

SECRET

MT.

CONFIDENTIAL FIUNA.

Prime Minister's visit to Nigeria

January 1988.

NIGERIA

December 1987.

5
3000

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
10.12.87							
11.12.87							
22.12.87							
23.12.87							
29.12.87							
30.12.87							
4.1.88							
15.1.88							
22.1.88							
33.88.							
20.4.88							

PREM 19/2369

SECRET



NIT GR
CF?

R2214

OVERSEAS DEVELOPMENT ADMINISTRATION
ELAND HOUSE
STAG PLACE LONDON SW1E 5DH

cc Kenya trip file

Telephone ~~XXXXXX~~ 01-273 0409

From the Minister

20 April 1988

P A Bearpark Esq
10 Downing Street
LONDON SW1

Dear Andy, ^{my} _{2/4}

I wrote to you on 20 January in response to an enquiry from the Prime Minister about the shortage of books in Third World Schools and the proposal made by Mr Christopher Martin, Head Master of Bristol Cathedral School, that redundant O-level textbooks should be sent to schools which could make good use of them in Africa.

I am writing now to let you know that there has been substantial progress in the preparation of the Textbooks for Africa Project (TAP), to which I referred in my letter, and that the project is to be launched officially this week. The Project Working Group, chaired by the British Council and on which ODA is represented, decided at the end of March to go ahead with the project in the light of a very encouraging response to the proposal from Local Education Authorities and independent schools in England and Wales, and from Ministries of Education in many Commonwealth African countries. A background note giving details of the project is attached.

With the agreement of the DES, Mr Patten has accepted an invitation to launch the project officially on 21 April with a letter to Local Education Authorities and representatives of independent schools in Britain inviting their support. ODA has also agreed to increase funding of the Ranfurly Library Service (RLS) to help meet the additional costs which they are expected to incur. We expect this to amount to around £75,000 this year and £50,000 in 1989/90.

I am copying this letter to Lyn Parker (FCO) and Chris de Grouchy (DES).

Yours ever,

(R T Calvert)
Private Secretary

BACKGROUND NOTE

TEXTBOOKS FOR AFRICA PROJECT (TAP)

1. This project derives from a proposal by Mr Christopher Martin, Headmaster of Bristol Cathedral School, which was the subject of a letter to the Times in January 1988. In it, Mr Martin drew attention to the severe shortage of textbooks in secondary schools in a number of countries in East and Southern Africa which he had recently visited on behalf of Schools Partnership Worldwide (SPW). He suggested that good use could be made in those schools of redundant 'O' level textbooks from Britain if some way could be found of collecting and shipping them. There is a unique opportunity to provide this kind of assistance on a substantial scale in 1988 because of the changeover this year from the GCE to the GCSE examination syllabus in secondary schools in England and Wales.

2. The project has been prepared by a Working Group chaired by the British Council who have taken on the role of project coordinator. The other interested parties represented are the Ranfurly Library Service (RLS), the Rotary organisation, Schools Partnership Worldwide (SPW), the Headmasters' Conference (HMC) and ODA. The basic aim of the project is to provide secondary schools in developing countries with classroom sets of unwanted 'O' level textbooks from Britain in English language, mathematics, science and technical subjects.

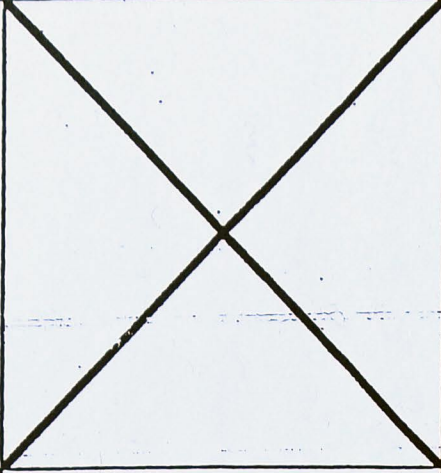
3. The project will focus on Commonwealth Africa, though some other African countries, eg Cameroon and Ethiopia, are also expected to benefit. An extension of the project to other developing Commonwealth countries will be considered once it is known how many books are likely to be available. (The RLS at present serves some 80 developing countries under its regular programme). The British Council have taken the lead in approaching Local Education Authorities in England and Wales and seeking their agreement to publicise the project in their schools and to release unwanted books. Similar approaches to independent schools have been made by SPW and HMC representatives. The British Council have also instituted enquiries overseas through their Representatives to confirm that secondhand textbooks

from Britain would be acceptable to the recipient governments. As a second stage of the overseas operation, Representatives have been asked to identify precise local needs and local authorities/institutions which will agree to receive and distribute consignments.

4. The collection of books from schools throughout England and Wales and their delivery to the RLS warehouse in South London will be undertaken by Rotary. This will be a substantial expansion of the longstanding cooperation between the two organisations which has been an important factor in enabling the RLS to operate its regular programme so successfully for more than thirty years.

5. The RLS will be responsible for receiving, sorting, packing and shipping the books. Most important, it will be their job to match the books available to the specific needs of the targetted recipients, as identified by the British Council, so as to ensure the maximum effectiveness of the project. The RLS have a proven track record of books aid of this kind, and their experience and range of contacts in the developing Commonwealth mean that they are ideally placed to manage a project on this scale.

6. It is difficult yet to predict how many books will be forthcoming for the project, but the organisers are working on a figure of 500,000. This compares with some 600,000 books handled annually by the RLS under their regular programme. However, the release of unwanted 'O' level textbooks by schools in Britain seems likely to be a gradual process, perhaps taking up to two years. ODA have undertaken that funding would be available to the RLS' to meet their reasonable additional expenditure arising from the project. Their need will probably be for extra staff (both professional and non-professional), materials, hire of equipment and possibly some additional warehouse space away from their headquarters. No firm estimate of ODA's support can yet be given but we are thinking in terms of a sum not exceeding £75,000 in 1988/89 and around £50,000 in 1989/90.

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>2369</i> (one piece/item number)	Date and sign
Extract details: <i>letter from Powell dated 3 March 1988</i>	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>17/7/18</i> <i>M. L.</i>
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

DEPARTMENT/SERIES <p style="text-align: center;">..... <i>PREM 19</i></p> PIECE/ITEM <i>2369</i> (one piece/item number)	Date and sign
Extract details: <i>Letter to Powell (C16404) dated 3 March 1988</i>	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>17/7/18</i> <i>M. W.</i>
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

CONFIDENTIAL

020075
MDLIAN 6028

CONFIDENTIAL
FM LAGOS
TO PRIORITY FCO
TELNO 109
OF 291000Z JANUARY 88

Pl heer

MY TELNO 108: WEST AFRICA CURRENCY BOARD AND DEBTS TO MOD AND HOME OFFICE

SUMMARY

1. PROPOSALS ON WAY FORWARD ON USE OF WEST AFRICA CURRENCY BOARD (WACB) ASSETS TO PAY OFF DEBTS TO MOD AND HOME OFFICE FOLLOWING THE PRIME MINISTER'S VISIT.

DETAIL

2. IN HER MEETING WITH PRESIDENT BABANGIDA ON 7 JANUARY, THE PRIME MINISTER REFERRED TO THE PROPOSALS WHICH HAVE BEEN PUT TO THE NIGERIAN GOVERNMENT FOR CLEARING ITS DEBT TO THE MOD BY USING THE ASSETS OF THE WACB. THE PRIME MINISTER SAID THAT, IF THIS COULD BE AGREED, SHE WOULD BE PREPARED TO WRITE-OFF THE REMAINING #2 1/2 MILLION. BABANGIDA SAID THAT HE HAD VERY RECENTLY SPOKEN TO THE GOVERNOR OF THE CENTRAL BANK AND INSTRUCTED HIM TO SETTLE THIS MATTER.

3. WE WERE ALSO TOLD BY OKONGWU DURING THE PRIME MINISTER'S VISIT THAT HE HAD JUST AUTHORISED A SUBSTANTIAL PAYMENT TO THE MOD. WE HAVE NOW BEEN TOLD BY OFFICIALS AT THE FINANCE MINISTRY THAT HIS AUTHORISATION WAS FOR THE REMITTANCE OF THE FOREIGN EXCHANGE EQUIVALENT OF N 4 MILLION (ABOUT # 530,000 AT THE CURRENT EXCHANGE RATE), WHICH IS PART OF THE N 4.92 MILLION WHICH WAS PAID BY THE FMOD TO THE HIGH COMMISSION IN SEPTEMBER 1986 IN RESPECT OF THE MOD DEBT. (EARLIER SUGGESTIONS THAT THE REMITTANCE WAS TO BE # 4 1/2 M, ENOUGH TO PAY OFF ALL THE OUTSTANDING AMOUNTS AFTER TAKING INTO ACCOUNT OUR INITIAL OFFER OF WACB ASSETS, SEEM TO HAVE BEEN BASED ON A MISUNDERSTANDING).

4. I WROTE, AT HIS REQUEST, TO THE GOVERNOR OF THE CENTRAL BANK ON 21 DECEMBER EXPLAINING THE BACKGROUND TO THE WACB PROPOSAL AND SAID THAT ABOUT # 7 MILLION WAS AVAILABLE TO MEET THE MOD DEBT AND THE NIGERIAN AIRWAYS DEBT OF # 218,000 TO THE HOME OFFICE. AHMED HAS NOT YET REPLIED.

CONFIDENTIAL

020075
MDLIAN 6028

5. I PROPOSE NOW TO WRITE OKONGWU AS IN MIFT EXPLAINING THE PRIME MINISTER'S OFFER TO BABANGIDA, AND SEEKING HIS AGREEMENT TO USE OF THE WACB MONEY AS PROPOSED. TAKEN TOGETHER WITH THE REMITTANCE OF N 4 MILLION, THIS SHOULD COVER ALL THE MOD DEBT AS WELL AS THAT OF THE HOME OFFICE.

6. GRATEFUL FOR CONFIRMATION THAT THIS COURSE IS ACCEPTABLE AND THAT THE FIGURES USED IN MY PROPOSED LETTER TO OKANGWU ARE THE LATEST AVAILABLE.

EWANS

YYYY

DISTRIBUTION 155

MAIN 155

MONETARY
WAD

MR MUNRO
MR FAIRWEATHER

NNNN

ow.

R27/1



BRITISH HIGH COMMISSION
LAGOS

22 January 1988

Charles Powell Esq
10 Downing Street

ow
22/1

Dear Charles,

Dick Best in Kaduna let the Emir of Kano know immediately of your press release about the fracas at the Palace. You may like to see the Emir's reply, a copy of which I enclose.

Best wishes,

Yours ever,

Marti

M K EWANS

Your Ref.....

Our Ref..... MISC/EP/19

ALHAJI ADO BAYERO
THE EMIR OF KANO,
P. M. B. No 3002,
KANO, NIGERIA.

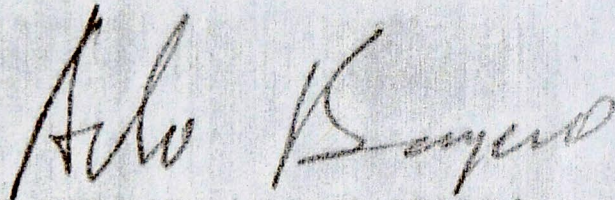
11 - 1 - 1988.

Mr. R.R. Best
British Deputy High Commissioner
Kaduna.

Thank you very much for your letter of 9th January, 1988 informing us about the British press reports about a minor incident which took place just before the Durbar commenced on the 8th January, 1988.

I am very happy to hear from the Prime Minister's office that all her party are feeling fine and no one was hurt. I am also very happy to hear that the Prime Minister's office has no any complaint about her visit to our Palace and also to say how happy we are that the Prime Minister was able to be in Kano.

With best regards.


(ALHAJI ADO BAYERO)
Emir of Kano.

CONFIDENTIAL

EL3CK4



file

bcpc

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

22 January 1988

FOLLOW-UP TO THE PRIME MINISTER'S VISIT TO NIGERIA

Thank you for your letter of 21 January enclosing an amended copy of the record of the Prime Minister's meeting with President Babangida, in a form which might be passed to the Nigerians.

I have no objection to the record itself. But I am a bit uneasy about giving it to the Nigerians. Is there not a risk that it will look rather patronising? And will President Babangida necessarily welcome our record being given a wider distribution within the Nigerian Government? Might it not be prudent to check first with some-one close to him, and give him a chance to see the record before it is given to anyone else? You and our High Commissioner are better placed than I am to judge these points. But I think the Prime Minister's instinct would be on the side of caution and of doing nothing which might upset President Babangida or undermine the progress made in establishing a good relationship with him. Perhaps you could let me know the High Commissioner's considered response to these points, before we finally take action.

bf

CHARLES POWELL

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

covering CONFIDENTIAL

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

21 January 1988

Dear Charles,

Follow Up to Prime Minister's Visit to Nigeria

Further to our telephone conversation on 13 January, I enclose a suitably amended copy of your record of the Prime Minister's meeting with President Babangida. If you agree, we will ask our High Commissioner to pass a clean version of this to the Nigerian Foreign Minister and Cabinet Secretary.

Separate instructions are being prepared for Sir M Ewans on military training.

Considers, L Parker

(L Parker)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

covering CONFIDENTIAL

covering CONFIDENTIAL

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

21 January 1988

Dear Charles,

Follow Up to Prime Minister's Visit to Nigeria

Further to our telephone conversation on 13 January, I enclose a suitably amended copy of your record of the Prime Minister's meeting with President Babangida. If you agree, we will ask our High Commissioner to pass a clean version of this to the Nigerian Foreign Minister and Cabinet Secretary.

Separate instructions are being prepared for Sir M Ewans on military training.

1058 awes, L Parker

(L Parker)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

covering CONFIDENTIAL

CONFIDENTIAL

SUMMARY RECORD OF PRIME MINISTER'S MEETING WITH THE PRESIDENT OF THE
FEDERAL REPUBLIC OF NIGERIA AT STATE HOUSE, LAGOS, ON THURSDAY
7 JANUARY 1988

Bilateral Relations

President Babangida started by thanking the Prime Minister for finding the time to visit Nigeria. It was important that the two of them should get to know each other. He was very sorry that he had not been able to attend the Commonwealth Heads of Government Meeting in Vancouver. Britain and Nigeria had enjoyed a very good relationship over a long period. He hoped that he and the Prime Minister could strengthen that relationship further at their level. There was much in common between Britain and Nigeria. Of course there were some differences here and there, but that was quite normal.

The Prime Minister thanked President Babangida for the warmth of his welcome. Nigeria meant a great deal to Britain, and was also very important to the economic and political life of the free world. If President Babangida succeeded in his policies, others in Africa would be encouraged to follow the same path. The British Government supported his efforts fully, and would do everything it could to improve relations between Britain and Nigeria. She hoped that the President would accept an invitation to come to Britain as a guest of the Government at a convenient moment. President Babangida thanked the Prime Minister.

Nigerian Economy

President Babangida said that he wished to thank the Prime Minister most sincerely for Britain's support for Nigeria's structural adjustment programme. The Prime Minister said that she had followed the President's efforts to set the economy on a sounder footing very closely, and had read his recent budget speech. There were still

CONFIDENTIAL

some worrying features, notably the size of the deficit and the risk of inflation from the proposed reflationary package; also the absence of action on petroleum subsidies. On this last point, however, she understood that the Nigerian Government had left open the possibility of taking action to the extent they thought public opinion would tolerate it. She understood the political constraints. The President was the best judge of what the Nigerian people could and would endure. However, she liked to say that politics was the art of persuading people to do the impossible. She hoped that Nigeria would reach a further standby arrangement with the IMF. The United Kingdom would do its best to help. The IMF would be tough, but not unreasonable.

President Babangida said that the Nigerian authorities considered the deficit fairly modest. They were also aware of the risk of inflation. There were many other positive features in the recent budget including further privatisation and steps to institutionalise the foreign exchange market. In general, his strategy was to take advantage of the breathing space afforded by debt rescheduling. In reply to a question from the Prime Minister, the President said that he was quite confident about the economic prospects for 1988. As regards the petroleum subsidy, he hoped to deal with this in the wider context of removing prices from Government control. His experience had been that, when the Nigerian people had the facts placed before them, they understood the need for tough policies. The trouble was that where distortions had been present in the economy for a long time, it was difficult to get rid of them. The Prime Minister agreed with this last point, which had also been her Government's own experience in the United Kingdom. She added that the discussion of the Nigerian economy in the IMF Executive Board on 6 January had gone reasonable well, with considerable understanding for Nigeria's difficulties.

CONFIDENTIAL

Credit

President Babangida said that he was most grateful for the offer of a further £200 million line of credit. But there was an important issue to be resolved on the terms of this. Nigeria was seeking a two year grace period and a five year period for payments. However, the ECGD wanted to treat each case on its merits. The Prime Minister said that she understood that there were to be further contacts between the Nigerian authorities and the ECGD about this. She would look into it on her return. It would of course be necessary to settle the question of Nigeria's arrears. However, she understood that the Nigerian Central Bank was about to pay these. In that case, Britain could agree to negotiations to finance the completion of the water supply project in Niger State, and she would be able to announce that in her speech at the Nigerian Government's dinner that evening. She understood that the President supported this project. President Babangida confirmed that arrears were being paid, adding that the project was of great importance.

Uninsured Debts

President Babangida volunteered that there had been considerable delay in trying to verify uninsured debt claims. But some £3.5 billion of promissory notes had already been issued. he could assure the Prime Minister that all debt claims which were verified would be met. The Prime Minister said that she understood there was to be a creditors' meeting in London shortly. The British Government were very concerned by the possibility that debts which had not been checked and validated by 31 December 1987 would simply be rejected. She understood, however, from reading a recent speech by the Finance Minister, that this was not necessarily the case. it should still be open to creditors to have their claims validated.

Trade

President Babangida referred in passing to the imbalance in the United Kingdom's favour in trade with Nigeria. He had noted the supportive reference in the Prime Minister's interview with "This Week" to Nigeria's export-orientated drive for growth. He hoped that support would be reflected in the trend of the trade balance.

Investment

The Prime Minister said that, if Nigeria wanted to restore foreign trade and investment, people must know where they stood. In this context Britain thought that an Investment Promotion and Protection Agreement could play a helpful role. The British authorities had sent the Nigerian Foreign Ministry a draft over a year ago, and were still waiting for comments. She recalled that it had been en route to the Commonwealth Heads of Government Meeting in Lusaka in 1979 that she had heard of the then Nigerian Government's nationalisation of BP. That was the sort of action that made it difficult to attract new investment.

President Babangida said that Nigeria was setting up a National Industrial Coordinating Committee, one of whose tasks would be to provide security for investors. Nigeria envisaged in effect a general policy of protecting investment rather than bilateral arrangements. But he well understood the point that the Prime Minister was making. There were a lot of British companies in Nigeria, indeed some forty of them were quoted on the Stock Exchange. Very few of these had made new investments. He realised that the absence of an Investment Promotion and Protection Agreement might have been a factor in their calculations. He agreed to the Prime Minister's suggestion that these matters should be discussed further between the two Governments.

Temporarily Retained

CONFIDENTIAL

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

Oil

The Prime Minister observed that uncertainty over oil prices was obviously a complicating factor for the Nigerian Government. Britain hoped that prices would remain at a reasonable level. The British Government's own current budget had assumed a \$15 price. She noted that the Nigerian budget for 1988 was based on a price of \$16. She understood that Nigeria was adhering strictly to its OPEC quota. President Babangida said that the trouble was that others were not, with Iran being the most difficult. Moreover, demand was quite light. These were very sensitive matters for Nigeria, since oil was virtually its only source of foreign exchange.

Defence Matters

The Prime Minister referred to the proposals which had already been put to the Nigerian Government for clearing its military assistance debt to the United Kingdom by making over to the British Government the assets of the former West African Currency Board.

President Babangida said that he had very recently spoken to the Governor of the Central Bank and instructed him to settle this matter.

The Prime Minister continued that defence relations between Britain and Nigeria were good, and Britain valued them highly. President Babangida confirmed that in his view they were going very well. He attached great importance to them. There were three main elements: the British military training teams; defence equipment, where Nigeria still owed £10 million on the last major contract, but hoped this could be sorted out soon;

The Prime Minister confirmed that Britain would continue to co-operate with Nigeria in all three areas.

East/West Relations

The Prime Minister gave President Babangida an account of Mr Gorbachev and her analysis of developments in the Soviet Union and on arms control.

Regional Issues

The Prime Minister said that she was concerned about Soviet activities in Africa. This in turn stemmed from an assessment that, despite changes within the Soviet Union, Soviet external policy remained expansionary in nature. Soviet penetration of Ethiopia, Mozambique, Angola and Somalia was considerable. She had found her concerns shared by President Moi.

President Babangida said that he, too, shared these concerns, particularly in relation to Soviet arms shipments to Africa. He was very worried by the scale of Soviet and Cuban involvement in Angola. The problem lay squarely with the Soviet Union. He hoped that the Prime Minister would use her obviously considerable influence on Mr Gorbachev to discourage the Soviet Union from undermining stability in Africa. The Prime Minister said that one had to deal skilfully with the Soviet Union on these matters. When she had urged Mr Gorbachev to withdraw from Afghanistan, he had replied that the Soviet Union could not pull out until the Americans and the UK stopped supplying arms to the resistance. He would no doubt try to use similar arguments in Africa. But the circumstances were very different. People had the right to defend themselves against invasion and occupation. That was one reason why she backed the French Government in supporting Chad against Libya.

Angola

The Prime Minister continued that she had not met Savimbi, but understood him to be very talented and very able. She wondered how President Babangida saw the situation in Angola.

President Babangida said that he had discussed this with Secretary Shultz. He foresaw a stalemate in the civil war. Nigeria had some contacts with Savimbi. These had come about mostly because some of his officers had trained with Savimbi's and had remained in touch. They had been sounding him out on the possibility of stopping the war. He had also spoken to President Moi and they had agreed on the need for an African solution, that is that the two of them would try to bring the two sides together. It was absurd that more Angolans were losing their lives in the present conflict than in the struggle against the Portuguese. But it was clearly going to be very difficult to find a solution.

South Africa

The Prime Minister said there was no difference between her and President Babangida in wanting to see an end to apartheid. The only question concerned the most effective means. Change was taking place in South Africa but it was not fast enough. The main agents of change were progressive business companies. They were contributing to breaking down apartheid. If they were forced to pull out, one of the main forces for change would be removed. She felt it important to keep contact with South Africa if the UK was to have any influence there. At the same time one had to be careful not to give the South African Government an excuse to claim foreign interference. The British Government had a wide range of contacts in South Africa and was using them to urge progress on the lines proposed by the Commonwealth Eminent Persons Group. In particular Britain tried to bring home to President Botha the need to release Mandela and negotiate with all the parties in South Africa. At the same time the UK was providing very substantial financial aid to black South Africans and to the Front Line States, as well as military training for Zimbabwe and Mozambique. The UK's positive approach received insufficient recognition.

CONFIDENTIAL

The Prime Minister continued that President Babangida would be well aware of her opposition to sanctions. She believed sincerely that those they would hurt most of all would be black South Africans. Britain implemented faithfully the measures to which it had agreed. But the British Government believed that punitive sanctions were more likely to prolong apartheid than to end it. She had considered whether she should visit South Africa, but had decided that the moment was not appropriate. She would only want to go if she could be certain that there would be some positive development as a result of her visit. Otherwise it would be misconstrued and made to look like an endorsement of the South African Government's present policies. She kept coming back to the fundamental injustice and wrong which apartheid represented. She would be dealing with a number of these points in her speech at the President's dinner. She hoped he would accept that her views were sincerely held.

President Babangida said that he appreciated the sincerity of the Prime Minister's views. The Nigerian Government looked at the situation from an historical perspective. There had been so many disappointments in South Africa that they were forced back to the conclusion that sanctions were the only remaining option which had not yet been tried. It was 28 years since Mr Macmillan had talked of the wind of change for South Africa. But every subsequent effort had failed. This inevitably led to feelings of frustration in Africa. He was inclined to think that President Botha himself was the main obstacle to any progress. Nigeria had noticed some positive evolution in British policy, including abstention in place of a negative vote on a resolution concerning the Committee against Apartheid. He would be interested in the Prime Minister's view on the ANC. The Prime Minister said that she would not tolerate violence and recoiled at the ANC's use of the necklace and indiscriminate bombing. No organisation which used indiscriminate violence would have her support. We were not prepared, therefore, to deal with the ANC at full Ministerial level. President Babangida commented that the Prime Minister had clearly been provoked in Vancouver by remarks made by Mr Makatini of the ANC. The Prime Minister said that if the ANC would agree to suspend violence, the

CONFIDENTIAL

South African Government would be put on the spot. President Babangida asked about the role of moderates in South Africa. The Prime Minister said the picture was discouraging. The main opposition to the present South African Government now came from the extreme right.

