound East-West relationship must be based on a stable balance of forces, and on agreement to exercise restraint in the international arena. Russians seem uninterested in either. We are prepared to talk seriously where we see genuine wish to work to remove causes of tension. But we cannot ignore Soviet attempts at destabilisation and expansion of influence.
2. Concern at Soviet policies in Africa. Conflicts work to their advantage: they have no interest in working seriously with the West to find peaceful solutions to disputes. They gave no help to our efforts in Zimbabwe, and are giving no help now over Namibia. Soviet provision of development aid to Africa negligible.
3. Need for more concerted Western action to counter Soviet expansion in Third World. Afghanistan was an object lesson in real Soviet view of Third World and non-alignment. We remain strongly opposed to Soviet occupation of Afghanistan and will maintain pressure for total Soviet withdrawal.

Poland

4. Situation calm but risk of renewed confrontation between Solidarity and the authorities remains high.
5. Soviet Union is clearly worried by developments in the Polish Communist Party. It is important that the Poles are left alone to find their own solutions. Western warnings to the Soviet Union have been unequivocal.
6. Intervention in Poland would not be just East-West crisis. Coming after Afghanistan it would place in question faith of all states in provisions of UN charter.

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 18: EAST/WEST RELATIONS

ESSENTIAL FACTS

1. Ghana condemned Soviet invasion of Afghanistan in 1980 UN resolutions.
2. Polish Government and Solidarity have reached agreement on a number of contentious issues. New Trade Union legislation will be put to Parliament in May.
3. Polish Communist Party is in an increasing state of disarray. Demands for reform from the rank and file will intensify in the run up to Extraordinary Congress, 14-18 July.
4. Soviet concern at developments in the Polish Party has become more marked. Soviet troops, despite the annual rotation exercise currently in progress, could intervene at short notice.
5. Western Governments signed an agreement on 27 April to provide Poland with 90% debt relief for the rest of 1981.

EESD

FCO

1 May 1981

OFFICIAL VISIT OF PRESIDENT LIMANN OF GHANA: 12-17 MAY

BRIEF NO 19: PROGRAMME

12 May

1600 Arrive Northolt on Presidential F 28.
Met by Lord-in-Waiting and by Mr Peter Blaker MP.
Transfer to Claridge's.

13 May

1000 The Rt Hon The Lord Carrington KCMG MC calls at
Claridge's.

1100 Wreath-laying at Westminster Abbey.

1145 Arrive Foreign and Commonwealth Office quadrangle,
King Charles Street.

Met by the Prime Minister.

Received by a Guard of Honour formed by the 2nd
Battalion Scots Guards with the Regimental Colour
and the Pipes and Drums of the Battalion and the
Band of the Scots Guards.

The Guard of Honour is commanded by Major J P Kiszely,
Scots Guards.

The President will inspect the Guard of Honour.

Leave Foreign and Commonwealth Office quadrangle
accompanied by the Prime Minister via Main Archway.

1200 Arrive 10 Downing Street.

approx Talks with the Prime Minister. (Tête-à-tête followed
by plenary session).

1300 hours Luncheon at No 10.

for 1315 Host: The Prime Minister.

1700 to OAU Heads of Mission will call on the President at
1745 Claridge's.

1915 Meeting with The Leader of the Opposition.

1945 Dinner given by Commonwealth Parliamentary Association.

for 2000 Host: Mr Peter Blaker MP

The Harcourt Room, House of Commons.

14 May

- 1000 Call on Director of London School of Economics and Political Science, Professor R G Dahrendorf.
Meet students.
- 1245 Arrive Windsor Castle.
Luncheon with Her Majesty The Queen (with Foreign Minister only).
- 1430 Attend Presentation of new Colours by Her Majesty The Queen to the 1st Battalion, Welsh Guards.
- 1930 for Dinner given by the Bank of England.
2000 Host: Governor of the Bank of England and Mrs Richardson.

15 May

- 1030 hours Deputy Secretary-General, Commonwealth Secretariat, Mr C J Small will call on the President at Claridge's.
- 1100 The President will give a Press Conference at Claridge's.
- 1245 for Luncheon given by the Corporation of London.
1315 Host: The Rt Hon The Lord Mayor of London, Colonel Sir Ronald Gardner-Thorpe.
- 1515 Arrive London Chamber of Commerce and Industry for meeting with British exporters.
Chairman: Minister for Trade, Mr Cecil Parkinson MP.
- 1700 Courtesy call on The Archbishop of Canterbury, Lambeth Palace, SE1.
- 1800 Reception given by the High Commissioner and Mrs Badgie at Inn on the Park.
- 1945 Arrive Royal Festival Hall.
- 2000 Attend a performance given by the Hallé Orchestra and supper given by Her Majesty's Government.
Hosts: The Minister of Agriculture, Fisheries and Food and Mrs Walker.

16 May

- 1100 hours The President will meet members of the People's National Party Executive at Claridge's.

1600 His Excellency The President will meet the Ghanaian
Community at the High Commission for Ghana,
13 Belgrave Square, SW1.

1930 for Dinner given by Barclays Bank International Limited.
1945 Host: The Chairman,
Mr H U A Lambert.

17 May No official engagements.

18 May Departure details to be announced.

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For: ROBY*

IRENE RIPLEY

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