President Babangida said that the talk confirmed that he and the Prime Minister agreed that apartheid must go but continued to have different views on how to achieve it. Nigeria felt that as long as President Botha was in charge there would be no change in South Africa. But he agreed with the Prime Minister that a solution would require negotiations between all the parties, as the Eminent Persons Group had recognised. The Prime Minister said that differences over sanctions should not spoil the friendship between Britain and Nigeria. President Babangida assented.

Middle East

President Babangida referred to the situation in Gaza and the West Bank. The Prime Minister said that it was a classic case of genuine grievance which had been allowed to fester for too long. We should all use the opportunity to press harder for progress towards an international conference to deal with Arab/Israel issues and act as a framework for bilateral negotiations between the parties. The British Government was pressing hard in this sense.

International Debt

President Babangida said that Nigeria very much welcomed Mr Lawson's initiative on debt and hoped that the Prime Minister would use her influence to secure wider acceptance for it.

Air Services

President Babangida said that the immediate problems over BCal had been solved. He understood there were shortly to be talks between experts.

Civil Service Reform

President Babangida said that he would be very interested to learn more about reforms which the British Government had carried out in the Civil Service. The Prime Minister said that the British Government would be very happy to help with advice on this, as well as on privatisation. She hoped that the President would let the British Government know how he would like this taken forward. They could arrange for experts to visit the United Kingdom.

Press

At the end of the meeting the Prime Minister and President Babangida agreed that the press should be given a summary of the main issues which they had discussed. Their talks should be characterised as being very free and conducted in an atmosphere of friendship, not agreeing on everything but respecting each others' sincerity.



Me
18
cc PC

Original filed on:
Kenya: PM visit Nov '87

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

15 January 1988

PRIME MINISTER'S VISIT TO KENYA AND NIGERIA

Thank you for your letter of 15 January enclosing the draft telegram of guidance to a number of posts abroad about the Prime Minister's visit to Kenya and Nigeria, which would also be the basis for briefing European Community Missions in London. I am perfectly content with the text.

C. D. Powell

Lyn Parker, Esq.,
Foreign and Commonwealth Office.



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

15 January 1988

This is the
reply to your letter
going to your reflecting
on the Africa visit. I think
it is all right as far as

Dear Charles, it goes. I shall have given you
the letter to Botha

Prime Minister's visit to Kenya and Nigeria

Thank you for your letter of 8 January on follow-up to the Prime Minister's visit to Africa.

The Foreign Secretary agrees that the outstanding success of the visit has confirmed that our policy on sanctions against South Africa is not incompatible with maintaining satisfactory, productive bilateral relationships with major black African countries. He is certain that the Prime Minister's visit has helped promote wider understanding in Africa of our South African policy - in particular by bringing home the message that our opposition to punitive economic sanctions in no way betokens support for apartheid. The public acknowledgement of this by President Babangida was particularly gratifying. It is a message which we must continue to hammer home in private contacts with receptive African leaders.

Sir Geoffrey Howe nevertheless notes that the public condemnation of our policies has bitten deep. Our posts in Africa will have to continue working hard to get across that opposition to sanctions does not equal support for apartheid. We shall need to continue putting a special effort into effective presentation of our South Africa policy as a whole, concentrating on the positive: our aid and efforts to promote negotiation. Genuine international sanctions pressure is now at a low ebb. But in Africa, especially, there is always the unpredictable: renewed unrest inside South Africa, the death of Mandela in prison, major aggression by the South Africans against their neighbours or developments in US politics could make matters difficult for us once more.

The Foreign Secretary welcomes the proposal that the Prime Minister should convey her conclusions on South Africa to President Botha. I enclose a draft on which Mr Renwick has been consulted. The basic message on the need for the South African Government to move on reform is the one conveyed orally by Mr Renwick after the Vancouver CHOGM (my letter of 8 December 1987). On this

original
filed on: KENYA:
Pm's visit
Nov '87.

giving you
the letter
to Botha
Botha
separately
CDD
15/1
ms

[Renwick]



occasion, Foreign Secretary considers that a written message would be more appropriate. This should be handed over by Mr Renwick, if possible to P W Botha personally, or failing that to the Head of his Office. As you proposed, we have referred to the private realism of major black African leaders as an additional, pressing argument why President Botha should take steps which would strengthen their acceptance of the need for a negotiated solution and their ability publicly to say so.

Sir Geoffrey Howe is not optimistic that, in terms of substance, President Botha will respond positively. As Mr Renwick made clear in his most recent review of the internal South African scene (I enclose for ease of reference copies of Pretoria telnos 299 and 300), the National Party are preoccupied with fighting off the very real electoral threat from the extreme right wing. Their success will be measured at municipal elections in October this year. A general election is due in 1989, but might be brought forward to coincide with the local elections. Until these two hurdles have been cleared, it is most unlikely that President Botha will feel able to proceed with major reforms or genuine steps towards fundamental political change. Indeed, Sir Geoffrey Howe is inclined to agree with President Babangida that there will be no fundamental change in South Africa so long as President Botha is in charge. It nevertheless serves our purpose to keep up the pressure on him and his government.

The draft also includes a brief reference to the concern of Presidents Moi and Babangida about Soviet policies in Africa. We shall be writing separately on this and on Angola.

On the other points you raise, Sir Geoffrey will be asking Mr Patten to consider what more we can do to achieve at home (and in Africa itself) greater appreciation of and support for our aid effort in sub-Saharan Africa. The Foreign Secretary also agrees that we should continue to take a high profile in promoting the Chancellor's debt initiative, which continues to have strong potential for earning us further political capital in black Africa and more widely. We shall continue to present it as parallel with and complementary to the efforts of the IMF and World Bank on Africa's behalf, as well as the general thrust of our aid policy. Meanwhile, you may wish to copy your letter of 8 January and this reply to the Treasury.



Finally, we are following up the points on which we owe answers to the Kenyans and Nigerians.

Yours ever,

A handwritten signature in cursive script, which appears to read 'L. Parker'.

(L Parker)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

SECRET



Original filed on:
KENYA: PM VISIT
Nov '87.

Foreign and Commonwealth Office

London SW1A 2AH

15 January 1988

Dear Charles,

Prime Minister's visit to Kenya and Nigeria

We should like to send guidance to African, EC and a number of other posts on the Prime Minister's visit to Kenya and Nigeria. I should be grateful to know whether the enclosed draft is acceptable.

We should also like to give a Community briefing to representatives of EC Missions in London. Patrick Fairweather would do this. Unless there is any objection, he would propose to base the briefing on the enclosed draft, though in the usual way he might go slightly further than the telegram.

Yours ever,

(L Parker)
Private Secretary

Classification

Caveat

Precedence

UNCLASSIFIED

IMMEDIATE

CZC
C
AVEAT
M
O
ELNO
F
ND TO

1 ZCZC
 2 UNCLASSIFIED
 3
 4 FM FCO
 5 TO AFRICAN POSTS
 6 TELNO GUIDANCE
 7 OF 131600Z JANUARY 88
 8 AND TO EC POSTS, OTHER COMMONWEALTH POSTS
 9 WASHINGTON, UKMIS NEW YORK
 10
 11 PRIME MINISTER'S VISIT TO KENYA AND NIGERIA, 4-8 JANUARY 1988
 12 INTRODUCTION
 13
 14 1. THE PRIME MINISTER PAID OFFICIAL VISITS TO KENYA,
 15 4-7 JANUARY AND TO NIGERIA, 7-8 JANUARY. IN DISCUSSION WITH
 16 YOUR LOCAL CONTACTS, YOU MAY DRAW SELECTIVELY AS YOU THINK
 17 APPROPRIATE ON THE FOLLOWING:
 18
 19 LINE TO TAKE
 20
 21 2. THIS WAS THE FIRST VISIT BY A BRITISH PRIME MINISTER TO
 22 INDEPENDENT KENYA AND THE FIRST TO NIGERIA SINCE 1978. IT WAS
 23 ALSO THE PRIME MINISTER'S FIRST VISIT TO AFRICA SINCE CHOGM IN
 24 LUSAKA IN 1979.
 25
 26 3. THE MAIN PURPOSE WAS TO STRENGTHEN THE UK'S BILATERAL TIES
 27 WITH TWO IMPORTANT BLACK AFRICAN COUNTRIES IN WHOSE CONTINUING
 28 STABILITY AND PROSPERITY WE (AND THE WEST) HAVE A MAJOR
 29 INTEREST. THE VISIT WAS ALSO AN OPPORTUNITY FOR THE PRIME
 MINISTER TO SEE FOR HERSELF SOMETHING OF THE AFRICAN REALITY.
 4. THE VISIT WAS VERY SUCCESSFUL. THE PRIME MINISTER HAD

RYYY
MAY
ADDITIONAL
VNNH

Catchword

FRIENDLY

File number

Dept

Drafted by (Block capitals)

Telephone no

SF2ABG

Authorised for
despatch by:

Initials

Date time

For COD
use only

Cancer reference

Telegram number

Processed by

FRIENDLY AND USEFUL TALKS WITH PRESIDENTS MOI AND BABANGIDA. IN KENYA SHE SAW A NUMBER OF AID PROJECTS WITH WHICH THE UK HAS BEEN ASSOCIATED. THE VISIT WAS ALSO A CONSIDERABLE POPULAR SUCCESS, ATTRACTING LARGE CROWDS IN BOTH COUNTRIES.

5. CONTRARY TO THE IMPRESSION CREATED IN SOME OF THE MEDIA, THE ISSUE OF SOUTH AFRICA AND SANCTIONS DID NOT DOMINATE DISCUSSIONS. IT IS CLEAR THAT BOTH PRESIDENTS MOI AND BABANGIDA ACCEPT THE SINCERITY OF OUR DESIRE TO SEE AN END TO APARTHEID (YOU SHOULD DRAW ATTENTION TO THE TERMS EMPLOYED BY THE PRIME MINISTER TO DENOUNCE APARTHEID IN HER SPEECHES IN NAIROBI AND LAGOS - COPIED TO POSTS IN THE VERBATIM SERIES) AND ARE DETERMINED THAT DIFFERENCES ON THE WAY TO END APARTHEID SHOULD NOT BE ALLOWED TO OBSTRUCT THE MAINTENANCE AND DEVELOPMENT OF GOOD RELATIONS BETWEEN THEIR COUNTRIES AND THE UK. THE IMPORTANCE OF OUR POSITIVE MEASURES IN FAVOUR OF BLACK SOUTH AFRICANS AND THE FRONT LINE STATES WAS RECOGNISED.

ADDITIONAL POINTS

6. THE BULK OF THE PRIME MINISTER'S TALKS WAS DEVOTED TO BILATERAL ISSUES AND INTERNATIONAL QUESTIONS OF INTEREST TO BOTH PARTIES, INCLUDING:

- A) DEBT AND INTERNATIONAL FINANCIAL QUESTIONS. THE PRIME MINISTER EXPRESSED ADMIRATION FOR THE EFFORTS BEING MADE IN BOTH COUNTRIES TO RESOLVE THEIR ECONOMIC PROBLEMS. SHE ENCOURAGED THEM TO PERSIST IN THEIR EFFORTS TO REACH STAND-BY ARRANGEMENTS WITH THE IMF. IN BOTH COUNTRIES THE PRIME MINISTER WAS COMMENDED FROM THE CHANCELLOR'S DEBT INITIATIVE.
- B) INVESTMENT. BOTH COUNTRIES ARE INTERESTED IN MORE UK INVESTMENT. THIS WILL BE DISCUSSED AT A CBI SEMINAR ON KENYA IN FEBRUARY AND AT THE UK-NIGERIA BILATERAL DISCUSSIONS WHICH WILL TAKE PLACE AT CHEVENING,

15-16 MARCH.

- C) THE IMPORTANCE OF THE DEFENCE RELATIONSHIP WITH THE UK EMERGED CLEARLY IN BOTH COUNTRIES, AS DID THEIR CONCERN ABOUT SOVIET AND CUBAN INFLUENCE IN AFRICA.
- D) BOTH LEADERS WERE APPRECIATIVE OF OUR AID EFFORT (WE HAVE BEEN THE MAJOR AID DONOR TO KENYA OVER THE LAST FIVE YEARS).
7. IF ASKED WHETHER THE PRIME MINISTER'S VISIT IS LIKELY TO LEAD TO A CHANGE IN THE DIRECTION OF UK POLICY TOWARDS BLACK AFRICA, YOU SHOULD SAY THAT WE DO NOT ENVISAGE ANY MAJOR CHANGES. BUT:
- VISIT WAS USEFUL CONFIRMATION THAT THERE IS NOW BETTER UNDERSTANDING OF, IF NOT SUPPORT FOR, OUR POLICY TOWARDS SOUTHERN AFRICA AND THAT OUR POSITION ON SANCTIONS IS PERFECTLY COMPATIBLE WITH MAINTAINING A PRAGMATIC, INDEED FRIENDLY, RELATIONSHIP WITH BLACK AFRICAN STATES.
 - WE SHALL CONTINUE TO USE OUR CONTACTS TO URGE THE NEED FOR CHANGE ON THE SAG. REALISTICALLY, CHANGE WILL ONLY COME ABOUT THROUGH NEGOTIATIONS. A START SHOULD BE MADE BY RELEASING MANDELA.
 - IF THE PRIME MINISTER THOUGHT IT COULD HELP, SHE WOULD BE PREPARED TO GO TO SOUTH AFRICA. BUT NOW IS NOT THE RIGHT MOMENT. A VISIT WOULD BE MISCONSTRUED AS OFFERING SUPPORT TO THE SAG.
 - WE SHALL CONSIDER WHAT SCOPE THERE IS FOR US TO USE OUR INFLUENCE, IN CONJUNCTION WITH CONCERNED BLACK AFRICAN COUNTRIES, TO REDUCE CUBAN AND SOVIET INFLUENCE IN AFRICA.
 - AID ALLOCATIONS FOR SUB-SAHARAN AFRICA HAVE BEEN INCREASED IN THE LAST YEAR OR TWO. WE EXPECT TO MAINTAIN THIS EFFORT.
 - WE SHALL CONTINUED OUR EFFORTS TO OBTAIN WIDER SUPPORT FOR THE CHANCELLOR'S DEBT INITIATIVE, THE IMPORTANCE OF WHICH IS NOW WIDELY RECOGNISED IN AFRICA AS AN IMPORTANT

CONTRIBUTION

UNCLASSIFIED

IMMEDIATE

CONTRIBUTION TO RESOLVING THE CONTINENT'S DEBT PROBLEMS

8. KENYA: HUMAN RIGHTS (DEFENSIVE POINT TO DRAW ON IF ASKED). KENYA'S HUMAN RIGHTS RECORD IS GOOD. IN THE CONTEXT OF RECENT ALLEGATIONS OF ABUSES, PRESIDENT MOI HAS GIVEN A NUMBER OF PUBLIC UNDERTAKINGS OVER THE PAST YEAR. IN HIS SPEECH AT THE OFFICIAL BANQUET HE SAID THAT THE PROTECTION OF HUMAN RIGHTS WAS ONE OF THE MAIN OBJECTIVES OF KENYA'S STRUGGLE FOR INDEPENDENCE. IT WOULD THEREFORE BE A BETRAYAL OF THIS STRUGGLE IF THESE RIGHTS WERE DENIED TO KENYANS.

9. KENYA/UGANDA (DEFENSIVE POINT). THE UNITED KINGDOM HAS WORKED DIPLOMATICALLY BEHIND THE SCENES TO HELP BRING ABOUT THE MEETING ON 28 DECEMBER BETWEEN PRESIDENTS MOI AND MUSEVENI. WE HOPE THAT THIS WILL LEAD TO RENEWED CONTACTS AT BOTH MINISTERIAL AND OFFICIAL LEVEL TO AVOID THE RECURRENCE OF THE BORDER DISPUTE WHICH LED TO LOSS OF LIVES IN DECEMBER 1987.

HOWE

YYYY

PERSONAL AND CONFIDENTIAL



File

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 January 1987 *8*

Thank you for your letter of 22 December. As it happens, President Babangida did not specifically raise the question of capital aid, but the Prime Minister read the detailed brief on the aeroplane as we flew in, and I know that she found it most useful for the more general discussions.

I assume that you will have seen the record of the discussions through the usual channels. If there are any points on which you want further detail do let me know.

P. A. BEARPARK

Barrie Hudson, Esq.,
Overseas Development Administration.

PERSONAL AND CONFIDENTIAL

cc



10 DOWNING STREET
LONDON SW1A 2AA

VC
File afo
(revise)

THE PRIME MINISTER

11 January 1988

Dear General Nwachukwu,

I wish to express my warm appreciation of your hospitality during my visit to Nigeria. I was delighted to be able to pay the visit and to have such a thorough talk with the President and with you. The time was too short, but we nonetheless managed to cover a great deal of ground. I hope that you will agree with me that we have as a result improved very significantly the understanding between our two countries.

I shall be very grateful if you could pass on my warm appreciation to all those concerned with the arrangements for my visit, both in Lagos and in Kano. They were exemplary and we could not have been made more comfortable or welcome. I am very grateful.

We are looking forward to your visit in March and the resumption of the regular high level talks between our two governments. In the meantime, my husband joins me in sending warm good wishes to you and Mrs Nwachukwu.

Yours sincerely

Margaret Thatcher

Major General Ike Nwachukwu

16



Dec 87
LUCAPT
re: R

10 DOWNING STREET
LONDON SW1A 2AA

Copied to
Kenya: PM Visit
Dec 87.

From the Private Secretary

11 January 1988

PRIME MINISTER'S VISIT TO KENYA AND NIGERIA

There are two substantial points on which we need to consider how to follow up the Prime Minister's visits to Kenya and Nigeria.

In the case of Kenya, it is a matter of how we should approach the BBC. There are various possibilities. Either Bernard Ingham or I could get in touch directly with Mr. Hussey (as I did on the occasion of President Moi's visit to London, when the matter was last raised), or it could be done by the Foreign Secretary or a Foreign Office Minister. I should be grateful for very early advice.

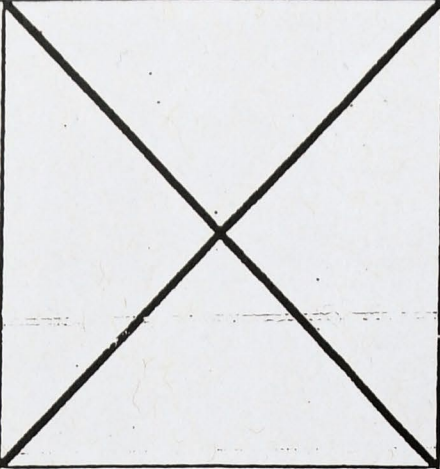
As regards Nigeria, the Prime Minister is anxious to reply rapidly to President Babangida on the point about the terms for the £200 million for ECGD cover. I should be grateful if the DTI could let me have a very early report on the position and their intentions in future discussions with the Nigerians.

I am copying this letter to Alison Brimelow (Department of Trade and Industry) and to Alex Allan (H.M. Treasury).

CHARLES POWELL

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

<p>DEPARTMENT/SERIES</p> <p>PIECE/ITEM (one piece/item number)</p>	<p>Date and sign</p>
<p>Extract details: letter from Powell to Parker dated 8 January 1988</p>	
<p>CLOSED UNDER FOI EXEMPTION</p>	
<p>RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958</p>	<p>17/7/88 M. L.</p>
<p>TEMPORARILY RETAINED</p>	
<p>MISSING AT TRANSFER</p>	
<p>NUMBER NOT USED</p>	
<p>MISSING (TNA USE ONLY)</p>	
<p>DOCUMENT PUT IN PLACE (TNA USE ONLY)</p>	

CONFIDENTIAL

SUBJECT CC
MASTER



JP
CPC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

8 January, 1988.

Dear Lyn,

PRIME MINISTER'S MEETING WITH PRESIDENT BABANGIDA: LIBYA

The Prime Minister has told me that, during the official Nigerian dinner in her honour, she had some discussion with President Babangida about Libya. The President said that he had met Qadhafi since the American bombing raid. He thought that he had become rather less extreme, and doubted whether he was actively engaged in supporting terrorism. He described Qadhafi as a religious fanatic and slightly unbalanced, but did not regard him as a serious threat. The Prime Minister cautioned President Babangida against underestimating Qadhafi whose capacity for evil was very considerable. She commented afterwards that she had found Babangida disturbingly naive on this subject.

Yours sincerely,

C.D. Powell

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

VC

SUBJECT cc MASTER



10 DOWNING STREET

From the Private Secretary

7 January 1988

Dear Lynn,

PRIME MINISTER'S MEETING WITH THE PRESIDENT OF THE FEDERAL REPUBLIC OF NIGERIA AT STATE HOUSE, LAGOS, ON THURSDAY, 7 JANUARY, 1988

The Prime Minister had a meeting with President Babangida at State House in Lagos this afternoon. Their talk lasted an hour and forty minutes. The Nigerian Foreign Minister was also present.

The meeting was very friendly and affable, and covered a considerable amount of ground. The President clearly preferred to conduct the talks in a very small group, and showed no sign of wanting to enlarge the meeting at any stage. He did not raise a number of contentious issues which might have been expected to figure, such as Dikko/Yusufu and visas. I should record that the Nigerian Foreign Minister took only intermittent notes. How much of the talk will filter through to other parts of the Nigerian Government machine is an open question.

Bilateral Relations

President Babangida started by thanking the Prime Minister for finding the time to visit Nigeria. It was important that the two of them should get to know each other. He was very sorry that he had not been able to attend the Commonwealth Heads of Government Meeting in Vancouver. Britain and Nigeria had enjoyed a very good relationship over a long period. He hoped that he and the Prime Minister could strengthen that relationship further at their level. There was much in common between Britain and Nigeria. Of course there were some differences here and there, but that was quite normal.

The Prime Minister thanked President Babangida for the warmth of his welcome. Nigeria meant a great deal to Britain, and was also very important to the economic and political life of the free world. If President Babangida succeeded in his policies, others in Africa would be encouraged to follow the same path. We supported his efforts fully, and would do everything we could to improve relations between Britain and Nigeria. She hoped that the President would accept an invitation to come to Britain as a guest of the Government at a convenient moment. President Babangida thanked the Prime Minister, and remarked that Britain had a good ally in him.

CONFIDENTIAL

Nigerian Economy

President Babangida said that he wished to thank the Prime Minister most sincerely for Britain's wonderful support for Nigeria's structural adjustment programme. The Prime Minister said that she had followed the President's efforts to set the economy on a sounder footing very closely, and had read his recent budget speech. There were still some worrying features, notably the size of the deficit and the risk of inflation from the proposed reflationary package; also the absence of action on petroleum subsidies. On this last point, however, she understood that the Nigerian Government had left open the possibility of taking action to the extent they thought public opinion would tolerate it. She understood the political constraints. The President was the best judge of what the Nigerian people could and would endure. However, she liked to say that politics was the art of persuading people to do the impossible. She hoped that Nigeria would reach a further standby arrangement with the IMF. The United Kingdom would do its best to help. The IMF would be tough, but not unreasonable.

President Babangida said that the Nigerian authorities considered the deficit fairly modest. They were also aware of the risk of inflation. There were many other positive features in the recent budget including further privatisation and steps to institutionalise the foreign exchange market. In general, his strategy was to take advantage of the breathing space afforded by debt rescheduling. In reply to a question from the Prime Minister, the President said that he was quite confident about the economic prospects for 1988. As regards the petroleum subsidy, he hoped to deal with this in the wider context of removing prices from Government control. His experience had been that, when the Nigerian people had the facts placed before them, they understood the need for tough policies. The trouble was that where distortions had been present in the economy for a long time, it was difficult to get rid of them. The Prime Minister agreed with this last point, which had also been our own experience in the United Kingdom. She added that the discussion of the Nigerian economy in the IMF Executive Board on 6 January had gone reasonably well, with considerable understanding for Nigeria's difficulties.

Credit

President Babangida said that he was most grateful for the offer of a further £200 million line of credit. But there was an important issue to be resolved on the terms of this. Nigeria was seeking a two year grace period and a five year period for payments. However, the ECGD wanted to treat each case on its merits. The Prime Minister said that she understood that there were to be further contacts between the Nigerian authorities and the ECGD about this. She would look into it on her return. It would of course be necessary to settle the question of Nigeria's arrears. However, she understood that the Nigerian Central Bank was about to pay these. In that case, we could agree to negotiations to finance the completion of the water supply project in Niger State, and she would be able to announce that in her speech at the Nigerian Government's dinner that evening. She understood that the President supported this project. President Babangida confirmed the arrears were being paid, adding with a broad and cheerful grin that the project was of great political interest to him.

Uninsured Debts

President Babangida volunteered that there had been considerable delay in trying to verify uninsured debt claims. But some £3.5 billion of promissory notes had already been issued. He could assure the Prime Minister that all debt claims which were verified would be met. The Prime Minister said that she understood there was to be a creditors' meeting in London shortly. We were very concerned by the possibility that debts which had not been checked and validated by 31 December 1987 would simply be rejected. She understood, however, from reading a recent speech by the Finance Minister, that this was not necessarily the case. It would still be open to creditors to have their claims validated. President Babangida appeared to assent to this (but without great conviction).

Trade

President Babangida rereferred in passing to the imbalance in the United Kingdom's favour in trade with Nigeria. He had noted the supportive reference in the Prime Minister's interview with "This Week" to Nigeria's export-orientated drive for growth. He hoped that support would be reflected in the trend of the trade balance.

Investment

The Prime Minister said that, if Nigeria wanted to restore foreign trade and investment, people must know where they stood. In this context we thought that an Investment Promotion and Protection Agreement could play a helpful role. We had sent the Nigerian Foreign Ministry a draft over a year ago, and were still waiting for comments. She recalled that it had been en route to the Commonwealth Heads of Government Meeting in Lusaka in 1979 that she had heard of the then Nigerian Government's nationalisation of BP. That was the sort of action that made it difficult to attract new investment.

President Babangida said that Nigeria was setting up a National Industrial Co-ordinating Committee, one of whose tasks would be to provide security for investors. Nigeria envisaged in effect a general policy of protecting investment rather than bilateral arrangements. But he well understood the point that the Prime Minister was making. There were a lot of British companies in Nigeria, indeed some forty of them were quoted on the Stock Exchange. Very few of these had made new investments. He realised that the absence of an Investment Promotion and Protection Agreement might have been a factor in their calculations. He agreed to the Prime Minister's suggestion that these matters should be discussed further between the two Governments.

Oil

The Prime Minister observed that uncertainty over oil prices was obviously a complicating factor for the Nigerian Government. We hoped that prices would remain at a reasonable level. Our own current budget had assumed a \$15 price. She noted that the Nigerian budget for 1988 was based on a price of \$16. She

SECRET
DEDIP
FM CABINET OFFICE LONDON
TO DESKBY 090800Z LAGOS
TELNO MISC 9
OF 082250Z JANUARY 88

3

FOLLOWING FOR HIGH COMMISSIONER FROM CHARLES POWELL
INCIDENT IN KANO.

IN VIEW OF LURID REPORTS IN THE BRITISH PRESS ABOUT THE MINOR
INCIDENT JUST BEFORE THE DURBAR, THE NO. 10 PRESS OFFICE
PUT OUT THE FOLLOWING STATEMENT THIS EVENING:

QUOTE ALL THE PRIME MINISTER'S PARTY ARE FEELING FINE AND NO ONE
WAS HURT. IT WAS A BRIEF MOMENT WHEN THE CROWD SURGED TOWARDS
THE STEPS LEADING UP TO THE BALCONY FOR VIEWING THE DURBAR.
THE PRIME MINISTER'S PARTY GOT CAUGHT BETWEEN THE SECURITY
CORDON AND THE REST OF THE GROUP AND FOUND IT RATHER FRIGHTENING.
BUT NO ONE HAS ANY COMPLAINT AND, SO FAR AS NO. 10 IS
CONCERNED, THE INCIDENT DID NOT MAR A HIGHLY SUCCESSFUL TOUR
UNQUOTE.

YOU WILL WANT TO DRAW THIS TO THE ATTENTION OF THE NIGERIANS.

CYLNAN

NNNN

understood that Nigeria was adhering strictly to its OPEC quota. President Babangida said that the trouble was that others were not, with Iran being the most difficult. Moreover, demand was quite light. These were very sensitive matters for Nigeria, since oil was virtually its only source of foreign exchange.

Military Training

The Prime Minister referred to the proposals which had already been put to the Nigerian Government for clearing its military assistance debt to the United Kingdom by making over to us the assets of the former West African Currency Board in London. If that could be agreed, we would be prepared to write off the remaining £2½ million.

President Babangida said that he had very recently spoken to the Governor of the Central Bank and instructed him to settle this matter. (I am not entirely sure that he may not have been referring in fact to the arrears of the ECGD debt.)

The Prime Minister continued that defence relations between Britain and Nigeria were good, and we valued them highly. President Babangida confirmed that in his view they were going very well. He attached great importance to them. There were three main elements: the British military training teams; defence equipment, where Nigeria still owed £10 million on the last major contract, but hoped this could be sorted out soon;

The Prime Minister confirmed that we would continue to co-operate with Nigeria in all three areas.

Temporarily Retained

East/West Relations

The Prime Minister gave President Babangida an account of Mr. Gorbachev and her analysis of developments in the Soviet Union and on arms control.

Regional Issues

The Prime Minister said that she was concerned about Soviet activities in Africa. This in turn stemmed from an assessment that, despite changes within the Soviet Union, Soviet external policy remained expansionary in nature. Soviet penetration of Ethiopia, Mozambique, Angola and Somalia was considerable. She had found her concerns shared by President Moi.

President Babangida said that he, too, shared these concerns, particularly in relation to Soviet arms shipments to Africa. He was very worried by the scale of Soviet and Cuban involvement in Angola. The problem lay squarely with the Soviet Union. He hoped that the Prime Minister would use her obviously considerable influence on Mr. Gorbachev to discourage the Soviet Union from undermining stability in Africa. The Prime Minister said that one had to deal skilfully with the Soviet Union on these matters. When she had urged Mr. Gorbachev to withdraw from Afghanistan, he had replied that the Soviet Union could not pull out until the Americans and the UK stopped supplying arms to the resistance. He would no doubt try to

use similar arguments in Africa. But the circumstances were very different. People had the right to defend themselves against invasion and occupation. That was one reason why she backed the French Government in supporting Chad against Libya. President Babangida did not react to this last point.

Angola

The Prime Minister continued that she had not met Savimbi, but understood him to be very talented and very able. She wondered how President Babangida saw the situation in Angola.

President Babangida said that he had discussed this with Secretary Shultz. He foresaw a stalemate in the civil war. Nigeria had some contacts with Savimbi. These had come about mostly because some of his officers had trained with Savimbi's and had remained in touch. They had been sounding him out on the possibility of stopping the war. He had also spoken to President Moi and they had agreed on the need for an African solution, that is that the two of them would try to bring the two sides together. It was absurd that more Angolans were losing their lives in the present conflict than in the struggle against the Portuguese. But it was clearly going to be very difficult to find a solution.

South Africa

The Prime Minister said there was no difference between her and President Babangida in wanting to see an end to apartheid. The only question concerned the most effective means. Change was taking place in South Africa but it was not fast enough. The main agents of change were progressive companies like BP, Shell and Unilever. They were contributing to breaking down apartheid. If they were forced to pull out, one of the main forces for change would be removed. She felt it important to keep contact with South Africa if we were to have any influence there. At the same time one had to be careful not to give the South African Government an excuse to claim foreign interference. We had a wide range of contacts in South Africa and were using them to urge progress on the lines proposed by the Commonwealth Eminent Persons Group. In particular we tried to bring home to President Botha the need to release Mandela and negotiate with all the parties in South Africa. At the same time we were providing very substantial financial aid to black South Africans and to the Front Line States, as well as military training for Zimbabwe and Mozambique. Our positive approach received insufficient recognition.

The Prime Minister continued that President Babangida would be well aware of her opposition to sanctions. She believed sincerely that those they would hurt most of all would be black South Africans. We implemented faithfully the measures to which we had agreed. But we believed that punitive sanctions were more likely to prolong apartheid than to end it. She had considered

whether she should visit South Africa, but had decided that the moment was not appropriate. She would only want to go if she could be certain that there would be some positive development as a result of her visit. Otherwise it would be misconstrued and made to look like an endorsement of the South African Government's present policies. She kept coming back to the fundamental injustice and wrong which apartheid represented. She would be dealing with a number of these points in her speech at the President's dinner. She hoped he would accept that her views were sincerely held.

President Babangida said that he appreciated the sincerity of the Prime Minister's views. The Nigerian Government looked at the situation from a historical perspective. There had been so many disappointments in South Africa that they were forced back to the conclusion that sanctions were the only remaining option which had not yet been tried. It was 28 years since Mr. Macmillan had talked of the wind of change for South Africa. But every subsequent effort had failed. This inevitably led to feelings of frustration in Africa. He was inclined to think that President Botha himself was the main obstacle to any progress. Nigeria had noticed some positive evolution in British policy, including abstention in place of a negative vote on a resolution concerning the report of the Committee on Apartheid. He would be interested in the Prime Minister's view on the ANC. The Prime Minister said that she would not tolerate violence and recoiled at the ANC's use of the necklace and indiscriminate bombing. No organisation which used indiscriminate violence would have her support. We were not prepared, therefore, to deal with the ANC at full Ministerial level. President Babangida commented that the Prime Minister had clearly been provoked in Vancouver by remarks made by Mr. Makatini of the ANC. The Prime Minister said that if the ANC would agree to suspend violence, the South African Government would be put on the spot. President Babangida asked about the role of moderates in South Africa. The Prime Minister said the picture was discouraging. The main opposition to the present South African Government now came from the extreme right.

President Babangida said that the talk confirmed that he and the Prime Minister agreed that apartheid must go but continued to have different views on how to achieve it. Nigeria felt that as long as President Botha was in charge there would be no change in South Africa. But he agreed with the Prime Minister that a solution would require negotiations between all the parties, as the Eminent Persons Group had recognised. The Prime Minister said that differences over sanctions should not spoil the friendship between Britain and Nigeria. President Babangida assented vigorously to this.

Middle East

President Babangida referred to the situation in Gaza and the West Bank. The Prime Minister said that it was a classic case of genuine grievance which had been allowed to fester for

too long. We should all use the opportunity to press harder for progress towards an international conference to deal with Arab/Israel issues and act as a framework for bilateral negotiations between the parties. We were pressing the United States hard in this sense.

International Debt

President Babangida said that Nigeria very much welcomed Mr. Lawson's initiative on debt and hoped that the Prime Minister would use her immense influence to secure wider acceptance for it.

Air Services

President Babangida said that the immediate problems over B.Cal had been solved. He understood there were shortly to be talks between experts.

Civil Service Reform

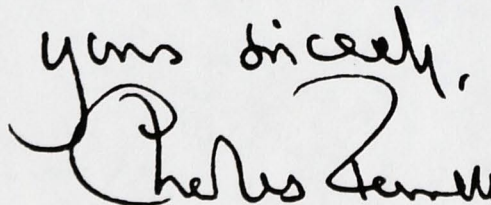
President Babangida said that he would be very interested to learn more about reforms which the British Government had carried out in the Civil Service. The Prime Minister said that we would be very happy to help with advice on this, as well as on privatisation. She hoped that the President would let us know how he would like this taken forward. We could arrange for experts to visit the United Kingdom under the COI's auspices.

Press

At the end of the meeting the Prime Minister and President Babangida agreed that the press should be given a summary of the main issues which they had discussed. Their talks should be characterised as being very free and conducted in an atmosphere of friendship, not agreeing on everything but respecting each others sincerity.

As a postscript, I should record that the Prime Minister and President Babangida had a short talk at State House on the Friday morning. The President said again that he was reasonably optimistic about the way ahead. Apart from the economy, the main tasks were to carry out a census, and to conduct local elections on party lines. The Prime Minister said that she would follow up the point which the President had raised with her about the £200 million line of credit. Finally the President said that he would like to remain in close touch with the Prime Minister ("if there's trouble I'll shout"). It would be helpful if there could be direct contact between his office and hers.

I am copying this letter to Alex Allan (HM Treasury), Alison Brimelow (Department of Trade and Industry), Brian Hawtin (Ministry of Defence), Philip Mawer (Home Office) and to Trevor Woolley (Cabinet Office).

Yours sincerely,


(CHARLES POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

Duty Clerk

arrived Lagos 9.30
this time

CONFIDENTIAL

122670
MDHIAN 2541

CONFIDENTIAL
FM UKDEL IMF/IBRD WASHINGTON
TO DESKBY 070730Z LAGOS
TELNO 1
OF 062300Z JANUARY 88
AND TO DESKBY 070900Z FCO

FOR PRIME MINISTER'S PARTY
IMF: NIGERIA - 1987 ARTICLE IV CONSULTATION

SUMMARY

UNCONTROVERSIAL DISCUSSION. GENERAL RECOGNITION OF ACHIEVEMENTS OF STRUCTURAL ADJUSTMENT PROGRAMME (SAP) BUT WIDESPREAD CALLS FOR TIGHTER FISCAL POLICY AND FURTHER LIBERALISATION OF FOREIGN EXCHANGE SYSTEM.

DETAIL

2. THE IMF BOARD TODAY COMPLETED THE 1987 ARTICLE IV DISCUSSION.
3. DIRECTORS WELCOMED THE PROGRESS ACHIEVED FOLLOWING THE INTRODUCTION OF THE SAP AND THE DEVALUATION OF THE NAIRA IN PARTICULAR. THEY NOTED THAT THERE WERE ENCOURAGING SIGNS THAT THE PRIVATE SECTOR WAS RESPONDING TO THE IMPROVED INCENTIVES FOR PRODUCING AND EXPORTING.
4. DESPITE THESE POSITIVE DEVELOPMENTS, DIRECTORS EXPRESSED CONCERN ABOUT THE SLIPPAGES IN THE SAP. THEY URGED THE AUTHORITIES TO TAKE THE MEASURES NEEDED TO GET THE PROGRAMME BACK ON TRACK AND TO AGREE A NEW STANDBY ARRANGEMENT WITH THE FUND.
5. DIRECTORS REGRETTED THE LARGE OVERSHOOT IN THE FISCAL DEFICIT IN 1987. THEY STRESSED THE NEED FOR TIGHTER FISCAL POLICIES AND SEVERAL QUESTIONED WHETHER THE 1988 BUDGET (WHICH THE STAFF DESCRIBED AS 'EXPANSIONARY') WAS APPROPRIATE. THEY NOTED IN PARTICULAR THE NEED TO ALLOW THE EFFECTS OF THE DEVALUATION TO FEED THROUGH INTO DOMESTIC PRICES. TO IMPROVE THE PERFORMANCE OF THE PARASTATAL ENTERPRISES AND TO REDUCE THE PETROLEUM SUBSIDY.
6. WHILE WELCOMING THE DEVALUATION OF THE NAIRA, DIRECTORS URGED THE AUTHORITIES TO REMOVE THE RESTRICTIONS ON THE FOREIGN EXCHANGE MARKET.

CONFIDENTIAL

122670
MDHIAN 2541

7. MOST INTERVENTIONS WERE FAIRLY LOW-KEY. DALLARA (US) WAS BY SOME WAY THE MOST HOSTILE. HE STRESSED THAT THE POSITIVE IMPACT OF THE SAP MIGHT EVAPORATE UNLESS THE ADJUSTMENT EFFORT WAS STRENGTHENED AND CALLED FOR EARLY ACTION IN THE FISCAL, MONETARY AND EXCHANGE RATE AREAS.

8. I SPOKE TO YOUR TELNO 261. WHILE RECOGNISING THAT MUCH HAD BEEN ACHIEVED UNDER THE SAP AND THAT THE BROAD THRUST OF THE PROGRAMME REMAINED APPROPRIATE, I REGRETTED THE SLIPPAGES WHICH HAD EMERGED. I STRESSED THE NEED TO TACKLE THESE SHORTCOMINGS IN ORDER TO ALLOW EARLY AGREEMENT ON A NEW STAND BY ARRANGEMENT WITH THE FUND.

8. FCO PLEASE ADVANCE TO DRUMMOND, RICHARDSON (ERD), EVANS (HMT) AND WARE (BANK OF ENGLAND)

LANKESTER

YYYY

DISTRIBUTION

153

MAIN 153

MONETARY

WAD

NNNN

ZCZC
HPNAAN 2212 OCMIAN 6204
CONFIDENTIAL
O 061300Z NAIRO
FM FCO LN TO NAIRO
061300Z JAN
GRS 628

CONFIDENTIAL
FM FCO
TO DESKBY 061300Z NAIROBI
TELNO 18
OF 061300Z JANUARY 88
AND TO DESKBY 061300Z LAGOS
INFO IMMEDIATE UKDEL IMF/IBRD WASHINGTON

NAIROBI FOR PRIME MINISTERS PARTY
LAGOS TELNOS 1, 2 AND 6: NIGERIAN BUDGET

1. NEITHER WE NOR THE IMF STAFF HAVE HAD CHANCE TO STUDY THE NIGERIAN BUDGET ANNOUNCED ON 31 DECEMBER IN DETAIL. WE THEREFORE RECOMMEND THAT THE PRIME MINISTER SHOULD TREAT THE SUBJECT CAUTIOUSLY IN ANY PUBLIC DISCUSSION. IN HER TALKS WITH BABANGIDA SHE MAY WISH TO TAKE A MORE INTERROGATIVE APPROACH, DRAWING ATTENTION TO OUR MAIN AREAS OF CONCERN, AND DRAWING ON THE FOLLOWING POINTS:

- LIKE OTHER CREDITORS WE ARE OF COURSE VERY INTERESTED IN YOUR RECENT BUDGET AND ARE STUDYING IT CAREFULLY. DO YOU ENVISAGE ANY DIFFICULTY IN SECURING IMF ENDORSEMENT, WHICH ALL CREDITORS WILL REGARD AS PARTICULARLY IMPORTANT? WHAT DO YOU SEE AS THE KEY ISSUES IN YOUR FORTHCOMING DISCUSSIONS WITH THE IMF?

- GLAD TO SEE THAT YOU ENVISAGE A MUCH LOWER FISCAL DEFICIT IN 1988 THAN 1987, BUT WE WONDER WHETHER YOUR PROPOSALS TO CUT THE DEFICIT GO FAR ENOUGH. DO YOU ENVISAGE ACTION TO CUT THE PETROLEUM SUBSIDY WHICH APPEARS THE SIMPLEST WAY TO TACKLE THE FISCAL DEFICIT?

- WE ARE GLAD TO LEARN OF THE REVISIONS TO THE TARIFF STRUCTURE. THIS WILL BE WELCOME TO THE BUSINESS COMMUNITY.

- WE UNDERSTAND YOU HAVE SET ASIDE 1.7 BILLION DOLLARS FOR DEBT SERVICE. WILL THIS BE ENOUGH TO MEET YOUR DEBT SERVICE COMMITMENTS? ONE DANGER IN CUTTING DEBT SERVICE PAYMENTS TOO FAR WILL BE THE DISCOURAGEMENT IT PROVIDES TO OFFICIAL AND COMMERCIAL CREDITORS TO PROVIDE NEW LOANS. /

BACKGROUND (NOT FOR USE)

2. UKDEL IMF/IBRD HAVE DISCUSSED THE BUDGET WITH THE FUND STAFF. THEY HAD RECEIVED ONLY SKETCHY DETAILS OF THE PACKAGE,

WE WILL WANT TO LEAVE IT TO IMF STAFF TO PURSUE DETAILED TECHNICAL NEGOTIATIONS WITH THE NIGERIANS.

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

3. THE STAFF WERE DISAPPOINTED BY THE BUDGET: IT WOULD NOT MAKE ANY EASIER TO AGREE A NEW STANDBY ARRANGEMENT BUT AT LEAST THERE HAD BEEN NO WHOLESAL REVERSAL OF THE ADJUSTMENT PROGRAMME. TOO LITTLE HAD BEEN DONE TO STRENGTHEN THE FISCAL POSITION: A 14 PERCENT DEFICIT OUTTURN IN 1987 AGAINST AN IMF TARGET OF 3 PERCENT, AND A TARGET IN THE BUDGET FOR 1988 OF ABOUT 6.5 PERCENT. REVENUE PROJECTIONS SEEM TO ASSUME REMOVAL OF ONE HALF OF THE PETROLEUM SUBSIDY, BUT NO DETAILS HAVE BEEN ANNOUNCED. WE ESTIMATE THAT RAISING PETROLEUM PRICES TO INTERNATIONAL LEVELS WOULD RAISE SOME NAIRA 3.5 BILLION IN EXTRA REVENUE, THOUGH WE ACCEPT THAT SUCH PRICE INCREASES WOULD BE POLITICALLY UNPOPULAR. THERE APPEARS TO BE NO EASY ALTERNATIVE. WE WILL BE LOOKING FOR FURTHER ACTION IN THE FISCAL DEFICIT AND MONETARY POLICY BEFORE AGREEING A NEW IMF PROGRAMME.

4. IMF STAFF WERE ALSO CONCERNED ABOUT THE AMOUNT (1.7 BILLION DOLLARS) SET ASIDE FOR DEBT SERVICE. ASSUMING THAT THEY GIVE THESE CREDITORS PRIORITY THIS WOULD ONLY BE SUFFICIENT TO MAKE PAYMENTS TO THE IBRD, PARIS CLUB AND PROMISSORY NOTE HOLDERS. THERE WOULD BE NOTHING LEFT FOR COMMERCIAL BANKS AND OTHER OFFICIAL CREDITORS. THIS WOULD BE A KEY AREA FOR THE NEXT ROUND OF IMF DISCUSSIONS WITH THE AUTHORITIES.

5. OTHER AREAS OF CONCERN WITH THE BUDGET ARE THE RELAXATION OF MONETARY POLICY WHICH FOLLOWS CREDIT OVER-RUNS LAST YEAR WHICH WILL SERVE ONLY TO INCREASE INFLATIONARY PRESSURES. IN ADDITION THE RE-DISCOUNT RATE WAS CUT FROM 15 PERCENT TO 12.75 PERCENT IN DECEMBER. RESPONSIBILITY FOR COLLECTION OF CUSTOMS AND EXCISE DUTY HAS BEEN REMOVED FROM THE CUSTOMS AND EXCISE DEPARTMENT AND WILL DEVOLVE ON THE BANKING SYSTEM. NO DETAILS HAVE BEEN MADE AVAILABLE, BUT THIS SEEMS FRAUGHT WITH DANGERS.

6. COMMERCIAL BANKS ARE LOOKING FOR AN IMF AGREEMENT BEFORE END MARCH 1988: OTHERWISE THEIR OFFER OF 320 MILLION DOLLARS NEW MONEY AND RESCHEDULING WILL LAPSE.

HOWE

OCMIAN 6204

NNNN

CONFIDENTIAL

FM LAGOS

TO IMMEDIATE ECGD

TELNO EXCED 4

OF 061325Z JANUARY 88

AND TO IMMEDIATE FCO, TREASURY, NAIROBI (FOR PM'S PARTY)

INFO IMMEDIATE BANK OF ENGLAND, DTI, KADUNA

INFO PRIORITY ODA, UKDEL IMF/IBRD WASHINGTON

MY EXCED 89: MORATORIUM INTEREST

1. I HAVE CONTINUED TO PRESS THE MINISTER OF FINANCE'S OFFICE SINCE MY TUR FOR ACTION ON PAYMENT OF THE OUTSTANDING MORATORIUM INTEREST. HOWEVER, OKONGWU HAS BEEN WHOLLY TAKEN UP WITH THE BUDGET PREPARATIONS AND SPEECHES, AND ONLY TODAY, 6 JANUARY, HAVE I MANAGED TO GET TO SEE HIM.

2. OKONGWU ASSURED ME THAT HE HAD GIVEN INSTRUCTIONS FOR THE PAYMENT OF ALL THE OUTSTANDING MORATORIUM INTEREST ON RECONCILED AND CONFIRMED DEBT, CALCULATED ON THE BASIS OF THE NIGERIAN INTERPRETATION OF THE AGREEMENT.

3. IN MY PRESENCE, OKONGWU TELEPHONED THE GOVERNOR OF THE CENTRAL BANK, CONFIRMED THE INSTRUCTIONS HE HAD GIVEN AND SAID THAT A MEMBER OF HIS MINISTRY WAS AT THAT MOMENT AT THE CENTRAL BANK TO ENSURE THAT THE MATTER WAS DEALT WITH AND INSTRUCTIONS SENT IMMEDIATELY TO HAVE THE SUMS IN QUESTION PAID FROM THE BANK OF ENGLAND ACCOUNT. A MEMBER OF MY STAFF IS NOW GOING TO THE CENTRAL BANK TO TRY TO ESTABLISH THAT THIS HAS BEEN DONE.

4. IT WOULD BE HELPFUL IF THE BANK OF ENGLAND COULD LET US KNOW AS SOON AS INSTRUCTIONS HAVE BEEN RECEIVED.

EWANS

YYYY

LAHPAN 6848

NNNN

ZCZC
HPNAAN 2123 LAHPAN 6810
CONFIDENTIAL
DD 051700Z NAIRO
FM LAGOS TO NAIRO
051425Z JAN
GRS 604

CONFIDENTIAL
FM LAGOS
TO DESKBY 051700Z NAIROBI
TELNO 054
OF 051425Z JANUARY 88
AND TO IMMEDIATE FCO

PRIME MINISTER'S VISIT

SUMMARY

1. DISCUSSION WITH EXTERNAL AFFAIRS MINISTER NWACHUKWU. USE OF VC10 BETWEEN LAGOS AND KANO AGREED. NIGERIANS WOULD LIKE THE PRIME MINISTER TO GIVE A PRESS CONFERENCE IN KANO AT CONCLUSION OF VISIT.

DETAIL

2. I CALLED ON THE NEW MINISTER OF EXTERNAL AFFAIRS, GENERAL NWACHUKWU, THIS MORNING TO GO OVER THE ARRANGEMENTS FOR THE VISIT. THREE POINTS OF SUBSTANCE EMERGED.

USE OF VC10 (FCO TELNO 875 OF 14 DECEMBER)

3. NWACHUKWU SAID THAT, CONTRARY TO THEIR NORMAL PRACTICE, THE NIGERIAN GOVERNMENT WERE PREPARED TO AGREE THAT THE PRIME MINISTER SHOULD FLY IN HER OWN AIRCRAFT BETWEEN LAGOS AND KANO. THIS ON THE UNDERSTANDING THAT IF PRESIDENT BABANGIDA WERE TO VISIT BRITAIN AT ANY TIME, HE WOULD SIMILARLY BE ABLE TO USE HIS OWN AIRCRAFT. RECIPROCITY WAS NEEDED IN ORDER TO DEAL WITH ANY QUERIES WHICH MIGHT ARISE IN NIGERIA AS TO WHY THE PRIME MINISTER HAD BEEN ALLOWED THIS CONCESSION. I THANKED NWACHUKWU WARMLY AND SAID THAT, AS FAR AS I WAS AWARE, WE WOULD HAVE NO DIFFICULTY ABOUT PRESIDENT BABANGIDA USING HIS OWN AIRCRAFT IN THE UK.

4. NWACHUKWU URGED STRONGLY THAT THE PRIME MINISTER SHOULD GIVE A PRESS CONFERENCE AT SOME POINT DURING HER VISIT. NIGERIANS WOULD EXPECT HER TO SAY SOMETHING OF HER IMPRESSIONS OF THE COUNTRY AND OF HOW THE VISIT HAD GONE, AND WOULD REGARD IT AS VERY CURIOUS IF SHE WERE TO DEPART WITHOUT TAKING THE TROUBLE TO DO THIS. THE NIGERIAN GOVERNMENT WERE THEREFORE TAKING THE LIBERTY OF MAKING ARRANGEMENTS FOR A PRESS CONFERENCE AT KANO AIRPORT, IMMEDIATELY BEFORE THE PRIME MINISTER'S DEPARTURE, AND VERY MUCH HOPED THAT SHE WILL BE WILLING TO GO ALONG WITH THIS.

5. IN RESPONSE I EMPHASISED THAT THERE WAS NO RELUCTANCE ON THE PART OF THE PRIME MINISTER TO MEET THE NIGERIAN PRESS, ALTHOUGH PERHAPS MORE INFORMALLY, IN THE COURSE OF HER VISIT. SHE MIGHT FOR EXAMPLE HAVE A SHORT EXCHANGE WITH THEM IMMEDIATELY AFTER HER DISCUSSIONS WITH THE PRESIDENT, BUT I WAS WITHOUT INSTRUCTIONS ON THE QUESTION OF A FORMAL CONFERENCE AND WOULD HAVE TO CONSULT THE PRIME MINISTER.

COMMENT

6. WE HAVE ALREADY BEEN RECEIVING QUERIES FROM THE LOCAL MEDIA ABOUT THE APPARENT ABSENCE OF A PRESS CONFERENCE AND I THINK THAT THE NIGERIAN GOVERNMENT MAY BE NERVOUS THAT THEY MAY COME UNDER SOME CRITICISM FOR NOT HAVING MADE PROVISION FOR ONE. THEY MAY ALSO BE WORRIED THAT THE IMPRESSION MAY GET AROUND FROM THE ABSENCE OF A PRESS CONFERENCE THAT THE VISIT HAD NOT BEEN AS SUCCESSFUL AS IT MIGHT HAVE BEEN. KANO IS NOT THE BEST PLACE FOR A PRESS CONFERENCE, IN THAT THE FACILITIES ARE NOT TOO GOOD, THE CALIBRE OF THE LOCAL CORRESPONDENTS IS UNLIKELY TO BE HIGH AND THE MEDIA WILL INEVITABLY FACE DELAYS IN GETTING THEIR STORIES OUT. HOWEVER, I NOTE FROM YOUR TELNO 865 OF 11 DECEMBER THAT A PRESS CONFERENCE AT KANO IS NOT RULED OUT, PROVIDED THAT I CONSIDER THAT THERE WOULD BE OVERRIDING DIFFICULTIES IF ONE DID NOT TAKE PLACE AT ALL. IN THE LIGHT OF THESE STRONG REPRESENTATIONS FROM THE NIGERIAN GOVERNMENT, I NOW THINK IT WOULD INDEED BE DESIRABLE FOR THE PRIME MINISTER TO SPEND 10-15 MINUTES WITH THE MEDIA AT KANO IMMEDIATELY PRIOR TO HER DEPARTURE. THE NIGERIANS MAY HAVE A POINT IN THINKING THAT A WRONG IMPRESSION OF THE VISIT MIGHT OTHERWISE BE DRAWN.

FORMAT OF THE TALKS

7. I SPOKE TO NWACHUKWU ON THE LINES OF FCO TELNO 937. I SAID THAT WE WERE VERY MUCH HOPING THAT THERE WOULD BE THE OPPORTUNITY FOR MORE FORMAL TALKS AT CHEVENING IN MARCH, TO WHICH SIR GEOFFREY HOWE HAD INVITED NWACHUKWU IN HIS WELCOMING MESSAGE. NWACHUKWU SEEMED TO SEE NO DIFFICULTY ABOUT THIS.

EWANS

YYYY
NAIROBI FOR PRIME MINISTER'S PARTY

LAHPAM 6810

NNNN

CONFIDENTIAL
FM LAGOS
TO DESKBY 051730Z NAIROBI
TELNO 008
OF 051635Z JANUARY 88
AND TO IMMEDIATE FCO

NAIROBI FOR PRIME MINISTER'S PARTY

MY TELNO 054: PRIME MINISTER'S VISIT

SUMMARY

1. STATE CHIEF OF PROTOCOL SUGGESTS FURTHER LAST MINUTE CHANGES TO THE KANO PROGRAMME, INCLUDING A PRESS CONFERENCE.

DETAIL

2. AT THE SAME TIME THAT I WAS CALLING ON THE NEW MINISTER OF EXTERNAL AFFAIRS, MY HEAD OF CHANCERY WAS HOLDING DISCUSSIONS WITH UDU THE STATE CHIEF OF PROTOCOL ABOUT SOME OF THE DETAILS OF THE PROGRAMME. IT EMERGED FROM THESE THAT THE MILITARY GOVERNOR OF KANO STATE HAD BEEN SUMMONED YESTERDAY TO LAGOS BY THE PRESIDENT FOR DISCUSSION OF THE KANO PART OF THE VISIT. IT SEEMS THAT IN SPITE OF REPEATED ASSURANCES FROM THE KANO AUTHORITIES THAT THE PRAYER TIME WOULD NOT INTERFERE WITH THE PROGRAMME, THE MILITARY GOVERNOR NOW FEELS THAT IT WOULD BE IMPOLITIC TO BE ABSENT FROM THE MOSQUE BETWEEN 1300 AND 1430. HE HAS THEREFORE SECURED THE AGREEMENT OF DODAN BARRACKS TO A DEFERRAL OF THE LUNCH FOR THE PRIME MINISTER UNTIL 1430.

3. MARTIN MADE CLEAR TO UDU THAT THE INTRODUCTION OF THIS LAST MINUTE CHANGE TO THE PROGRAMME WAS MOST INCONVENIENT, AS IT WOULD DELAY MRS THATCHER'S DEPARTURE FOR LONDON. INDEED HE WONDERED WHETHER IT WOULD NOT BE PREFERABLE TO CANCEL THE LUNCH ALTOGETHER AND BRING FORWARD THE DEPARTURE. UDU, WHO WAS APOLOGETIC, OBJECTED TO THIS PLAN ON THE GROUNDS THAT DURING THE PRAYER TIME IT WOULD NOT BE POSSIBLE TO HOLD THE DEPARTURE CEREMONIES.

4. A DISCUSSION FOLLOWED ON HOW THE PROGRAMME COULD BE FILLED BETWEEN 1300 AND 1430. IN THE COURSE OF THIS, UDU MENTIONED THE IDEA OF THE PRESS CONFERENCE, REPORTED IN MY TUR. HE THOUGHT THAT THE GOVERNOR'S RESIDENCE WOULD BE AN APPROPRIATE VENUE FOR THIS. AFTER A TELEPHONE CONVERSATION BETWEEN UDU AND THE MINISTER OF EXTERNAL AFFAIRS, THE FORMER ASSURED MARTIN THAT THE PRESS WOULD BE STRICTLY CONTROLLED AND WOULD NOT BE ALLOWED TO BEHAVE AGGRESSIVELY. (UDU DID NOT (REPEAT NOT) MAKE ANY REFERENCE TO THE POSSIBILITY OF A CONFERENCE AT KANO AIRPORT.) UNU PREDICTED THAT THERE WOULD BE HOSTILE COMMENT UNLESS THE PRIME MINISTER SPENT 10 OR 20 MINUTES WITH THE NIGERIAN PRESS. HE ADDED THAT THERE SEEMED LITTLE POINT IN TAKING A LARGE NIGERIAN PRESS PARTY TO KANO ON THE NIGERIAN AIRCRAFT UNLESS THERE WAS SOME OPPORTUNITY FOR THEM TO SPEAK TO THE PRIME MINISTER.

5. LIKE ME, MARTIN TOLD UDU THAT WE HAD NO INSTRUCTIONS ABOUT A PRESS CONFERENCE AND WOULD NEED TO CONSULT THE PRIME MINISTER'S PARTY. IN THE MEANWHILE HE PRESSED FOR THE OMISSION OF THIS ITEM FROM THE PRINTED PROGRAMME.

COMMENT

6. IT IS MOST UNFORTUNATE THAT THE MILITARY GOVERNOR OF KANO STATE SHOULD ONLY NOW HAVE REALISED THAT THE PRAYER TIME WOULD INTERFERE WITH HIS LUNCH. I SUSPECT IN FACT, FROM OTHER REMARKS MADE TO US BY MINISTRY OF EXTERNAL AFFAIRS OFFICIALS, THAT HE HAS BEEN PUT UP TO THIS BY THE EMIR OF KANO WHO WOULD OTHERWISE BE UNABLE TO ATTEND THE LUNCH. ON THE BRIGHT SIDE, THIS DOES CREATE A GAP IN THE PROGRAMME DURING WHICH THE PRIME MINISTER COULD MEET THE MEDIA. THE FACILITIES AT THE GOVERNOR'S RESIDENCE ARE AS GOOD AS ANY IN KANO AND IF A PRESS CONFERENCE IS TO BE HELD AT ALL DURING THE KANO PART OF THE VISIT, THIS VENUE WOULD BE PREFERABLE TO THE AIRPORT.

EWANS

YYYY

LAHPAN 6818

NNNN

CONFIDENTIAL

FM FCO

TO DESKBY 052100Z NAIROBI

TELNO 14

OF 051959Z JANUARY 88

AND TO IMMEDIATE LAGOS

FOR PRIME MINISTER'S PARTY.

LAGOS TELNO 6 TO NAIROBI: PRIME MINISTER'S VISIT TO NIGERIA:
MILITARY ASSISTANCE

1. IF SIR M EWANS IS SATISFIED THAT THE NIGERIAN MILITARY LEADERSHIP WILL NOT BE EMBARRASSED BY PUBLIC MENTION OF THEIR DEBT TO THE MOD, WE ARE PREPARED TO AGREE TO A MORE SPECIFIC REFERENCE IN THE PRIME MINISTER'S BANQUET SPEECH.

2. WE WOULD, HOWEVER, ADVISE STRONGLY AGAINST ANY PUBLIC REFERENCE TO THE ACTUAL SUM WHICH WE PROPOSE TO WRITE OFF, ON THE GROUNDS THAT:

(A) DESPITE SEVERAL ATTEMPTS BY OUR HIGH COMMISSION SINCE THE OFFER WAS ORIGINALLY PUT TO THEM IN MID-OCTOBER, THE NIGERIANS HAVE YET TO AGREE TO THE WEST AFRICAN CURRENCY BOARD PROPOSAL, ON WHICH THE WRITE OFF MUST DEPEND. UNLESS A CLEAR AND UNAMBIGUOUS ASSURANCE HAS BEEN RECEIVED FROM BABANGIDA IN ADVANCE OF THE PRIME MINISTER'S VISIT THAT THE NIGERIANS NOW ACCEPT THAT THE BALANCE OF THE DEBT WILL BE OFFSET BY THE WACB ASSETS, WE SHOULD STEER CLEAR OF MAKING A SPECIFIC OFFER IN PUBLIC WHICH MIGHT SIMPLY BE POCKETED. (NOT LEAST BECAUSE THE DEBT IS ITSELF RISING AT A RATE OF POUNDS STERLING 225,000 PER MONTH).

(B) AS TO THE SENSITIVITIES OF THE UNINSURED CREDITORS IN BRITAIN THE PRIME MINISTER WILL HERSELF BE AWARE OF THE GROUNDSWELL OF DISCONTENT AMONGST UK COMPANIES OVER THE NIGERIANS' HANDLING OF THESE DEBTS. WE REMAIN CONVINCED THAT AGAINST THIS BACKGROUND ANY OFFERS OF FINANCIAL ASSISTANCE TO THE NIGERIANS MUST BE HANDLED CAREFULLY IN PUBLIC, NOT LEAST GIVEN THE LARGE CONTINGENT OF BRITISH JOURNALISTS ACCOMPANYING THE PRIME MINISTER'S PARTY. IN RECENT DAYS SEVERAL BRITISH NEWSPAPERS HAVE DRAWN ATTENTION TO THE UNINSURED DEBT PROBLEM AS ONE WHICH THE PRIME MINISTER WILL WANT TO RAISE WITH THE NIGERIANS. OVER-EMPHASIS OF OUR GENEROSITY TOWARDS NIGERIA'S MILITARY DEBTS COULD WELL BE MISINTERPRETED DOMESTICALLY.

3. WE THEREFORE, RECOMMEND THAT THE FOLLOWING WORDS BE ADDED TO THE LAST SENTENCE IN PARA 3 OF OUR TELNO 6 TO NAIROBI:
QUOTE INCLUDING AN OFFER BY THE BRITISH GOVERNMENT TO PROVIDE FINANCIAL ASSISTANCE FOR NIGERIA'S MILITARY TRAINING NEEDS.
UNQUOTE

HOWE

000000 0174

CONFIDENTIAL
FM FCO
TO DESKBY 052100Z NAIROBI
TELNO 11
OF 051955Z JANUARY 88
AND TO IMMEDIATE LAGOS

FOR PRIME MINISTERS PARTY

LAGOS TELNO 054 (SIC) TO NAIROBI: PRIME MINISTER'S VISIT TO NIGERIA

1. WE HAVE CONSIDERED SIR M EWANS' ADVICE ON HOLDING A PRESS CONFERENCE IN NIGERIA IN THE LIGHT OF THE PRESSURE FROM THE NEW NIGERIAN FOREIGN MINISTER. OUR VIEW REMAINS THAT A FULL BLOWN PRESS CONFERENCE WOULD BE UNDESIRABLE: THE NIGERIAN PRESS HAS SHOWN ITSELF TO BE CONSISTENTLY HOSTILE BOTH TO UK POLICIES IN SOUTHERN AFRICA AND ON OCCASSION TO THE PRIME MINISTER HERSELF. THE LEOPARD IS UNLIKELY TO CHANGE ITS SPOTS, AS WITNESS THE ANTANGONISTIC NATURE OF MANY OF THE QUESTIONS PUT TO THE PRIME MINISTER IN THE WRITTEN INTERVIEW GRANTED TO QUOTE THIS WEEK UNQUOTE.
2. SINCE HOWEVER THE NIGERIAN GOVERNMENT HAVE ALREADY QUOTE TAKEN THE LIBERTY UNQUOTE OF MAKING ARRANGEMENTS FOR A PRESS CONFERENCE AT KANO AIRPORT, THERE COULD BE MERIT IN THE PRIME MINISTER MAKING A SHORT STATEMENT TO THE PRESS THERE ON HER DEPARTURE, WITHOUT QUESTIONS.
IF THE NIGERIANS CHOOSE TO CALL THIS A PRESS CONFERENCE, SO BE IT.

HOWE

ZCZC
HPNAAN 2126 LAHPAN 6815
CONFIDENTIAL
DD 051700Z NAIRO
FM LAGOS TO NAIRO
051515Z JAN
GRS 354

CONFIDENTIAL
FM LAGOS
TO DESKBY 051700Z NAIROBI
TELNO 06
OF 051515Z JANUARY 88
AND TO DESKBY 051700Z FCO

FCO TELNO 006 TO NAIROBI


PRIME MINISTER'S VISIT TO NIGERIA: MILITARY ASSISTANCE

1. IT SEEMS TO ME THAT WE ARE IN DANGER OF MISSING A CONSIDERABLE OPPORTUNITY HERE. I DO NOT (NOT) AGREE THAT BABANGIDA AND THE SENIOR MEMBERS OF THE NIGERIAN ARMED FORCES WOULD BE EMBARRASSED IF THE PRIME MINISTER WERE TO ANNOUNCE THAT WE WERE RETROSPECTIVELY PREPARED TO PROVIDE £2.5 MILLION IN RESPECT OF MILITARY TRAINING COSTS. NOR DO I AGREE THAT THE NIGERIANS WOULD OBJECT TO OUR BEING SEEN TO BE CHOOSING THIS PARTICULAR RELIEF RATHER THAN SOME OTHER. THE POSSIBILITY OF OUR WRITING OFF THE £5 MILLION ODA LOAN HAS NEVER BEEN MENTIONED HERE, AND I SHOULD NOT BE AT ALL SURPRISED IF THE NIGERIANS HAD ALTOGETHER FORGOTTEN THAT IT IS STILL OUTSTANDING.
2. I ALSO BELIEVE THAT WE ARE BEING ALTOGETHER TOO SENSITIVE ABOUT THE UNINSURED CREDITORS. OUR ARGUMENT WITH THEM, AS OVER THE PROVISION OF THE NEW ECGD CREDIT PACKAGE, IS SURELY THAT THE MORE WE CAN EASE THE STRAIN ON NIGERIA'S FINANCIAL RESOURCES, THE EASIER IT WILL BE FOR THE NIGERIANS TO MAKE SOME CONCESSIONS IN THEIR FAVOUR.
3. THE CANADIANS HAVE RECENTLY MADE A CONSIDERABLE AMOUNT OF MILEAGE HERE BY WRITING OFF OUTSTANDING NIGERIAN OFFICIAL DEVELOPMENT LOANS. INDEED THEY HAVE BEEN POSITIVELY DUPLICITOUS IN LETTING IT BE UNDERSTOOD THAT WHAT THEY HAVE DONE IS TO WRITE OFF ALL NIGERIA'S OFFICIALLY-INSURED DEBTS TO CANADA. CONVERSELY, WE HAVE BEEN COMING UNDER RECENT FIRE FOR ALLEGEDLY HAVING TAKEN A HARD LINE ON NIGERIAN UNDEBTEDNESS WITHOUT MAKING NEW RESOURCES AVAILABLE.
4. I THEREFORE VERY MUCH HOPE THAT WE CAN SEIZE THIS OPPORTUNITY TO REDRESS THE BALANCE. INDEED, IT WOULD BE A THOUSAND PITIES TO PASS IT UP. IT WOULD REPRESENT SOMETHING VERY CONCRETE AS AN OUTCOME OF THE PRIME MINISTER'S VISIT AND SHOW THAT WE ARE PREPARED TO MATCH WORDS WITH DEEDS, IN AN AREA OF CONSIDERABLE IMPORTANCE TO THIS MILITARY GOVERNMENT. THE PASSAGE IN PARA 3 OF TUR COULD PERHAPS STAND, WITH THE ADDITION OF WORDING ALONG THE LINES OF THE SECOND SENTENCE OF PARA 1 ABOVE.

EWANS

YYYY
NAIROBI FOR PRIME MINISTER'S PARTY

LAHPAN 6815

DEPARTMENT/SERIES <p style="text-align: center;">PREM 19</p> PIECE/ITEM (one piece/item number)	Date and sign
Extract details: Telegram No 10 dated 5 January 1986	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	17/7/18 <i>M. W.</i>
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

FM FCO
TO DESKBY 050530Z NAIROBI
TELNO 006
OF 042152Z JANUARY 88
AND TO DESKBY 050730Z LAGOS

FOR PRIME MINISTER'S PARTY

MIPT: PRIME MINISTER'S VISIT TO NIGERIA: MILITARY ASSISTANCE

1. WE HAVE NO DOUBT THAT THE PROPOSAL TO WRITE OFF 2.5 MILLION POUNDS OF THE DEBT TO THE MOD WILL BE VERY WELL RECEIVED BY BABANGIDA. THE LINE TO TAKE WHEN MAKING THIS GESTURE IS IN GALSORTHY'S LETTER OF 30 DECEMBER TO POWELL. WE WOULD STRESS IN PARTICULAR THE NEED TO LINK IT WITH OUR ASSURANCE THAT WE ARE PREPARED TO CONTRIBUTE THROUGH UKMTAS TOWARDS THE EXTERNAL COSTS OF PRESENT AND FUTURE MILITARY TRAINING BY BRITISH LOAN SERVICE PERSONNEL, THEREBY HELPING TO ENSURE SOUNDER FINANCING OF BRITISH MILITARY TRAINING IN FUTURE IN NIGERIA.
2. WE WOULD, HOWEVER, ADVISE AGAINST THE WRITE-OFF BEING SPECIFICALLY REFERRED TO IN PUBLIC. WE BELIEVE THAT THE EXISTENCE OF THE DEBT TO THE MOD IS A SENSITIVE ISSUE FOR SENIOR MEMBERS OF THE NIGERIAN ARMED FORCES, AND INDEED FOR BABANGIDA HIMSELF. THEY MIGHT WELL THEREFORE BE EMBARRASSED TO HAVE THE DEBT MENTIONED PUBLICLY, EVEN IN THE CONTEXT OF SUCH A GESTURE. IN ADDITION, IT MIGHT ALSO LEAD TO CRITICISM IN NIGERIA THAT WHILE WE ARE PREPARED TO WRITE OFF MILITARY DEBTS, WE ARE NOT PREPARED TO BE AS GENEROUS FOR OTHER DEBTS (INCLUDING THE 5 MILLION POUNDS ODA LOAN). SIMILARLY IN THE CONTEXT OF COMMERCIAL UNINSURED DEBT, WE DO NOT WISH TO GIVE RISE TO DEMANDS FROM BRITISH UNINSURED CREDITORS FOR SPECIAL ARRANGEMENTS FOR THEM.
3. WE RECOMMEND THEREFORE THAT IN HER SPEECH THE PRIME MINISTER SHOULD REFER TO THE GESTURE IN GENERAL TERMS ONLY, AND PROPOSE THE FOLLOWING PASSAGE:
BEGINS. "ONE ASPECT OF OUR RELATIONS WHICH IS PARTICULARLY IMPORTANT TO US, AND, I BELIEVE, TO YOU, IS THE MILITARY ONE. OUR LINKS ARE SUBSTANTIAL AND LONGSTANDING. THE PRESIDENT AND I DEVOTED SOME TIME TO DISCUSSING THEM TODAY, AND I AM PLEASED TO BE ABLE TO ANNOUNCE THAT WE HAVE AGREED WAYS IN WHICH TO PUT THIS RELATIONSHIP ON A FIRMER FOOTING" ENDS.
4. FOR LAGOS: MIFT CONTAINS THE TEXT OF THE PRIME MINISTER'S SPEECH. ON RECEIPT OF A TRIGGER TELEGRAM FROM NAIROBI, YOU MAY, AS INSTRUCTED IN OUR TELNO 936, HAND A COPY TO THE NIGERIANS. IN DOING SO, YOU SHOULD MENTION THAT THERE ARE LIKELY TO BE TWO SHORT ADDITIONS TO THE TEXT, BUT STRESS THAT THESE WILL AFFECT ONLY THE PASSAGES ON BILATERAL ISSUES.
5. IN ADDITION, (AGAIN ON RECEIPT OF CONFIRMATION BY TRIGGER TELEGRAM FROM NAIROBI) IF TIME PERMITS YOU SHOULD ALERT THE NIGERIANS TO THE FACT THAT THE PRIME MINISTER INTENDS IN HER TALKS WITH BABANGIDA TO MAKE A GESTURE OFFERING TO WRITE OFF THE 2.5 MILLION POUND DEBT TO THE MOD WHICH WOULD REMAIN ONCE THE NIGERIANS HAVE AGREED TO THE ASSETS FROM THE WACB BEING USED TO OFFSET THE REST OF THE DEBT. IF AT ALL POSSIBLE YOU SHOULD IN PREPARATION FOR THIS GO OVER THE GROUND AGAIN WITH THE PRESIDENT AND/OR THE MINISTER OF DEFENCE REINFORCING THE LINE YOU HAVE ALREADY TAKEN ON MOD DEBT (YOUR TELNO 1201) IE THAT THE NIGERIANS SHOULD CONFIRM THAT THEY ACCEPT THE WACB OFFER NOW: THAT WE ARE READY, ONCE THE DEBT IS CLEARED, TO MAKE A CONTRIBUTION TO THE EXTERNAL COSTS OF LSP ALREADY IN NIGERIA: BUT THAT WE WILL EXPECT THEM TO MEET REMAINING COSTS OF TRAINING (BOTH IN-COUNTRY AND IN THE UK) PROMPTLY IN ACCORDANCE WITH THE MOU, IE QUARTERLY IN ADVANCE.
6. SEE MY 2 IFTS FOR CURRENT TEXT OF SPEECH.

HOWE

OCMIAN 5894

CONFIDENTIAL

FM FCO

TO DESKBY 050530Z NAIROBI

TELNO 005

OF 042155Z JANUARY 88

AND TO DESKBY 050730Z LAGOS

FOR PRIME MINISTER'S PARTY

PRIME MINISTER'S VISIT TO NIGERIA: COMMERCIAL DEBT

1. FURTHER TO POWELL'S LETTER OF 31 DECEMBER TO PARKER, WE RECOMMEND THE FOLLOWING PASSAGE ON FINANCING FOR THE WATER SUPPLY PROJECT FOR INCLUSION IN THE PRIME MINISTER'S BANQUET SPEECH. THE SENTENCE IN BRACKETS IS FOR USE IN THE EVENT THAT THE NIGERIANS HAVE NOT CLEARED BY 7 JANUARY A REASONABLE PROPORTION (I.E. 23 MILLION POUNDS) OF THEIR ARREARS TO ECGD. AS YET, THEY HAVE NOT DONE SO. ECGD ARE FOLLOWING UP WITH LAGOS. BEGINS. IN PARTICULAR, I AM PLEASED TO ANNOUNCE THAT (AS SOON AS CERTAIN OUTSTANDING TECHNICAL MATTERS HAVE BEEN SORTED OUT) WE INTEND TO PROCEED SPEEDILY WITH NEGOTIATIONS TO FINANCE THE COMPLETION OF THE WATER SUPPLY PROJECT IN NIGER STATE BEING UNDERTAKEN BY BIWATER. THIS IS AN IMPORTANT AND WORTHWHILE PROJECT WHICH I KNOW THAT YOU MR PRESIDENT ARE ANXIOUS TO SEE OMPLETED. ENDS.

2. SEE MIFT FOR MILITARY ASSISTANCE.

HOWE

OCMIAN 5893

NNNN

RESTRICTED
FM NAIROBI
TO FLASH LAGOS
TELNO 2
OF 041810Z JANUARY 88

FOLLOWING FOR HIGH COMMISSIONER FROM CHARLES POWELL

YOUR TELNO 1 TO NAIROBI: PRESS LUNCH

1. WE SEE NO OBJECTION TO THE NIGERIAN MINISTER FOR EXTERNAL AFFAIRS GIVING LUNCH TO THE ACCOMPANYING PRESS PARTY AND WILL CERTAINLY INFORM THEM OF HIS INTENTION. WE CANNOT, OF COURSE, GUARANTEE THAT THEY WILL ALL TURN UP.
2. WE WOULD NOT WANT TO PROPOSE TO THE NIGERIANS THAT THEY INVITE ANY OFFICIALS. BUT IF THEY DO, IT WOULD BE APPROPRIATE FOR INGHAM AND BATES TO ATTEND.

JOHNSON

YYYY
NAHPAE 0871

NNNN

ZCZC
HPNAAN 1990 LAHPAN 6756
CONFIDENTIAL
DD 041200Z NAIRO
FM LAGOS TO FCOLN
040920Z JAN
GRS 565

CONFIDENTIAL
FM LAGOS
TO DESKBY 041200Z FCO
TELNO 003
OF 040920Z JANUARY 88
AND TO DESKBY 041200Z NAIROBI

NAIROBI FOR PRIME MINISTER'S PARTY

PRIME MINISTER'S VISIT

SUMMARY

1. NEW NIGERIAN MINISTER OF EXTERNAL AFFAIRS COMMENTS ON THE PRIME MINISTER'S FORTHCOMING VISIT TO NIGERIA.

DETAIL

2. AT A PRIVATE RECEPTION ON 1 JANUARY THE NEW NIGERIAN MINISTER OF EXTERNALAFFAIRS, MAJOR GENERAL NWACHUKWU, MADE THE FOLLOWING COMMENTS TO A MEMBER OF MY CHANCERY ABOUT MRS THATCHER'S FORTHCOMING VISIT TO NIGERIA:

(A) GENERAL (LAST WORD UNDERLINED)

NWACHUKWU SAID THAT ALTHOUGH HE WELCOMED THE VISIT, HE WAS RATHER NERVOUS ABOUT IT (HE ALSO ADMITTED TO BEING INTIMIDATED AT THE PROSPECT OF HANDLING THEMEA). HE SPOKE WITH PRIDE OF THE IDEAS ON INDUSTRIAL RELATIONS WHICH HE HAD BORROWED FROM THE PRIME MINISTER IN HIS LAST JOB AS EMPLOYMENT MINISTER. HE HOPED THAT DURING THE VISIT MRS THATCHER WOULD ENCOURAGE THE NIGERIAN GOVERNMENT IN ITS EFFORTS TO RESTRUCTURE THE ECONOMY. IN HIS WORDS "TELL US WE ARE DOING OKAY."

(B) DELEGATION (LAST WORD UNDERLINED)

NWACHUKWU EXPRESSED SURPRISE THAT THE PRIME MINISTER WAS NOT BRINGING ANY MINISTERS WITH HER. HE MENTIONED SPECIFICALLY THE CHANCELLOR OF THE EXCHEQUER. HE ADDED JOCULARLY THAT HE HOPED THAT THE ABSENCE OF MINISTERS WAS NOT AN INDICATION THAT "THE PRIME MINISTER WAS MERELY MAKING A REFUELLING STOP IN NIGERIA AFTER A SAFARI IN KENYA".

(C) THE PRESS (LAST TWO WORDS UNDERLINED)

THE MINISTER OF INFORMATION HAS BRIEFED NIGERIAN EDITORS ABOUT THE VISIT. PRINCE MOMOH HAD TOLD EDITORS THAT THE FEDERAL MILITARY GOVERNMENT WAS DETERMINED THAT THIS SHOULD BE SUCCESSFUL. THERE WOULD BE TROUBLE FOR ANY MEDIA ORGANISATION THAT BLIGHTED THE OCCASION. IN NWACHUKWU'S VIEW THE NIGERIAN PRESS IS GENERALLY RESPONSIBLE, ALTHOUGH, HE CLAIMED, THE MAJORITY OF NEWSPAPERS WERE AGAINST THE VISIT.

3. ANGOLA

NWACHUKWU EXPECTED THE PRESIDENT TO RAISE ANGOLA WITH THE PRIME MINISTER. HE HIMSELF WAS NOT BRIEFED ON THE SUBJECT WHICH WAS BEING HANDLED DIRECTLY BY THE PRESIDENT'S OFFICE.

4. ADMINISTRATIVE ARRANGEMENTS

ACCORDING TO NWACHUKWU CONSIDERABLE RESOURCES HAVE BEEN INVESTED IN THE DECORATION AND FURNISHING OF STATE HOUSE IN THE PRIME MINISTER'S HONOUR. WE COULD RELY ON EVERYTHING BEING IN ORDER FOR HER. NWACHUKWU WAS CRITICAL OF THE HIGH COMMISSION'S ATTEMPTS TO GAIN EARLY ACCESS TO STATE HOUSE, WHICH HE HOPED WAS NOT A DISPARAGEMENT OF NIGERIAN HOSPITALITY.

5.

COMMENT

IT IS CLEAR FROM THESE REMARKS, AND OTHER COMMENTS WE HAVE HEARD FROM SENIOR NIGERIANS, THAT THE MAIN OBJECTIVE OF THE VISIT ON THE NIGERIAN SIDE WILL BE TO ENGAGE THE PRIME MINISTER'S SUPPORT FOR THE STRUCTURAL ADJUSTMENT PROGRAMME. NWACHUKWU'S REGRET THAT THE CHANCELLOR OF THE EXCHEQUER IS NOT A MEMBER OF THE DELEGATION PROBABLY REFLECTS A BELIEF THAT HIS INCLUSION WOULD HAVE MADE IT EASIER TO SECURE CONCESSIONS ON THE TREATMENT OF NIGERIAN DEBT.

6. THE IRRITATION EXPRESSED OVER THE PRESSURE WE HAVE BROUGHT TO BEAR TO SECURE ACCESS TO STATE HOUSE IS REGRETTABLE, BUT REFLECTS THE INABILITY OF SENIOR NIGERIAN OFFICIALS TO UNDERSTAND THE EXTENT OF DETAILED PLANNING WHICH A VISIT OF THIS KIND INVOLVES. IN VIEW OF THE QUITE EXTENSIVE BUILDING WORK WHICH APPEARS TO HAVE BEEN GOING ON AT STATE HOUSE TO GET IT READY FOR MRS THATCHER, I RECOMMEND THAT THE PRIME MINISTER SHOULD EMPHASIZE TO THE PRESIDENT HER GRATITUDE FOR THIS. THE SPEECH AT THE OFFICIAL DINNER WOULD BE A GOOD OCCASION TO MAKE KNOWN OUR APPRECIATION PUBLICLY.

EWANS

YYYY

LAHPAN 6756

NNNN

ZCZC

HPNAAN 1969 LAHPAN 6752

CONFIDENTIAL

OO NAIRO

FM LAGOS TO FCOLN

031455Z JAN

GRS 621

CONFIDENTIAL

FM LAGOS

TO DESKBY 040900Z FCO

TELNO 002

OF 031455Z JANUARY 88

AND TO DESKBY 040900Z ODA, TREASURY, BANK OF ENGLAND,

AND TO DESKBY 040900Z ECGD, DTI

INFO IMMEDIATE UKDEL IMF/IBRD WASHINGTON, NAIROBI

NAIROBI FOR PS TO PM

MIPT: NIGERIAN BUDGET

SUMMARY

1. THIS MILDLY RELATIONARY BUDGET WILL BE POPULAR IN MOST QUARTERS IN NIGERIA. IT WILL NOT BE SEEN AS WHOLLY SATISFACTORY BY THE INTERNATIONAL FINANCIAL INSTITUTIONS AND EXTERNAL CREDITORS. BUT BABANGIDA CLEARLY FEELS THAT HE IS REACHING THE LIMITS OF THE POLITICALLY POSSIBLE.

DETAIL

2. THE BUDGET STATEMENT, MADE AT THE BEGINNING OF THE HOLIDAY PERIOD, IS DEFICIENT IN MANY DETAILS. SOME OF THE GAPS MAY BE FILLED BY THE FINANCE MINISTER'S AMPLIFYING STATEMENT DUE ON 4. JANUARY. MEANWHILE ONLY PRELIMINARY COMMENTS ARE POSSIBLE.

3. THE MAIN THRUST OF THE BUDGET IS TO HELP THOSE WHO HAVE BEEN HARDEST HIT BY NIGERIA'S ECONOMIC CRISIS. FOR THE MAN IN THE STREET, THE END OF THE WAGE FREEZE WILL BE THE MAIN BENEFIT. THIS MAY NOT BE TOO INFLATIONARY. THE CONTROLS STILL SEEM QUITE STERN. THE PRELIMINARY REACTION OF EMPLOYERS SEEMS TO BE THAT SOME RELAXATION WAS INEVITABLE AND INDEED JUSTIFIED.

4. THE BUSINESS SECTOR WILL WELCOME A NEW TARIFF STRUCTURE, WORK ON WHICH HAS BEEN PROCEEDING, WITH WORLD BANK ASSISTANCE, OVER MUCH OF THE PAST YEAR. MANY MANUFACTURERS, INCLUDING MANY BRITISH ASSOCIATED COMPANIES, COULD NOT HAVE CONTINUED MUCH LONGER IN A SITUATION WHERE FINISHED IMPORTED GOODS COULD BE BROUGHT IN MORE CHEAPLY THAN THE SAME PRODUCT MADE LOCALLY. SOME EG BRITISH LEYLAND, DID NOT SURVIVE TO SEE THIS PROMISE OF A CHANGE. MEANINGFUL FURTHER COMMENT IS NOT POSSIBLE UNTIL WE SEE THE NEW TARIFF LEVELS WHICH WILL NEED TO FIND THE NARROW LINE BETWEEN THE REALISTIC PROTECTION OF LOCAL INDUSTRY AND THE BOLSTERING OF INEFFICIENCY.

5. THE MOST CONTROVERSIAL ELEMENT IS THE OMISSION OF ANY SPECIFIC ANNOUNCEMENT ABOUT THE PETROLEUM SUBSIDY. BUT THE PRESIDENT'S OPAQUE FORMULATION DOES NOT PRECLUDE MODEST, AND PERHAPS PROGRESSIVE, INCREASES, BALANCED BY THE HEAVY EMPHASIS ON IMPROVED BUS TRANSPORT, WHICH IS TO BE SEEN AS A STEP TOWARDS MAKING A FUEL PRICE INCREASE MORE PALATABLE. THE MINISTER OF FINANCE'S STATEMENT IS LIKELY TO BE MORE REVEALING.

6. THE PROVISION FOR EXTERNAL DEBT SERVICING IS CONFUSING AND AT FIRST SIGHT SEEMS LESS THAN SATISFACTORY. UNDER BUDGERARY EXPENDITURE (PARA 2(III)(B) OF MIPT) PROVISION IS MADE FOR 3.9 BN NAIRA FOR INTEREST ON EXTERNAL LOANS; UNDER THE FOREIGN EXCHANGE BUDGET PROVISIONS ARE 1.7 BN DOLLARS FOR DEBT SERVICING (PARA 2(V) OF MIPT). NEITHER SEEMS ENOUGH, BUT THE FINANCE MINISTER WILL PROBABLY EXPOUND FURTHER ON THIS.

7. ANOTHER NOTEWORTHY POINT IS THAT THE FUNDING OF THE FOREIGN EXCHANGE MARKET IS TO BE INCREASED, CONTRARY TO IMF PRESCRIPTIONS.

8. THE STRUCTURAL CHANGES EG MOVING THE BUDGET OFFICE FROM THE MINISTRY OF FINANCE TO THE PRESIDENT'S OFFICE, AND TAKING AWAY THE POWER OF COLLECTION OF DUTIES PAYABLE ON INTERNATIONAL TRADE FROM CUSTOMS AND EXCISE, ARE PRESUMABLY GEARED TO IMPROVE EFFICIENCY AND LESSEN CORRUPTION, WORTHY AIMS THAT ARE SELDOM ACHIEVED HERE.

CONCLUSION

9. AS I HAVE VARIOUSLY REPORTED, THE PRESSURES ON BABANGIDA AND HIS ADMINISTRATION HAVE BEEN GROWING IN RECENT MONTHS. THE POPULATION IN THE WAGE SECTOR HAVE BEEN INCREASINGLY SQUEEZED BETWEEN RISING PRICES AND A TIGHT WAGES FREEZE. INDUSTRY HAS INCREASINGLY SUFFERED AS COSTS HAVE RISEN AND THE DEFLATIONARY EFFECT OF THE STRUCTURAL ADJUSTMENT PROGRAMME HAS CAUSED DEMAND TO FALL AWAY AND PRODUCTION LEVELS TUMBLE. ALTHOUGH THE IMF AND OTHERS HAVE BEEN TELLING BABANGIDA THAT MORE AND STRONGER DOSES OF THE SAME MEDICINE ARE NEEDED, HE CLEARLY FEELS THAT HE IS APPROACHING THE LIMITS OF WHAT IS POLITICALLY POSSIBLE. BUT FULL JUDGEMENT MUST BE RESERVED UNTIL WE HAVE MORE DETAILS.

EWANS

YYYY

LAHPAN 6752

NNNN

ZCZC

HPNAAN 1968 LAHPAN 6751

UNCLASSIFIED

NAIRO

FM LAGOS TO FCOLN

031400Z JAN

GRS 1535

UNCLASSIFIED

FM LAGOS

TO DESKBY 040900Z FCOLN

TELNO 001

OF 031400Z JANUARY 88

AND TO DESKBY 040900Z TREASURY, BANK OF ENGLAND, ECGD, DTI

INFO IMMEDIATE NAIROBI, UKDEL IMF/IBRD WASHINGTON

INFO PRIORITY ODA

NAIROBI FOR PS TO PM

NIGERIAN BUDGET

SUMMARY

1. UNCONTROVERSIAL BUDGET. MILDLY RELATIONARY. EMPHASIS ON NATIONAL SELF RELIANCE AND CONTINUATION WITH STRUCTURAL ADJUSTMENT PROGRAMME. FIFTH NATIONAL PLAN POSTPONED BY ONE YEAR. WAGE FREEZE ENDED. NEW, BUT INDEFINED, TARRIFF STRUCTURE. PRIORITY FOR MASS TRANSPORTATION AND AGRICULTURE. DEFENCE EXPENDITURE DOWN. DEBT-EQUITY SWOPS TO BE CONSIDERED. THE ISSUE OF PETROLEUM AND OTHER SUBSIDIES DUCKED. INITIAL COMMENTS IN MIFT.

DETAIL

2. PRESIDENT BABANGIDA DELIVERED HIS BUDGET SPEECH IN A TV ADDRESS ON THE EVENING OF 31 DECEMBER. THE FOLLOWING ARE THE MAIN FEATURES:
(1) REVIEW OF THE ECONOMY. STRUCTURAL ADJUSTMENT PROGRAMME HAS BROUGHT BENEFITS INCLUDING BETTER ACCESS TO FOREIGN EXCHANGE FOR PRODUCTIVE SECTORS, BOOST TO NON OIL EXPORTS, GRADUAL RURAL TRANSFORMATION AND INCREASED GOVERNMENT REVENUES. BUT THERE HAVE BEEN NEGATIVE EFFECTS, PARTICULARLY ON MANUFACTURING INDUSTRY. HOWEVER IN 1987 REAL DOMESTIC PRODUCT ROSE BY 1.2% AS AGAINST A 3.3% DECLINE IN 1986, AND THE MANUFACTURING SECTOR GREW BY 10% ALSO COMPARED WITH A 6.3% DECLINE IN 1986. THE COUNTRY IS QUOTE AT THE THRESHOLD OF FOOD SELF SUFFICIENCY UNQUOTE. APART FROM IMPORTED GOODS, THERE WAS LITTLE INFLATION IN 1987. OF THE 3.3 BN DOLLARS AVAILABLE TO THE OFFICIAL FOREIGN EXCHANGE MARKET FROM ITS INCEPTION IN SEPT 1986 TO END 1987, ALL BUT 450 M DOLLAR SUPPORT FROM THE WORLD BANK, WAS PROVIDED FROM EXPORT EARNINGS (REPRESENTING 86% OF THE TOTAL). HOWEVER GOVERNMENT EXPENDITURE WAS HIGHER THAN EEXPECTED AND SOME ANTICIPATED SAVINGS DID NOT MATERIALISE. EXTERNAL DEBT RESCHEDULING QUOTE ACHIEVED CONSIDERABLE SUCCESS DURING THE YEAR UNQUOTE TO THE EXTENT THAT THE PROBLEM QUOTE CAN BE REMOVED FROM THE FRONT PAGES OF OUR NATIONAL CONSCIOUSNESS UNQUOTE.

(11) ECONOMIC OUTLOOK. GIVEN THE UNCERTAINTIES OVER THE EXPORT EARNINGS AND GOVERNMENT REVENUE, AND THE NEED TO SEPARATE SHORT TERM PROBLEMS FROM LONG TERM DEVELOPMENT, IMPLEMENTATION OF THE FIFTH NATIONAL PLAN IS DELAYED UNTIL JANUARY 1989. THE INVESTMENT CLIMATE HAS IMPROVED BUT THERE HAS ONLY BEEN A QUOTE MODEST INFLOW UNQUOTE OF FOREIGN INVESTMENT. BUT AS A RESULT OF THE QUOTE FINE TUNING UNQUOTE OF THE FOREIGN EXCHANGE MARKET AND THE REVISED TARIFF SYSTEM, INVESTMENT IS LIKELY TO QUOTE IMPROVE SUBSTANTIALLY UNQUOTE IN 1988. THE REFLATIONARY PROGRAMME IN THE BUDGET WILL RESULT IN A HIGHER REAL GNP AND, ALTHOUGH THIS WILL CREATE A BUDGET DEFICIT, THIS WOULD BE QUOTE MODEST AND REASONABLE UNQUOTE. ALTHOUGH

THE STRUCTURAL ADJUSTMENT PROGRAMME WILL FORMALLY TERMINATE IN JUNE 1988, THE FOREIGN EXCHANGE MARKET WILL BE A PERMANENT PART OF THE ECONOMIC SYSTEM. IN GENERAL THE ECONOMIC ENVIRONMENT WILL SHOW A QUOTE MARKED IMPROVEMENT UNQUOTE OVER 1987.

(III) THE BUDGET PROFILE. (A) REVENUE. BY END SEPT 1987 REVENUE WAS N 15.3 BN FROM OIL AND N 3.1 BN FROM NON OIL (BUT, NB QUOTE EXCLUDING FUNDS PAID INTO ESCROW ACCOUNTS FOR SOME SPECIAL PROJECTS UNQUOTE), AGAINST A TOTAL 1986 FEDERAL REVENUE OF N 14.2 BN. FOR 1988 REVENUE OF N 27.1 BN IS PROJECTED (N 8.2 BN AND N 2.5 BN GOING TO STATE AND LOCAL GOVERNMENTS RESPECTIVELY). A SPECIAL SELF LIQUIDATING FUND HAS BEEN CREATED FROM RESCHEDULED EXTERNAL DEBTS FOR WHICH EQUIVALENT NAIRA SUMS HAD ALREADY BEEN PAID AND HELD BY THE CENTRAL BANK. FROM THAT ACCGUNT N 2.5 BN HAD BEEN BORROWED TO BE REPAID IN 1988. TOTAL FEDERAL GOVERNMENT RECEIPTS FOR 1988 WILL BE N 18.2 BN.

(B) EXPENDITURE. TO TOTAL N 24.3 BN, WITH N 21.8 BN AS REGULAR EXPENDITURE AND N 2.5 BN SPECIAL RELATIONARY EXPENDITURE. THE CURRENT EXPENDITURE ESTIMATE OF N 13.7 BN IS A 27% INCREASE ON 1987. AMONG THE ITEMS OF CURRENT EXPENDITURE IS N 3.9 BN FOR INTEREST ON EXTERNAL LOANS. CAPITAL EXPENDITURE, AT N 8.1 BN INCREASES BY 20% OVER 1987, AND INCLUDES N 1.1 BN FOR AGRICULTURE.

(IV) A SPECIAL RELATIONARY PACKAGE. THIS TO BE ADMINISTERED BY THE PRESIDENT'S OFFICE AND NOT THE MINISTRY OF FINANCE. TO INCLUDE VARIOUS PUBLIC WORKS AND OTHER PUBLIC SECTOR EXPENDITURE E.G. CRIME PREVENTION, WITH HIGH PRIORITY FOR TRANSPORT AND BUSES. MMMHZZHWULWZGSCA SPECIAL TASK FORCE UNDER AIKOMU (NO 2 IN THE GOVERNMENT) WILL HAVE N 700 M FOR IMPROVED MASS TRANSPORTATION.

OTHER INFRASTRUCTURE AND SOCIAL SERVICES WILL GET AN EXTRA REFLATIONARY N 940 M.

(V) FOREIGN EXCHANGE BUDGET. THIS PROJECTS FOR 1988 OIL REVENUE OF 5.5 BN DOLLARS AND PUBLIC SECTOR NON OIL REVENUE OF 248 M DOLLARS, AND A BALANCE OF PAYMENTS SUPPORT LOAN OF 500 M DOLLARS. THIS TOTAL OF 6.2 BN DOLLARS RISES TO 7.4 BN DOLLARS WHEN PRIVATE SECTOR NON OIL RECEIPTS ARE ADDED. MAJOR ALLOCATIONS ARE DEBT SERVICING OF 1.7 BN DOLLARS AND THE FOREIGN EXCHANGE MARKET OF 3.9 BN DOLLARS.

(VI) KEY SECTORS. (A) AGRICULTURE. WILL CONTINUE TO HAVE PRIORITY WITH ATTENTION FOCUSED ON PREVENTION OF PRE AND POST HARVEST LOSSES EG PESTICIDES, STORAGE AND FOOD PROCESSING. SPECIAL ATTENTION WILL ALSO BE PAID TO DESERTIFICATION AND WOOD IMPORTS WILL BE ALLOWED IN ORDER TO LIMIT THIS. (B) EMPLOYMENT.

AMONG VARIOUS MEASURES TO REDUCE UNEMPLOYMENT IS THE QUOTE REACTIVATION OF PUBLIC WORKS UNQUOTE. (C) INDUSTRY AND TARIFFS. INDUSTRY WILL ONLY SURVIVE UNDER THE STRUCTURAL ADJUSTMENT PROGRAMME BY INCREASING LOCAL SOURCES OF RAW MATERIALS. HOWEVER MANY HAD BEEN BADLY HIT, AND FROM 1 JANUARY THERE WILL BE QUOTE A NEW COMPREHENSIVE TARIFF STRUCTURE WITH BETTER EFFECTIVE PROTECTION UNQUOTE. BANNED IMPORTS WILL REMAIN UNCHANGED. THIS, WITH THE RECENT ANNOUNCED 2.25% INTEREST RATE REDUCTION TO 12.75% SHOULD RESTORE INDUSTRIAL GROWTH. (D) CONSTRUCTION. SPECIAL ALTERATIONS

HAVE BEEN MADE FOR QUOTE SELECTED HIGH IMPACT CAPITAL PROJECTS UNQUOTE. (E) MASS TRANSPORTATION. THE PROVISION IN THE SPECIAL RELATIONARY PACKAGE, AND THE PARTICIPATION OF BANKS, WILL HELP THE REHABILITATION OF OLD BUSES AND THE PURCHASE OF NEW ONES, AND WILL PUT NEW LIFE INTO VEHICLE ASSEMBLY AND COMPONENTS INDUSTRIES.

(F) POLICE AND DEFENCE. THE POLICE WILL BE GIVEN ADDED RESOURCES TO FIGHT CRIME BUT DEFENCE EXPENDITURE TO BE CUT (BUT WITHOUT FIGURES).

(VII) MAIN POLICY THRUSTS. A NUMBER OF QUOTE POLICY THRUSTS UNQUOTE ARE OUTLINED, THE PRINCIPAL ONES BEING (A) THE REHABILITATION AND COMPLETION OF CAPITAL WORKS, AND THE BRINGING BACK

INTO USE OF ABANDONED EQUIPMENT. (D) NEW TARIFF STRUCTURE. THIS WILL HAVE A TIME SCALE OF 7 YEARS QUOTE TO ENABLE LOCAL INDUSTRY TO ADJUST TO THE DEMANDS OF INTERNATIONAL COMPETITIVENESS UNQUOTE. THE ONLY DETAIL GIVEN IS THAT LENDING CHANGES EQUIVALENT TO THE EXCISE DUTY PAID ON LOCALLY PRODUCED GOODS WILL BE LEVIED ON IMPORTED GOODS OF THE SAME TARIFF CLASSIFICATION. A NEW INSTITUTION IS TO DEAL WITH CASES OF DUMPING, AND A TARIFF REVIEW BOARD WILL CONSIDER COMPLAINTS ABOUT THE TARIFF REGIME. THE CUSTOMS AND EXCISE DEPARTMENT WILL NO LONGER BE INVOLVED IN THE DETERMINATION AND COLLECTION OF DUTY, WHICH WILL DEVOLVE ON THE BANKING SYSTEM.

(C) PETROLEUM AND OTHER SUBSIDIES. THIS PASSAGE STATES THAT THE ISSUE IS NOT WHETHER THERE OUGHT TO BE SUBSIDIES, BUT WHERE AND AT WHAT LEVEL. IT GOES ON, QUOTE FOR SOME TIME TO COME, SOME PUBLIC SECTOR ECONOMIC ACTIVITIES SUCH AS AGRICULTURE AND PETROLEUM WILL CONTINUE TO ATTRACT A REASONABLE LEVEL OF GOVERNMENT SUBSIDY. SUCH SUBSIDY LEVELS MUST HOWEVER BE COMPATIBLE WITH THE PRINCIPLE OF RESOURCE ALLOCATION THAT TAKES INTO ACCOUNT THE GREATEST GOOD OF THE GREATEST NUMBER UNQUOTE. THIS IS THE ONLY REFERENCE TO THE SUBSIDY ISSUE IN THE BUDGET.

(D) PRICES AND INCOMES. NOTICE IS GIVEN OF THE NEED FOR REGULAR PRICE REVIEWS IN THE PUBLIC SECTOR (PRESUMABLY LARGELY UTILITIES ALTHOUGH THIS IS NOT STATED). ALSO THAT THE LONG STANDING WAGE FREEZE WILL BE LIFTED, ALTHOUGH WITH SEVERE RESTRICTIONS EG THAT NO WAGE SETTLEMENT SHALL BE RETROACTIVE, THAT INCREASES SHOULD BE MODEST, AND THAT NEGOTIATIONS CARRIED OUT UNDER DURESS EG A STRIKE OR LOCK-OUT, OR EVEN THE THREAT OF ONE WILL BE NULLIFIED.

(E) DEBT/EQUITY CONVERSION. AUTHENTIC DEBTS OWED TO WILLING FOREIGN CREDITORS WILL BE CONSIDERED FOR CONVERSION TO EQUITY INVESTMENT ESPECIALLY IN NEW HIGH PRIORITY PROJECTS, ALTHOUGH THERE WILL BE

SAFEGUARDS TO SEE THAT THE SCHEME QUOTE IS NOT FRUSTRATED BY THOSE SCHEMING TO RECONVERT SUCH PROCEEDS INTO FOREIGN CURRENCY FOR SUBSEQUENT TRANSFER ABROAD UNQUOTE.

(F) PRIVATISATION. THERE ARE PLEDGES FOR FURTHER BUT UNSPECIFIED ACTS OF PRIVATISATION.

(G) CREDIT EXPANSION. AGGREGATE DOMESTIC BANK CREDIT WILL BE ALLOWED TO GROW BY 8%. CREDITS TO GOVERNMENT OUTSIDE THE SELF-LIQUIDATING FUND WILL BE KEPT TO 2.5% WHILE THAT TO THE PRIVATE SECTOR WILL BE ALLOWED TO GROW BY UP TO 13%.

(VIII) ADMINISTRATIVE AND POLITICAL. THE STATEMENT PLEDGES LIGHTER BUDGETARY CONTROL THAN IN THE PAST, IT MAKES THE CENTRAL BANK AUTONOMOUS WITH THE GOVERNOR REPORTING TO THE PRESIDENT, MAKES MINISTERS RATHER THAN PERMANENT SECRETARIES CHIEF ACCOUNTING OFFICERS, AND MAKES PERMANENT SECRETARY POSTS POLITICAL, TO CHANGE WITH GOVERNMENTS. IT TRANSFERS THE BUDGET OFFICE FROM THE MINISTRY OF FINANCE TO THE PRESIDENCY. A SECTION ON SOCIAL AND POLITICAL DEVELOPMENT ACKNOWLEDGES WEAKNESSES IN THE CONDUCT OF THE RECENT LOCAL ELECTIONS.

3. FURTHER DETAILS OF THESE PROPOSALS ARE TO BE GIVEN BY THE FINANCE MINISTER ON MONDAY 4 JANUARY. MY INITIAL COMMENTS ARE IN MIFT.

EWANS

YYYY

LAHPAN 6751

NNNN

CONFIDENTIAL

FM LAGOS

TO PRIORITY FCO

TELNO 1389

OF 311600Z DECEMBER 87

AND TO PRIORITY TRASURY, BANK OF ENGLAND, ECGD, UKDEL IMF/IBRD
INFO PRIORITY DTI, ODA, KADUNAYOUR TELNO 261 TO UKDEL IMF/IBRD: IMF REPORT ON NIGERIA'S
ECONOMIC PERFORMANCE

SUMMARY

1. COMMENTS ON IMF ARGUMENTS FOR AN INCREASE IN NIGERIAN PETROLEUM PRICES, AND FOR DELEGATION OF EXTERNAL DEBT SERVICING TO STATE AND LOCAL GOVERNMENTS. NEED FOR A BALANCED APPROACH AT IMF BOARD MEETING.

DETAIL

2. I FIND THE IMF'S ARTICLE IV CONSULTATION REPORT (SM/87/280) A USEFUL AND PERCEPTIVE DOCUMENT. HOWEVER I HAVE RESERVATIONS ON ONE OR TWO IMPORTANT ASPECTS. AT A TIME WHEN BABANGIDA FINDS HIMSELF IN A MORE FRAGILE SITUATION THAN AT ANY POINT SINCE HE TOOK POWER (MY TELNO 1374), I SUGGEST THAT IT IS PARTICULARLY IMPORTANT THAT THE BRITISH REPRESENTATIVE AT THE IMF SHOULD TAKE DUE ACCOUNT OF THE POLITICAL AND ECONOMIC REALITIES IN NIGERIA WHEN COMMENTING ON THE IMF REPORT. I HOPE THAT THE POINTS IN THIS TELEGRAM CAN THEREFORE BE TAKEN INTO ACCOUNT WITH THE BRIEFING IN THE TUR FOR THE FORTHCOMING IMF BOARD MEETING.

3. I AM CONCERNED ABOUT THE EMPHASIS IN THE IMF REPORT ON THE REMOVAL OF THE SO-CALLED OIL 'SUBSIDY'. THE OIL 'SUBSIDY' CAN ONLY BE DESCRIBED AS SUCH WHEN LOCAL PRICES ARE COMPARED TO THOSE PREVAILING WORLD WIDE. BUT THE LOCAL PRICE EASILY EXCEEDS THE COST OF LOCAL PRODUCTION AND PROCESSING OF PETROLEUM, WHILE ALSO PROVIDING A HEALTHY PROFIT MARGIN FOR THE NNPC. IN SUCH A LARGE COUNTRY AS NIGERIA, ALMOST WHOLLY DEPENDENT ON ROAD TRANSPORT FOR ITS ECONOMIC ACTIVITY, RAISING PETROL PRICES WILL ADD GREATLY TO THE BASIC COST OF LIVING. A DRAMATIC INCREASE TO ANYTHING APPROACHING WORLD LEVELS WOULD CERTAINLY RISK MAJOR POPULAR OPPOSITION AND QUITE POSSIBLY CIVIL UNREST.

4. THE MAIN IMF RATIONALE FOR THIS STEP IS TO INCREASE THE GOVERNMENT'S NAIRA REVENUE, PARTLY ON THE BASIS THAT THE GOVERNMENT CAN THEN PLOUGH MORE RESOURCES INTO PUBLIC INFRASTRUCTURE, ESPECIALLY PUBLIC TRANSPORT, AND PARTLY TO PROVIDE MORE MONEY TO STATE AND LOCAL GOVERNMENTS SO THAT THEY CAN SERVICE THEIR OWN OVERSEAS DEBTS. INCREASING THE GOVERNMENT'S NAIRA REVENUES IN THIS WAY WOULD BE TAKING FROM THE PRIVATE SECTOR IN ORDER TO PROVIDE INCREASED SERVICES BY GOVERNMENT IE THE REVERSE OF THE PROCESS OF REDUCING GOVERNMENT INVOLVEMENT IN THE COUNTRY'S ECONOMY WHICH THE IMF AND WORLD BANK HAVE BEEN EAGER TO PROMOTE THROUGH PRIVATISATION. MOREOVER, AS IN MANY DEVELOPING COUNTRIES, THE NIGERIAN GOVERNMENT WOULD BE MOST UNLIKELY TO USE THE INCREASED RESOURCES EFFICIENTLY OR WELL. THERE IS IN MY VIEW A STRONG CASE FOR ARGUING THAT IT WOULD BE MORE PRODUCTIVE TO LEAVE THE MONEY IN PRIVATE HANDS.

5. EQUALLY, I QUESTION THE IDEA PROPOSED IN THE IMF REPORT OF OF MAKING STATE AND LOCAL GOVERNMENTS RESPONSIBLE FOR REPAYING THEIR OWN EXTERNAL DEBTS. THESE GOVERNMENTS ARE, IN GENERAL, WOEFULLY INADEQUATE. THEY WOULD BE FAR LESS LIKELY TO COME UP WITH PAYMENTS THAN (EVEN) THE FEDERAL GOVERNMENT, AND WOULD PRESUMABLY ALSO EXPECT TO BE ABLE TO RECEIVE NEWS OVERSEAS LOANS DIRECT IF THEY WERE TO BE RESPONSIBLE FOR PAYING OVERSEAS DEBTS. CONTROL OF NIGERIA'S EXTERNAL EXPENDITURE WOULD SUFFER ACCORDINGLY.

6. THE OTHER ARGUMENTS PUT FORWARD BY THE IMF FOR BRINGING LOCAL PETROLEUM PRICES UP TO WORLD LEVELS ALSO LACK COGENCY EG SMUGGLING IS NOT A PROBLEM OF SUCH MACRO-ECONOMIC PROPORTIONS AS TO JUSTIFY A MASSIVE INCREASE IN PRICES IN ITSELF, AND THE PROBLEMS OF SHORTAGES AND ADULTERATION OF FUEL IN NIGERIA ARE NOT A REQLT OF THE CURRENT NAIRA PRICE, WHICH ORDINARY NIGERIANS ALREADY REGARD AS HIGH. THE BEST ARGUMENT FOR INCREASING PETROL PRICES WE WOULD THINK WOULD BE TO REDUCE THE VERY HEAVY LOCAL CONSUMPTION AND THEREBY ALLOW MORE OIL TO BE SOLD OVERSEAS. (THEY COULD GET AROUND THE OPEC QUOTA AS OTHERS DO EG BY EXPORTING MORE PRODUCTS). BUT THIS IS NOT AN ARGUMENT PUT FORWARD BY THE IMF.

7. IT SEEMS TO ME A PITY THAT THE ISSUE OF LOCAL PETROLEUM PRICES SEEMS TO HAVE BECOME THE LITMUS TEST BY WHICH THE NIGERIAN GOVERNMENT'S ECONOMIC PERFORMANCE IS JUDGED. IF THE IMF'S CONCERN IS SIMPLY THAT THE GOVERNMENT SHOULD RAISE MORE

REVENUE, THEN IT SHOULD BE EQUALLY ACCEPTABLE TO THEM, AND THEREFORE TO US, IF THE FNG CHOSE TO RAISE IT IN SOME OTHER WAY. I EXPECT THAT THE BUDGET, DUE IN THE NEXT WEEK, WILL INDEED INCREASE PETROL PRICES, BUT PROBABLY NOT BY THE FACTOR THE IMF REQUIRE. IF SO I DO NOT THINK WE SHOULD JUDGE THE FNG TOO HARSHLY.

8. ANOTHER AND A RELATED CONCERN IS OUR REQUIREMENT THAT THE NIGERIANS GET A CLEAN BILL OF HEALTH FROM THE IMF BEFORE WE CAN CONSIDER EXTENDING TO THEM NEW LINES OF CREDIT. I DO NOT OF COURSE DISPUTE THE PRINCIPLE OF THIS. HOWEVER I THINK THIS IMF REPORT WITH ITS REPEATED ILLUSTRATIONS OF ADMINISTRATIVE DILATORINESS AND IFFECIENCY, SHOWS THAT THERE ARE ALWAYS LIKELY TO BE MAJOR FLAWS IN THE WAY THE NIGERIANS OPERATE THEIR ECONOMY. IT WILL ALWAYS BE RIGHT THAT THE IMF SHOULD CRITICISE THEM. BUT WE SHOULD NOT LOSE SIGHT OF THE CORRECT AND COURAGEOUS MEASURES THAT THE NIGERIANS HAVE ALREADY TAKEN, AND SHOULD BE REALISTIC IN OUR EXPECTATIONS OF FURTHER STEPS. IN PARTICULAR, THE IMF REPORT BRINGS OUT A CHICKEN AND EGG SITUATION WHEREBY THE SLOWNESS OF SUPPORT FROM EXTERNAL SOURCES IS BEMOANED (EG PARA 3 P 16-17) AND SUGGESTED AS A REASON FOR NIGERIA'S FAILURE TO MAKE THE EXPECTED PROGRESS, WHILE WE TEND TO SAY THAT SUPPORT CANNOT BE GIVEN UNTIL FURTHER PROGRESS IS MADE. I SUGGEST THAT AGAIN THIS INDICATES THAT WE SHOULD NOT BE TOO TOUGH IN OUR CONDITIONS FOR HELP, FOR THAT CAN BECOME SELF-DEFEATING TO OUR MADOR OBJECTIVES.

9. I AGREE OF COURSE THAT WE NEED TO KEEP UP CONSISTENT AND FIRM PRESSURE ON THE NIGERIANS, PARTICULARLY ON THE QUESTION OF MAKING PAYMENTS WHEN DUE, BUT I SUGGEST IT SHOULD BE PRESSURE TEMPERED BY AN UNDERSTANDING OF THE ART OF THE POSSIBLE.

EWANS

YYYY

DISTRIBUTION

158

MAIN

153

MONETARY

WAD

ADDITIONAL 5

HM TREASURY
BANK OF ENGLAND
ECGD

DTI
ODA

NNNN

file
m52BTZ cfr
CONFIDENTIAL



10 DOWNING STREET

LONDON SW1A 2AA

31 December 1987

From the Private Secretary

Dear dya,

PRIME MINISTER'S VISIT TO NIGERIA

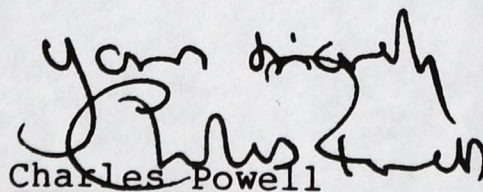
Tony Galsworthy wrote to me on 30 December about possible gestures of encouragement and support which the Prime Minister might make to the Nigerian Government during her visit.

The Prime Minister has now considered the two proposals. As regards the military assistance debts, she agrees that we should offer to write off the £2.5m. debt to the Ministry of Defence which would remain once the Nigerians had agreed to assets from the West African Currency Board being used to offset the rest of the debt. She would propose to put this to President Babangida during their talks (unless you advise that the High Commissioner should prepare the ground). While the Prime Minister understands the Ministry of Defence's reservations about the proposal, she does not consider that the alternative of rolling over the debt would have sufficient impact. She takes the view that the importance of Nigeria to us is sufficient to justify an exceptional gesture.

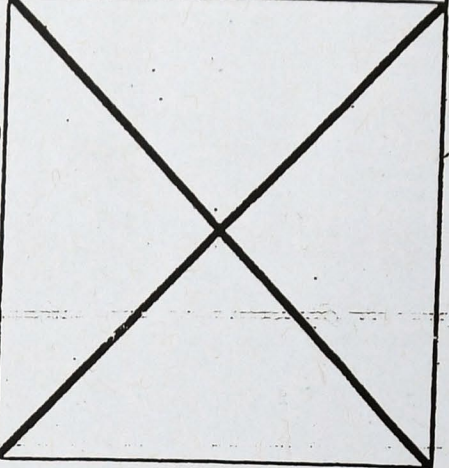
As regards commercial debt, the Prime Minister is content with the proposal set out in Tony Galsworthy's letter, namely that if the Nigerians clear a reasonable proportion of their arrears to ECGD by 7 January, she should announce the go ahead for negotiations on release of ECGD cover for an additional £22.3m. loan to complete the water supply project in Niger State.

Bf | I should be grateful if you could let me have, either before our departure or in Nairobi, two or three brief sentences which could be included in the Prime Minister's speech in Lagos, based on the assumption that that Nigerians accept and agree to implement these two proposals.

I am copying this letter to Alex Allan (HM Treasury), Ian Andrews (Ministry of Defence) and Alison Brimelow (Department of Trade and Industry).

Yours sincerely

Charles Powell

Lyn Parker Esq
Foreign and Commonwealth Office.

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>2369</i> (one piece/item number)	Date and sign
Extract details: <i>minute and a attachment from Powell to the Prime Minister dated 30 December 1987</i>	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>17/7/18</i> <i>Mr M.</i>
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

for
ck

PRIME MINISTER

VISIT TO NIGERIA

We asked departments to pursue two possible "goodies" for you to offer the Nigerian Government during your visit: writing off the £2.5 million debt to MOD for military training and medium-term export credit cover. The attached letter records progress on both.

Military Debt

On military debt there are two possibilities:

- (a) the total military debt is £9.5 million. If the Nigerians agree that we can take over the £7 million assets of the former West African Currency Board, we would write-off the remaining £2.5 million (which would be taken as a charge on the Central Contingency Reserve). FCO and Treasury are happy with this: the MOD not. The MOD fear that it would encourage the Nigerians to run up more debts in future: would be used as a precedent by other countries: and would be criticised on these grounds by the PAC.
- (b) Alternatively, we could roll-over the debt and ask that it be repaid in fixed instalments over five years. MOD prefer this: the FCO and Treasury think it will not impress the Nigerians much.

In both cases we would give an assurance that we would continue to contribute to the external costs of the two military assistance teams in Nigeria and would do our best to meet requests for military assistance.

It is up to you to choose between the two. It seems clear to me that only (a) will have the desired impact. Agree?

Commercial Debt

It is proposed that we say to the Nigerians that if the Bank of England receive instructions from the Nigerians to release from their special account by 7 January an acceptable proportion of the arrears outstanding from earlier repayments of their export credit, we will agree to ECGD cover for an additional loan of £22.3 million to complete the project for the supply of water to rural areas in Niger State. The Nigerians attach great importance to this: it is in President Babangida's home state. You would not, however, volunteer to release the £200 million medium-term credit cover, since there are still substantial technical problems on this.

Expert advice is that the proposed gesture will appeal to the Nigerians and add to the success of the visit. Agree?

CHARLES POWELL

30 December 1987

VC4ATE

301239Z

FOR THE ATTENTION OF MR POWELL, NO 10 DOWNING ST
COMMENT

CONFIDENTIAL

FM NAIROBI

TO DESKBY 291100Z FCO

TELNO 716

OF 291030Z DECEMBER 87

INFO IMMEDIATE KAMPALA

INFO ROUTINE DAR ES SALAAM, MOGADISHU, ADDIS ABABA

KENYA/UGANDA: MEETING BETWEEN MOI AND MUSEVENI

SUMMARY

1. PRESS REPORTING OF MOI/MUSEVENI MEETING SUGGESTS THAT IT WAS CORRECT RATHER THAN CORDIAL. BUT PRESIDENTIAL CONTACT SHOULD HELP TO LOWER TENSION.

DETAIL

2. THE REPORTS IN THE LOCAL PRESS OF THE MEETING BETWEEN MOI AND MUSEVENI EMPHASISE MUSEVENI'S UNDERTAKING TO REMOVE ANTI-AIRCRAFT GUNS AND MISSILES MOUNTED ALONG THE BORDER WITH KENYA. HE IS SAID TO HAVE TOLD MOI THAT THESE WEAPONS HAD BEEN PLACED ON THE BORDER BECAUSE OF UGANDAN FEARS THAT THE BORDER INCIDENT WOULD ESCALATE, AND THAT THE UGANDAN ARMY HAD BEEN DEPLOYED ALONG THE BORDER BECAUSE THE POLICE FORCE WAS IN THE PROCESS OF BEING RECONSTITUTED. MOI AND MUSEVENI ARE REPORTED TO HAVE AGREED TO REVIEW BORDER SECURITY ARRANGEMENTS, AND THAT KENYAN AND UGANDAN ADMINISTRATIVE AND POLICE OFFICIALS SHOULD MEET REGULARLY TO REVIEW MATTERS OF COMMON CONCERN.

3. MOI IS QUOTED AS SAYING THAT KENYA HAD NO ILL-WILL TOWARDS UGANDA, AND THAT THE BORDER WAS OPEN TO TRADE, BUT THAT SOME KENYAN DRIVERS FEARED TO ENTER UGANDA BECAUSE OF THE SECURITY PROBLEMS IN THAT COUNTRY. IT WAS UP TO THE UGANDAN GOVERNMENT TO MAKE ARRANGEMENTS FOR THE SAFE PASSAGE OF GOODS AND DRIVERS. HE CALLED ON UGANDA TO REMOVE THE 10,000 TONS WORTH OF GOODS LYING AT KISUMU, NAKURU AND MOMBASA AND IS REPORTED AS CALLING ON MINISTERS OF TRANSPORT AND ENERGY TO MEET AND DISCUSS THE QUESTION OF TRANSPORTATION OF GOODS AND FUEL TO UGANDA.

4. MOI IS SAID TO HAVE EXPRESSED DISPLEASURE WITH UGANDA'S FALSE ACCUSATIONS THAT KENYA HAD TRAINING CAMPS FOR ANTI-UGANDA REBELS AND TO HAVE CALLED ON UGANDA TO IDENTIFY SUCH CAMPS. HE IS ALSO SAID TO HAVE REMARKED THAT KENYA HAD BEEN OVER-GENEROUS TO UGANDA BUT WOULD NOW BE STRICT.

COMMENT

5. I HAVE NOT YET BEEN ABLE TO GET HOLD OF KIPLAGAT FOR A FULL REPORT OF THE MEETING. WE HAVE THEREFORE HAD TO RELY ON PRESS REPORTS WHICH ARE NOTABLY COOL IN TONE, AND INDICATE THAT THE MEETING BETWEEN THE TWO PRESIDENTS WAS CORRECT RATHER THAN CORDIAL (ALTHOUGH THE REPORT IN THE 'STANDARD' REFERS TO A MORE JOVIAL ATMOSPHERE). NEVERTHELESS, THE MEETING APPEARS TO HAVE GONE AS WELL AS COULD REASONABLY HAVE BEEN EXPECTED. THE AGREEMENT TO REDPEN THE BORDER AND RE-ESTABLISH PROCEDURES FOR ADMINISTRATIVE CONTACTS BETWEEN THE TWO COUNTRIES SHOULD HELP TO DEFUSE TENSION.

6. MOI HAS FINALLY PUT HIMSELF IN THE RIGHT BY AGREEING TO SEE MUSEVENI. IT IS NOT YET CLEAR WHY HE CHOSE TO DO SO AT THIS TIME, AFTER SO LONG A PERIOD OF INTRANSIGENT DISREGARD. THE IMMINENCE OF THE PRIME MINISTER'S VISIT MAY HAVE BEEN A FACTOR IN THAT MOI WOULD NOT WANT TO LEAVE SO MAJOR A PROBLEM UNSOLVED WITH THE PRIME MINISTER SCHEDULED TO VISIT WESTERN KENYA. HE WILL ALSO HAVE SUCCEEDED IN DEFLECTING DEMANDS FOR EXTERNAL (AND IN KENYA EYES IRRELEVANT) MEDIATION. IT WOULD BE WRONG TO OVERLOOK THE FACT THAT ANIMOSITIES BETWEEN THE TWO GOVERNMENTS REMAIN AND ARE LIKELY TO BE DEEP SEATED. BUT THIS IS CERTAINLY A FIRST STEP TOWARDS IMPROVING THE RELATIONSHIP.

7. THE KENYANS APPEAR TO HAVE CHANGED THEIR MINDS ABOUT GIVING THE MEETING ADVANCE PUBLICITY, WHICH WAS NOT ORIGINALLY THEIR INTENTION (OUR TELNO 708): AN MFA STATEMENT ON THE EVENING OF 27 DECEMBER CONFIRMED THAT THE MEETING WOULD TAKE PLACE. THEY MAY HAVE BEEN BOUNCED INTO THIS BECAUSE THE PLANS BEGAN TO LEAK OUT.

JOHNSON

YYYY

ADVANCE	15	
UGANDA		1
PS		1
PS/MRS CHALKER		1
PS/PUS		1
MR MUNRO		1
MR FAIRWEATHER		1
HD/EAD		1
HD/NEWS		1
HD DEFENCE		1
HD/CONSULAR		1
DEP. HD/PUSD		1
RESIDENT CLERK		1
EAFD/ODA		1
ASSESSMENTS STAFF, CAB OFF		1
DIO CABINET OFFICE		1
MAIN	89	
UGANDA		1
LIMITED		8
EAD		4
DEFENCE		4
NEWS		10
INFO		15
PUSD		25
NENAD		6
CONSULAR		5
PS		7
PS/MRS CHALKER		1
PS/PUS		1
MR MUNRO		1
MR FAIRWEATHER		1
ADDITIONAL	5	
EAFD/ODA		1
ASSESSMENT STAFF CAB OFF		1
DIO CABINET OFFICE		1
		1

301241Z

FOR THE ATTENTION OF MR POWELL, NO 10 DOWNING ST
COMMENT

CONFIDENTIAL

FM KAMPALA

TO DESKBY 291500Z FCO

TELNO 744

OF 291315Z DECEMBER 87

INFO IMMEDIATE NAIROBI

INFO PRIORITY DAR ES SALAAM, LUSAKA, CAIRO

SUMMARY

1. UGANDAN MINISTER FOR FOREIGN AFFAIRS GRATEFUL FOR YOUR MESSAGE OF 23 DECEMBER AND PROVIDES A PERSONAL ACCOUNT OF MUSEVENI'S MEETING WITH MOI ON 28 DECEMBER AT THE KENYAN BORDER. AGREEMENT TO WITHDRAW TROOPS ON BOTH SIDES OF THE BORDER AND TO RESUME NORMAL TRADING ACTIVITIES. UGANDANS HOPE TO ARRANGE A BILATERAL MINISTERIAL MEETING IN KAMPALA IN THE FIRST WEEK OF JANUARY.

DETAIL

2. IN ASKING ME TO THANK YOU FOR YOUR WELCOME MESSAGE OF 23 DECEMBER, MUKIIBI GAVE ME A PERSONAL ACCOUNT OF YESTERDAY'S MEETING BETWEEN PRESIDENTS MOI AND MUSEVENI AT MALABA JUST INSIDE THE KENYAN BORDER. ALTHOUGH THERE HAD BEEN NO JOINT COMMUNIQUE (THE UGANDANS HAD PREPARED A DRAFT BUT THE KENYANS HAD NOT WANTED A COMMUNIQUE) THE OUTCOME OF THE MEETING WAS DESCRIBED BY MUSEVENI AT HIS PRESS CONFERENCE AT TORORO ON HIS RETURN FROM THE MEETING.

3. BOTH MUSEVENI AND MOI HAD OUTLINED WHAT THEY BELIEVED TO BE THE UNDERLYING CAUSES OF FRICTION. MUSEVENI HAD REFERRED TO THE BORDER CLOSURE, THE HARBOURING OF UGANDAN DISSIDENTS, UNWARRANTED QUESTIONING OF NRM INTERNAL POLICY AND HARRASSMENT OF UGANDAN TRADERS AND OFFICIALS. IT HAD BEEN AGREED THAT RELATIONS BETWEEN THE TWO COUNTRIES SHOULD BE NORMALISED BY:-

A) THE REMOVAL OF TROOPS FROM BOTH SIDES OF THE BORDER AND THEIR REPLACEMENT BY POLICE - UGANDANS HAD EXPLAINED THAT THE NRA HAD BEEN IN THE DISTRICT TO COUNTERACT INCURSIONS BY ARMED DISSIDENTS AND THAT SOME MEMBERS OF THE NRA WOULD REMAIN NEAR THE BORDER DUE TO SHORTAGE OF POLICEMEN:

B) RESUMPTION OF NORMAL TRADING ACTIVITIES INCLUDING THE TRANSIT OF PETROL TANKERS, GOODS TRAILERS AND INDIVIDUALS:

C) THE GRANT OF WORK PERMITS TO REPLACEMENT UGANDAN OFFICIALS OF PARASTATAL TRADING ORGANISATIONS: AND

D) INVESTIGATION INTO REPORTS OF THE HARRASSMENT AND DETENTION OF UGANDAN NATIONALS IN KENYA BY A JOINT MINISTERIAL COMMITTEE.

4. MUKIIBI SAID THAT THE KENYANS HAD ORIGNALLY REQUESTED THE DISCUSSION TO BE CONFINED TO BORDER SECURITY AS THEY DENIED UGANDAN ALLEGATIONS OF HARRASSMENT, SUPPORT FOR DISSIDENTS AND RESTRICTIONS ON TRAFFIC. HOWEVER MUSEVENI HAD INSISTED ON DISCUSSION OF TRANSIT TRADE AND ACCESS TO THE SEA BY LANDLOCKED COUNTRIES.

5. MOI'S ATTITUDE TO THE CLOSURE OF THE BORDER HAD BEEN INCONSISTENT. HE HAD FIRST DENIED THAT THE KENYANS HAD CLOSED THE BORDER AND CLAIMED THAT DIFFICULTIES WERE DUE TO THE RELUCTANCE OF KENYAN DRIVERS TO ENTER UGANDA. BUT HE WAS UNABLE TO EXPLAIN WHY NINE UGANDAN FUEL TANKERS DRIVEN BY UGANDANS HAD BEEN HELD UP UNTIL THE DAY OF THE MEETING. MUKIIBI CLAIMED THAT UGANDAN DRIVER WAS BEATEN UP BY KENYAN SECURITY FORCES IN THE PRESENCE OF MUHWEZI, UGANDAN DIRECTOR OF INTERNAL SECURITY, WHILE BEING TAKEN TO EXPLAIN TO MOI WHY HE AND COLLEAGUES HAD BEEN UNABLE TO COLLECT FUEL DESTINED FOR UGANDA.

6. FINALLY MUKIIBI SAID THAT KAMGWAGYE, DESIGNATED AS UGANDAN CONSUL IN MOMBASA, WHO IS ACTING AS CHARGE D'AFFAIRES IN NAIROBI HAD BEEN CHARGED WITH ARRANGING FOR A MEETING OF THE MINISTERIAL COMMITTEE IN KAMPALA IN THE FIRST WEEK OF JANUARY. MUKIIBI BELIEVES THAT HE IS IN TOUCH WITH KIPLAGAT. MEANWHILE THE UGANDANS ARE CLOSELY MONITORING THE SITUATION AT THE BORDER AND THE FLOW OF TRANSIT GOODS. MUKIIBI PROMISED TO LET ME HAVE AN UPDATE AT THE END OF THE WEEK.

COMMENT

7. I DID NOT GET THE IMPRESSION FROM MUKIIBI THAT THE MEETING WAS PARTICULARLY CORDIAL BUT THE UGANDANS ARE SATISFIED THAT THE MEETING HAS HELPED TO DEFUSE THE TENSE SITUATION. THEY NOW AWAIT PROOF THAT MOI'S ASSERTION THAT TRANSIT TRADE WILL NOT BE INTERRUPTED RESULTS IN THE RESUMPTION OF THE FLOW OF GOODS PARTICULARLY PETROL FROM MOMBASA. UGANDAN NEWSPAPERS HAVE CONFINED THEMSELVES TO REPORTING MUSEVENI'S PRESS CONFERENCE WHICH FOLLOWED THE LINES OF PARA 3 ABOVE.

MARCH

YYYY

ADVANCE	14	
UGANDA		1
PS		1
PS/MRS CHALKER		1
PS/PUS		1
MR MUNRO		1
MR FAIRWEATHER		1
HD/EAD		1
HD/NEWS		1
HD DEFENCE		1
HD/CONSULAR		1
DEP. HD/PUSD		1
EAFD/ODA		1
ASSESSMENTS STAFF, CAB OFF		1
DIO CABINET OFFICE		1
MAIN	89	
UGANDA		1
LIMITED		8
EAD		4
DEFENCE		4
NEWS		10
INFO		15
PL		25
NEAD		6
CONSULAR		5

PS/MRS CHALKER	1
PS/PUS	1
MR MUNRO	1
MR FAIRWEATHER	1
ADDITIONAL S	
EAFD/ODA	1
ASSESSMENT STAFF CAB OFF	1
DIO CABINET OFFICE	1
SEC(O) (C) MOD	1
DI(ROW) MOD	1
[R STRANGE]	

*file.***ADVANCE COPY**

RESTRICTED
FM LAGOS
TO DESKBY 291400Z FCO
TELNO 1375
OF 291140Z DECEMBER 87
INFO IMMEDIATE KADUNA

*Comments
passed to
FCO*

30.12.87.

FOR CONFERENCE SECTION

PRIME MINISTER'S VISIT

1. GRATEFUL FOR GUIDANCE ON THE FOLLOWING POINTS.

✓ (A) BRIEFING LUNCH. WE PROPOSE TO INVITE THE FOLLOWING TO THE BRIEFING LUNCH: MR THATCHER, MR POWELL, MR BEARPARK, MR INGHAM, MR FAIRWEATHER, HIGH COMMISSIONER, MINISTER, HEAD OF CHANCERY, MR BRUCE LOCKART, DEFENCE ADVISER. DO YOU AGREE?

(B) OPENING OF BRITISH COUNCIL OFFICES. WHICH MEMBERS OF THE PARTY WILL WISH TO ACCOMPANY THE PRIME MINISTER TO THIS FUNCTION? WE WILL MAKE ARRANGEMENTS FOR THE REMAINDER OF THE PARTY TO BE ESCORTED OUT TO THE AIRPORT IN A SEPARATE MOTORCADE.

CDD
PAB
B.I.
PF

✓ (C) KANO DURBAR. WE NOTE FROM YOUR TELEGRAM 891 THAT AS MANY MEMBERS AS POSSIBLE OF THE OFFICIAL PARTY SHOULD ATTEND THE DURBAR. WE UNDERSTAND THAT SOME OF THE PARTY WILL NEED TO CHECK IN FIRST AT THE HIGH COMMISSION LIAISON OFFICE. AS THIS IS SOME DISTANCE FROM THE EMIR'S PALACE AND MANY OF THE SURROUNDING ROADS WILL BE CLOSED, WE WILL NEED TO MAKE SPECIAL ARRANGEMENTS FOR THIS PART OF THE PARTY TO BE ESCORTED TO THE LIAISON OFFICE AS SOON AS THE AIRCRAFT LANDS AND THEN TO BE ESCORTED BACK INTO TOWN. AFTER DISCUSSION WITH MISS DAVIS OUR RECOMMENDATION IS THAT THE LIAISON OFFICE PARTY SHOULD CONSIST OF ONE RMP, A DUTY CLERK, A SECRETARIAL ASSISTANT AND MISS DAVIS. PROVIDED THERE IS NO URGENT BUSINESS WHICH NEEDS ATTENDING TO, WE SUGGEST THAT THE DUTY CLERK, THE SECRETARIAL ASSISTANT AND MISS DAVIS SHOULD GO ONTO THE DURBAR AS SOON AS THEY HAVE CHECKED IN. THE OFFICE WILL BE MANNED THROUGHOUT THE DAY BY A UK BASED MEMBER OF THE KADUNA STAFF AND A CONFIDENTIAL SECRETARY.

EWANS

YYYY

DISTRIBUTION

1

ADVANCE

1

HD/PROTOCOL

UNCLASSIFIED

103345
MDHIAN 1781

UNCLASSIFIED
FM LAGOS
TO IMMEDIATE FCO
TELNO 1372
OF 290740Z DECEMBER 87

YOUR TELNO 921: PM'S VISIT: THISWEEK INTERVIEW

1. INTERVIEW PASSED TO THISWEEK ON 24 DECEMBER. THEY HAVE
CONFIRMED THEY WILL RUN IT IN THEIR EDITION TO BE PUBLISHED
ON MONDAY 4 JANUARY.

2. THISWEEK HAVE NO OBJECTION TO OUR RELEASING THE INTERVIEW
TO THE PRESS PROVIDED IT IS NOT USED IN ADVANCE OF THEIR
PUBLICATION DATE AND THAT THISWEEK ARE CREDITED.

EWANS

YYYY

DISTRIBUTION 110

MAIN 109

LIMITED
WAD
OADS
NEWS D
INFO D
PROTOCOL D
CRD

PUSD
PS
PS/MRS CHALKER
PS/PUS
MR MUNRO
MR FAIRWEATHER

ADDITIONAL 1

PS NO 10 DOWNING ST

NNNN

CONFIDENTIAL

102262
MDHIAN 1696

CONFIDENTIAL
FM LAGOS
TO DESKBY 241430Z FCO
TELNO 1370
OF 241047Z DECEMBER 87

A. JM

PRIME MINISTER'S VISIT: ACCOMMODATION AND THE SHAPE OF THE
OFFICIAL TALKS

SUMMARY

1. NIGERIANS STRONGLY PREFER THAT THE PRIME MINISTER SHOULD STAY AT STATE HOUSE RATHER THAN AT THE HIGH COMMISSIONER'S RESIDENCE. WE RESPOND THAT WE EXPECT THIS TO BE ACCEPTABLE. INDICATIONS THAT THE NIGERIANS HOPE THE TALKS WILL CONCENTRATE ON ECONOMIC ISSUES.

DETAIL

2. SHONEKAN, CHAIRMAN OF UAC, AND A LONG STANDING FRIEND OF THIS OFFICE WHO IS CLOSE TO PRESIDENT BABANGIDA, ASKED TO SEE ME AT SHORT NOTICE ON THE EVENING OF 23 DECEMBER HE SAID HE HAD JUST COME FROM THE PRESIDENT WHO WAS VERY CONCERNED ABOUT OUR PREFERENCE FOR THE PRIME MINISTER TO STAY AT THE HIGH COMMISSIONER'S RESIDENCE RATHER THAN AT STATE HOUSE. SHONEKAN REPORTED BABANGIDA AS SAYING THAT A NUMBER OF HEADS OF STATE AND OF GOVERNMENT HAD BEEN ACCOMMODATED AT STATE HOUSE, WHERE SATISFACTORY SECURITY, COMMUNICATIONS AND OTHER FACILITIES HAD BEEN PROVIDED, AND THAT HE CONSIDERED THAT IT WOULD BE A SLIGHT TO NIGERIAN HOSPITALITY AND COMPETENCE IF THE PRIME MINISTER WERE TO STAY ANYWHERE ELSE. SHONEKAN SAID THAT THIS HAD BECOME A REAL PROBLEM IN THE PRESIDENT'S MIND, AND HE WONDERED HOW FLEXIBLE WAS OUR POSITION.

3. I REPLIED THAT I WAS SORRY TO HEAR THAT THIS WAS REGARDED AS A MAJOR ISSUE. WE HAD NEVER MADE IT SO. WHILE WE HAD SAID IN THE VARIOUS WORKING LEVEL MEETINGS THAT WE HAD A PREFERENCE FOR THE RESIDENCE, FOR A VARIETY OF ADMINISTRATIVE REASONS, WE HAD NEVER RULED OUT STATE HOUSE, AND THAT IF THE PRESIDENT FELT THAT STRONGLY ABOUT IT THEN I THOUGHT IT VERY LIKELY THAT WE WOULD BE ABLE TO ACCEPT THEIR CHOICE. SHONEKAN SAID HE WAS VERY PLEASED TO HEAR THAT, AND THAT HE WOULD GO STRAIGHT BACK TO THE PRESIDENT, WHO HE KNEW WOULD BE RELIEVED. HE ADDED THAT THE PRESIDENT HAD SAID THAT WE COULD HAVE FULL ACCESS TO AND EXCLUSIVE USE OF STATE HOUSE FOR AS MANY DAYS BEFORE THE VISIT AS WE NEEDED

CONFIDENTIAL

102262
MDHIAN 1696

IT, AND WOULD HAVE THEIR TOTAL COOPERATION OVER SECURITY, COMMUNICATIONS FACILITIES AND RELATED MATTERS. AND THAT OF COURSE DURING THE VISIT WE WOULD HAVE FULL ACCESS TO STATE HOUSE FOR WHOEVER WE WISHED.

4. GRATEFUL FOR CONFIRMATION THAT THE USE OF STATE HOUSE ON THESE TERMS IS ACCEPTABLE TO US. I ASSUME FROM EARLIER TELEGRAMS THAT WE WOULD NOT WISH TO MAKE THIS A STICKING POINT: IF WE WERE TO INSIST ON THE RESIDENCE THEN IT SEEMS CLEAR THAT WE WOULD RISK GETTING THE VISIT OFF ON A WRONG FOOT. WE WILL TRY TO ARRANGE A VERY EARLY RECONNAISSANCE VISIT TO STATE HOUSE, PERHAPS ON MONDAY 27 DECEMBER. AND THEN WILL REPORT FURTHER ON THE ACCOMMODATION AVAILABLE, LAYOUT, ETC.

5. SHONEKAN ALSO SAID THAT THE PRESIDENT WAS FEELING VERY POSITIVE AND CONFIDENT ABOUT THE VISIT, THAT HE WAS HOPING THAT HE WOULD BE ABLE TO HAVE A PRIVATE TETE A TETE MEETING WITH THE PRIME MINISTER. THAT HE WANTED ECONOMIC ISSUES, AND PARTICULARLY NIGERIA'S CURRENT ECONOMIC SITUATION, TO FEATURE PROMINENTLY IN THE TALKS, THAT HE DID NOT WISH TO GET INTO CONTENTIOUS ISSUES AND THAT WHILE THERE MUST BE SOME DISCUSSION OF SOUTH AFRICA HE DID NOT WISH THAT TO DOMINATE THE DISCUSSIONS. I SAID THAT THESE POINTS FITTED IN VERY WELL WITH OUR OWN CONCEPTS, AND THAT THESE INDICATIONS OF HOW THE PRESIDENT SAW THE TALKS WOULD BE HELPFUL TO US.

COMMENT

6. WE KNOW FROM NUMEROUS PUBLIC OCCASIONS THAT SHONEKAN IS INDEED CLOSE TO THE PRESIDENT, AND I DO NOT DOUBT THAT HE WAS GENUINELY REPRESENTING THE PRESIDENT'S VIEWS'S.

HEAP

YYYY

DISTRIBUTION

112

MAIN

106

LIMITED
WAD
PROTOCOL
OADS

PUSD
PS
PS/PUS
PS/MRS CHALKER

press

CONFIDENTIAL

102434
MDHOAN 5653

CONFIDENTIAL
FM FCO
TO DESKBY 270900Z LAGOS
TELNO 925
OF 241828Z DECEMBER 87

FROM RESIDENT CLERK.

YOUR TELEGRAM NO 1370: PRIME MINISTER'S VISIT: ACCOMMODATION.

1. WE HAVE CONSULTED NO. 10, WHO ARE CONTENT TO ACCEPT YOUR ADVICE THAT THE PRIME MINISTER SHOULD STAY AT STATE HOUSE.

2. GRATEFUL FOR EARLY REPORT ON ACCOMMODATION AVAILABLE AT STATE HOUSE, IF POSSIBLE BY 0900Z ON 29 DECEMBER. HOW MANY MEMBERS OF THE PARTY CAN STAY THERE?

HOWE

YYYY

DISTRIBUTION 112

MAIN 106

LIMITED
WAD
PROTOCOL
OADS
NEWS
INFO

PUSD
PS
PS/PUS
PS/MRS CHALKER
MR MUNROE
MR FAIRWEATHER

ADDITIONAL 6

PS/10 DOWNING ST

NNNN

copy



Foreign and Commonwealth Office

London SW1A 2AH

23 December 1987

CDP

24/iii

Dear Charles,

Prime Minister's Visit to Nigeria

As requested in your letter of 16 December, I enclose draft speeches for the Prime Minister at:

- (a) the State House arrival ceremony in Lagos;
- (b) the arrival ceremony at the Emir of Kano's Palace; and
- (c) the opening of the new British Council offices.

Yours ever,

L. Parker

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

23 December 1987

**PRIME MINISTER'S VISIT TO NIGERIA:
INTERVIEW WITH "THIS WEEK"**

I enclose answers to the questions put to the Prime Minister by the Nigerian magazine "This Week". Since they are in some cases quite substantially different from the drafts provided, I should be grateful if they could be carefully checked before they are issued.

(C. D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

ANSWERS TO QUESTIONS FOR THE PRIME MINISTER FROM "THIS WEEK"

1. WHAT IS THE MAIN OBJECTIVE OF YOUR VISIT?

I want to know and understand Nigeria better. You are after all the greatest country in Africa with almost a quarter of its population. Nigeria's views matter a great deal to us. More especially, I want to talk to President Babangida, who was sadly unable to attend the Commonwealth Heads of Government Meeting and whom I have not yet met.

2. IN THE RECENT PAST UK-NIGERIA RELATIONS HAVE BEEN SOURED ALMOST TO THE POINT OF BREAKING OFF DIPLOMATIC TIES. IN INTERNATIONAL FORA NIGERIA AND BRITAIN ARE ALWAYS ON THE OPPOSITE SIDE. HOW BEST CAN THE DAMAGE BE REPAIRED?

Far from being on the opposite side from Nigeria in international fora, Britain has actually been extremely helpful to Nigeria, in the IMF and Paris Club to take two examples. Yes, relations have been through some difficult times. But I believe that is behind us as we each have greater understanding of the other's viewpoint. I shall be coming to Nigeria to look to the future and consider with President Babangida and his colleagues how relations can be strengthened and our cooperation - which is actually very considerable - increased.

3. WILL BRITAIN EXTRADITE UMARU DIKKO AND OTHER NIGERIAN FUGITIVES? IF NOT, WHY?

Extradition is a legal matter in Britain. The requests made by the Nigerian Government are being handled through the proper channels and it would not be right for me to comment.

4. WHAT ROLE DO YOU SEE BRITAIN PLAYING IN NIGERIA'S CURRENT EFFORTS TO GET OUT OF HER ECONOMIC CRISIS?

We are impressed in Britain by the Nigerian Government's economic adjustment programme and their determination to get Nigeria on to the path of sustained recovery and growth. Nigeria, for its part, has the right to count on the support of its friends. We are trying to help in four main ways. First, firm support in the international financial institutions and I would remind you that the UK was the first country to sign a rescheduling agreement on bilateral payments. We followed up with the announcement of a major package of £200 million worth of new credit cover. Second, with by far the largest share of overseas investment in Nigeria and with over 300 British associated companies in Nigeria, the United Kingdom private sector is well placed to play an active part in projects under the new economic development plan including joint ventures. Thirdly, we think we can help Nigerian industry and agriculture now and in the years ahead through our technical cooperation programme: some 4-500 Nigerian specialists come to study in the United Kingdom every year. And don't let us forget our participation in the work of the European Community Development Fund: our share in that is worth over £23 million to Nigeria per year. Finally, as Nigeria's export oriented industrial base broadens we can expect further growth in Nigeria's exports to Britain, which have risen steadily since 1980.

5. BRITAIN HAS BEEN ACCUSED OF UNFAIR TRADE AND ECONOMIC RELATIONS WITH NIGERIA. IT IS A COMMON BELIEF THAT YOUR GOVERNMENT EXERTS PRESSURE ON THE PARIS CLUB APPARENTLY SEEKING TO IMPOSE HARSH DEBT REPAYMENT TERMS ON NIGERIA. WOULD YOU CALL THIS THE ACTION OF A FRIEND?

Your question is well wide of the mark. The reality is we have supported Nigeria's own recovery programme at every stage, and have taken the lead in ensuring a fair deal in the debt rescheduling negotiations with the international

financial institutions.

6. CONTRARY TO THE ASSURANCES GIVEN BY FOREIGN SECRETARY SIR GEOFFREY HOWE DURING HIS VISIT HERE IN 1985, THE EXPORT CREDIT GUARANTEE DEPARTMENT IS YET TO PROVIDE CREDIT FINANCING AND NEW CREDIT LINES DESPITE THE AGREEMENT ON DEBT RESCHEDULING SIGNED BY BOTH GOVERNMENTS IN MAY 1987. WHY?

I repeat, we took the lead in responding positively to the Nigerian Government's very far-reaching initiatives, and shall continue to do so. Britain was the first country to sign a bilateral rescheduling agreement in 1987, and we followed up in July 1987 by announcing a substantial package of new credit cover including cover for £200 million worth of business, in fields designed to promote Nigeria's industrial and agricultural rehabilitation programme. This is in keeping with the structural adjustment programme, one of whose aims is to get agriculture and small and medium scale private business on their feet again. And throughout Nigeria's economic difficulties our export credit agency, ECGD, has continued to cover substantial short term business.

7. DURING HER RECENT AFRICAN TOUR THE JUNIOR MINISTER IN THE FOREIGN OFFICE, MRS. LYNDA CHALKER SAID THAT NIGERIA DID NOT DESERVE SYMPATHY FOR HER PRESENT ECONOMIC WOES. WAS THAT A FAIR ASSESSMENT FROM A SUPPOSEDLY FRIENDLY NATION?

There must be some misunderstanding, because Mrs. Chalker has never said anything of the sort. We in the British Government admire the tenacity which Nigeria has shown in undertaking major adjustments to its economy. These are never painless. We understand this in Britain: in the seventies we had to take similar measures ourselves and the results have been very good. We want you to enjoy the same success.

8. THERE IS A DISAGREEMENT BETWEEN THE BRITISH GOVERNMENT AND THE NIGERIAN GOVERNMENT OVER AIR SERVICES. WHILE THE UK ALLOWS NIGERIA AIRWAYS LANDING RIGHT IN ONLY ONE BRITISH AIRPORT (HEATHROW), BRITISH CALEDONIAN AIRWAYS MAKE USE OF BOTH KANO AND LAGOS MURTALA MUHAMMED INTERNATIONAL AIRPORTS. GIVEN THE PRINCIPLE OF RECIPROCITY, IS IT NOT FAIR THAT NIGERIA SHOULD RESTRICT THE B-CAL TO THE USE OF ONE AIRPORT?

But you are wrong to say we only allow Nigeria Airways to use one British airport. On the contrary the air services agreement provides for Nigeria Airways to fly to a second UK airport, so it is open to them to do so.

9. HISTORICALLY, BRITAIN AND OTHER COMMONWEALTH NATIONS ARE SUPPOSED TO BE VERY CLOSE ALLIES. BUT THE PICTURE HAS DRASTICALLY CHANGED SINCE YOUR TENURE AT NO.10 DOWNING STREET. YOUR GOVERNMENT HAS INTRODUCED DRACONIAN IMMIGRATION LAWS WHICH HAVE SERIOUSLY ALTERED THE STATUS OF COMMONWEALTH CITIZENS LIVING IN THE UK AND THOSE SEEKING ENTRY.

Our immigration and visa policy is very similar to yours: British passport holders have needed visas to enter Nigeria since the 1960s.

10. YOUR TENURE HAS HERALDED STEADY DECLINE IN THE RELEVANCE AND THE INFLUENCE OF THE COMMONWEALTH IN WORLD AFFAIRS. WOULD YOU BE CONCERNED IF THE COMMONWEALTH WERE TO DISINTEGRATE?

Over the past nine years the Commonwealth has played a central part in bringing Zimbabwe to independence; has taken an important initiative on the security of small states; has set up the Commonwealth Group of Eminent Persons to encourage dialogue in South Africa; and most recently, in Vancouver embarked on a valuable project to meet education needs of member countries through distance education. These achievements are valued by most member states. We believe that the Commonwealth is an organisation which can play a

constructive and stabilising role in world affairs and we shall support it in that. We would like to see Nigeria take a more active part.

11. IN SOUTH AFRICA, APARTHEID CONTINUES TO FLOURISH PARTLY BECAUSE OF BRITAIN'S DOGGED OPPOSITION TO SANCTIONS. WILL YOUR COUNTRY EVER BACK SANCTIONS SINCE THE PRETORIA REGIME HAS BECOME EVEN MORE VIOLENT IN DEALING WITH THE BLACK MAJORITY?

At the outset, two points: first I consider apartheid repulsive and detestible: secondly we implement faithfully the range of measures against South Africa to which we have agreed at the United Nations, in the European Community and the Commonwealth. That said, one should separate the issues of opposition to apartheid and support for punitive economic sanctions. At the Commonwealth Heads of Government Meeting in Vancouver, we all agreed that apartheid must go just as soon as possible. We differ only in our assessment of the best means to achieve that aim. I believe sanctions will not remove the violence in South Africa, but will increase it, as well as causing immense poverty and hardship to black South Africans. Those who argue for sanctions abandon any chance of influencing what happens in South Africa. We intend to stay involved and to go on working for change, however difficult that may be.

12. IS YOUR OPPOSITION TO SANCTIONS NOT A SELF-SERVING TACTIC EMPLOYED TO GUARANTEE THE SAFETY OF BRITISH INVESTMENTS IN SOUTH AFRICA WHICH ARE TIED TO SOME 200,000 JOBS BACK IN THE UK?

I oppose sanctions because I believe that they would not be effective in bringing about change and getting rid of apartheid. Instead of promoting change, they would harden the attitudes of white South Africans, polarise the conflict in South Africa, and cause hardship to innocent people throughout the region. We use all our links with South Africa, human as

well as economic, to work for peaceful change by negotiation. This is fully in line with the negotiating concept developed by the Commonwealth Eminent Persons Group.

13. IS IT HYPOCRITICAL IF NOT DISHONEST THAT BRITAIN, WHICH OPPOSES SANCTIONS AGAINST SOUTH AFRICA FOR WHATEVER REASON, CHAMPIONED THE IMPOSITION OF ECONOMIC SANCTIONS AGAINST LIBYA FOR ALLEGED TERRORIST ACTS?

No. We impose an arms embargo against Libya, and urge other countries to join it, because Libya supplies arms to terrorists. And we scrupulously apply an arms embargo against South Africa. But our wider objective in South Africa is to influence the direction of fundamental political change within the country. To do this we must persuade all sides in South Africa to accept the need for peaceful negotiation. Punitive sanctions would not help us achieve this. They would make South African problems harder to solve.

14. WOULD YOU OPPOSE SANCTIONS IF THE SITUATION IN SOUTH AFRICA WERE TO BE THE OTHER WAY ROUND - THAT IS BLACKS OPPRESSING WHITE IN A WHITE COUNTRY?

Yes. I have already explained why I do not believe that comprehensive economic sanctions are an effective means of ending apartheid. I oppose any form of oppression.

15. HAVE YOU EVER GIVEN A THOUGHT TO THE FUTURE OF THE BRITISH INVESTMENTS IN SOUTH AFRICA IN THE EVENT OF BLACK RULE?

Yes. Apartheid is wrong but industry is in the forefront of breaking it down. I believe that British companies will play a positive role when apartheid has gone. Meanwhile they are making a contribution to the development of the economic skills and living standards of black South Africans - through

programmes of training and education and through community projects. The record of major British companies in South Africa is second to none in this respect.

16. WHY DID BRITAIN NOT SEND AN OFFICIAL DELEGATION TO THE RECENT ARUSHA CONFERENCE OF THE AFRICAN NATIONAL CONGRESS?

Because we are opposed to violence whoever practices it. We use our contacts with the ANC to urge them to abandon violence and work for a peaceful solution.

17. IN YOUR TIME BRITAIN HAS REACTED MORE NEGATIVELY TO THE AFFAIRS OF SUCH INTERNATIONAL ORGANISATIONS LIKE THE UNCTAD, UNESCO OR EVEN THE NORTH-SOUTH DIALOGUE. ISN'T THIS INDICATIVE OF YOUR DISLIKE FOR THE SO-CALLED THIRD WORLD?

We have one of the largest aid programmes in the world and have recently made very far-reaching proposals to relieve the debt burden of the poorest countries in Africa. We have been among the largest contributors to relieving famine in Ethiopia and Mozambique and helped the latter to train and strengthen its security forces. That adds up to a programme for very considerable help to the Third World.

18. THIS IS YOUR FIRST AFRICAN VISIT SINCE YOU BECAME PRIME MINISTER IN 1979. WHY DID IT TAKE YOU SO LONG?

It is not my first African visit since I became Prime Minister in 1979. In that year I visited Zambia and attended the Commonwealth Heads of Government Meeting in Lusaka. That meeting played a central part in setting in motion events which led to the Lancaster House Conference and the independence of Zimbabwe.

19. ON THE WHOLE, HOW WOULD YOU CATEGORISE YOUR FOREIGN POLICY TOWARD AFRICA?

It is difficult to generalise about a continent as vast and diverse as Africa. Our policy towards Africa is designed to recognise the interdependence which is the basic fact of life in today's world. The Chancellor's special initiative to relieve the burden on the low income debt distressed African countries shows this clearly.

20. YOU DESCRIBED THE RECENTLY-SIGNED INF TREATY BETWEEN THE US AND USSR AS "A MARVELLOUS CHRISTMAS PRESENT", ALTHOUGH OTHER WEST EUROPEAN LEADERS CALLED FOR CAUTION, WARNING OF THE CONSEQUENCES OF THE INF ON EUROPE'S SECURITY. DO YOU FORESEE ANY SERIOUS THREATS TO EUROPE IN THE LIGHT OF THE TREATY AND IMPROVED US-SOVIET RELATIONS?

No. All Allied Governments fully support the INF Treaty, and made this clear in the North Atlantic Council of 11 December. We now have other arms control proposals to pursue: 50 per cent reductions in the stockpiles of the US and Soviet Union, a global chemical warfare ban, and the elimination of the imbalance in conventional forces in Europe. In this way we hope we can make the world safer for everybody - not just for the UK and Europe, but for Africa as well.



Overseas Development Administration

Eland House

Stag Place London SW1E 5DH

Telephone 01-213: 5700
or Switchboard 01-213: 3000

22 December 1987

Mr P A Bearpark
No 10 Downing Street
Whitehall
LONDON SW1*Dear Andy,***PRIME MINISTER'S VISIT TO NIGERIA**

We spoke yesterday and I am most grateful for your help in ensuring that the Prime Minister has before her the right material for her short visit to Nigeria. I put it this way because I was concerned that Lyn Parker's letter of 18 December to Charles Powell did not pick up two or three key points on the aid side.

2. I think it important that the Prime Minister should be aware that she may be asked for capital aid by President Babangida (I was in Nigeria myself earlier this month and the Permanent Secretaries of Finance and National Planning made it quite clear what they wanted). We covered this point in the material we provided to the Diplomatic Wing for onward transmission to No 10. Perhaps I could draw your attention to paragraph 2 on page 1 of the attached papers. This covers the fact that to provide money for Nigeria would mean taking it from elsewhere from our bilateral programme, a process that would be damaging and disruptive; that we should make the most of the point that we are a substantial contributor to multilateral flows; and that we are prepared to consider using our substantial Technical Cooperation funds in ways that will directly help structural adjustment in Nigeria.

3. Lyn Parker's letter also omits the point in the second half of paragraph 1 of the attached papers. This covers our wish (set out in our country review paper for Nigeria and endorsed by the Minister) to shift the balance of our Technical Cooperation programme. We expect to remain heavily involved in education but we want over the next few years to try and combine our Technical Cooperation with World Bank and EC capital flows in order to give ourselves a spread that demonstrably goes beyond education and to play a more direct part in the process of economic recovery in Nigeria. I would hope that this will also bring us some commercial advantages.



4. I think you will agree that these are the kind of points that the Prime Minister would wish to have before her. None of them are inconsistent at all with the material you have had from Lyn Parker. It is simply that in the interests of cutting down the text one or two rather key points have been inadvertently excised.

5. I should add that I am a bit concerned over the implication in the first sentence of the aid paragraph on page 5 of Lyn Parker's letter that the Nigerians and the Prime Minister will want to "review" the aid effort to Nigeria. The Prime Minister will be able to deal with the question of capital aid but I rather doubt that the two Leaders will want to go over the detail of the Technical Cooperation programme. My own experience in Lagos this month was that the Technical Cooperation programme, while valued in those sectors in which we are active, is taken little notice of at very senior levels and I would be surprised if the President were aware of the detail of our programme. However, if you thought that this was a possibility then perhaps you would let either myself or Ron Wootton know and we will provide you with rather more detail on the programme than is in these papers.

Yours ever,

Bruce

N B HUDSON

PRIME MINISTER'S VISIT TO NIGERIA: 7-8 JANUARY 1988

We have a substantial Technical Cooperation (TC) programme in Nigeria, running at a little over £3½ million a year and due to increase over the next few years. About two-thirds of the programme consists of training in Britain and within Nigeria we have focused on staff and curriculum development in polytechnic and universities, and on public administration training; the British Council manages much of the TC programme on ODA's behalf. Activities in the education sector will continue. But our aim looking ahead is to change the emphasis of our programme to link it more directly with what the World Bank and other multilateral agencies are doing, and in other ways to make it more supportive of Nigeria's economic recovery programme. We shall for example be exploring further scope for providing British consultants and training opportunities in support of World Bank and EC financed projects.

There are no plans to launch a capital programme in Nigeria although the Prime Minister may find that President Babangida makes just such a request. To make any impact in Nigeria a capital aid programme would have to be significant in size. And to find the necessary funds from within existing resources would mean taking money away from other needier countries in Africa and beyond: the process would be very damaging. We should thus make the most of the contributions that we are making to Nigeria's development through the multilateral agencies and indicate that we are prepared to use our Technical Cooperation funds as effectively as possible in support of Nigerian development. The Prime Minister may also be asked if we would cancel the aid debt that Nigeria currently owes to Britain. This amounts to some £5 million. This too should be resisted: Nigeria is not regarded as coming within the terms of the Chancellor's debt initiative and if it were to be brought within that ambit the potential costs could be very high in terms of interest subsidy.

Two specific and recent Technical Cooperation initiatives deserve mention. We are about to take forward a request to help

/in

in training Nigeria's police, a request closely associated with President Babangida himself. A British Police Superintendent will visit Nigeria in January to make recommendations: we are likely to offer to second 4 or 5 police officers to Nigeria for 2 years to develop a Central Planning Unit at Jos and to improve detective training. Some (limited) training in the UK would support the training in Nigeria. In a different sector we have just completed a response to a special request from the Federal Ministry of Agriculture, a grasshopper control operation in northern Nigeria, at a cost of just under £0.5 million. We supplied pesticides, spraying equipment and a team of pesticide experts to supervise the operation; it has been reported as a great success. We would, if asked, be willing to consider how we, in conjunction with FAO, might help Nigeria take measures to reduce the long-term threat from grasshoppers/locusts.

BACKGROUND

NIGERIA : BRITISH AID

1. Capital Aid. There is no British capital aid programme for Nigeria and no plans to introduce one in the foreseeable future. We contribute significantly to multilateral flows to Nigeria from the major multilateral agencies. The IBRD programme for Nigeria aims at a level of expenditure of some \$1 billion per annum. Nigeria's contribution from the European Development Fund under the current Lomé Convention amounts to 200m ECU of which our share amounts to the equivalent of £23 million.

2. The aid framework for Nigeria (not for disclosure to the Nigerians) is as follows:-

<u>1987/88</u>	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>
£4.075m	£4.8m	£5.5m	£6.0m

3. The bulk of the existing programme consists of the provision of scholarships in the UK for Nigerian nominees. In 1987/88, some 370 Nigerians will study in the UK under ODA auspices: the major subjects of study are agriculture (about 26% of students), health (19%) engineering (15%) and education (12%). We aim to tie the training programme more closely to projects within Nigeria.

4. Education sector in Nigeria. We are currently working up a number of projects with the Nigerians and the British Council including projects to strengthen staff and curriculum development at the National Board for Technical Education (NBTE) and the Federal Technical College, Yaba (as part of a World Bank technical education project); equipment maintenance in polytechnics; English language proficiency of university and polytechnic staff. Further projects aim to strengthen public administration training: management training at the Administrative Staff College of Nigeria and at the Institute of Administration in Zaria.

5. Our aim looking forward is to identify opportunities in sectors other than education for the growing Technical Cooperation programme. To this end discussions have been held with the Nigerian agricultural authorities and with the World Bank Office in Lagos. We shall be exploring further the scope for associating our Technical Cooperation with the World Bank's capital finance in the power and railways sectors; and we are examining ways of helping with the work of Nigerian agriculture colleges, further long term assistance with pest control and ways in which we might join forces with the Nigerian authorities and British manufacturers in a tractor rehabilitation scheme.

6. The Commonwealth Development Corporation was once active in Nigeria. Now that the Nigerians are adopting a more structured approach to their economic development and have stated their intention to place emphasis on the agricultural sector the CDC have indicated that they would like to examine the scope for resuming their activities in that country.

E. R. ①
PRIME MINISTER

cc Mr. Ingham

VISIT TO NIGERIA: WRITTEN INTERVIEW

You agreed to do a written interview for Nigeria. I attach some pretty sour questions from "This Week" together with suggested answers. I have considered whether to advise you to abandon the exercise altogether but conclude that it is better to take the questions head on. Otherwise they will claim you ducked.

The tone of these questions suggests that we are wise not to hold a press conference in Nigeria.

Agree to answers?

C.D.P.

CHARLES POWELL

22 December 1987

EL3CIW

DRAFT ANSWERS TO QUESTIONS FOR THE PRIME MINISTER FROM "THIS WEEK"

1. WHAT IS THE MAIN OBJECTIVE OF YOUR VISIT?

I want to know and understand Nigeria better. You are after all the greatest country in Africa with almost a quarter of its population. Nigeria's views matter a great deal to us. More especially, I want to talk to President Babangida, who was sadly unable to attend the Commonwealth Heads of Government Meeting and whom I have not yet met.

Far from being on the opposite side from Nigeria in international fora, Britain has actually been extremely helpful to Nigeria, in the IAF, the ICF, the Paris Club, and friendly understanding of her economic problems. She desires to overcome them on her own to take two examples.

2. IN THE RECENT PAST UK-NIGERIA RELATIONS HAVE BEEN SOURED ALMOST TO THE POINT OF BREAKING OFF DIPLOMATIC TIES. IN INTERNATIONAL FORA NIGERIA AND BRITAIN ARE ALWAYS ON THE OPPOSITE SIDE. HOW BEST CAN THE DAMAGE BE REPAIRED?

~~Britain as a founder (?) member of the I.M.F. has been helpful to~~
~~I don't like the negative tone of your question.~~ Yes, we have been through some difficult times. But I believe they are behind us. I shall be coming to Nigeria to look to the future and consider with President Babangida and his colleagues how relations can be strengthened and our cooperation - which is actually very considerable - increased.

3. WILL BRITAIN EXTRADITE UMARU DIKKO AND OTHER NIGERIAN FUGITIVES? IF NOT, WHY?

Extradition is a legal matter in Britain. The requests made by the Nigerian Government are being handled through the proper channels and it would not be right for me to comment.

4. WHAT ROLE DO YOU SEE BRITAIN PLAYING IN NIGERIA'S CURRENT EFFORTS TO GET OUT OF HER ECONOMIC CRISIS?

We are impressed in Britain by the Nigerian Government's

you would have taken care to should respond here although I may not have the right language

4/78

what is

economic adjustment programme and their determination to get Nigeria on to the path of sustained recovery and growth. Nigeria, for its part, has the right to count on the support of its friends. We are trying to help in four main ways. First, firm support in the international financial institutions and I would remind you that the UK was the first country to sign a rescheduling agreement on bilateral payments. We followed up with the announcement of a major package of £200 million worth of new credit cover. Second, with by far the largest share of overseas investment in Nigeria and with over 300 British associated companies in Nigeria, the United Kingdom private sector is well placed to play an active part in projects under the new economic development plan including joint ventures. Thirdly, we think we can help Nigerian industry and agriculture now and in the years ahead through our technical cooperation programme: some 4-500 Nigerian specialists come to study in the United Kingdom every year. And don't let us forget our participation in the work of the European Community Development Fund: our share in that is worth over £23 million to Nigeria per year. Finally, as Nigeria's export oriented industrial base broadens we can expect further growth in Nigeria's exports to Britain, which have risen steadily since 1980.

5. BRITAIN HAS BEEN ACCUSED OF UNFAIR TRADE AND ECONOMIC RELATIONS WITH NIGERIA. IT IS A COMMON BELIEF THAT YOUR GOVERNMENT EXERTS PRESSURE ON THE PARIS CLUB APPARENTLY SEEKING TO IMPOSE HARSH DEBT REPAYMENT TERMS ON NIGERIA. WOULD YOU CALL THIS THE ACTION OF A FRIEND?

Your question is well wide of the mark. The reality is we have supported Nigeria's own recovery programme at every stage, and have taken the lead in ensuring a fair deal in the debt rescheduling negotiations with the international financial institutions.

6. CONTRARY TO THE ASSURANCES GIVEN BY FOREIGN SECRETARY SIR GEOFFREY HOWE DURING HIS VISIT HERE IN 1985, THE EXPORT CREDIT GUARANTEE DEPARTMENT IS YET TO PROVIDE CREDIT FINANCING AND NEW CREDIT LINES DESPITE THE AGREEMENT ON DEBT RESCHEDULING SIGNED BY BOTH GOVERNMENTS IN MAY 1987. WHY?

I repeat, we took the lead in responding positively to the Nigerian Government's very far-reaching initiatives, and shall continue to do so. Britain was the first country to sign a bilateral rescheduling agreement in 1987, and we followed up in July 1987 by announcing a substantial package of new credit cover including cover for £200 million worth of business, in fields designed to promote Nigeria's industrial and agricultural rehabilitation programme. This is in keeping with the structural adjustment programme, one of whose aims is to get agriculture and small and medium scale private business on their feet again. And throughout Nigeria's economic difficulties our export credit agency, ECGD, has continued to cover substantial short term business.

7. DURING HER RECENT AFRICAN TOUR THE JUNIOR MINISTER IN THE FOREIGN OFFICE, MRS. LYNDA CHALKER SAID THAT NIGERIA DID NOT DESERVE SYMPATHY FOR HER PRESENT ECONOMIC WOES. WAS THAT A FAIR ASSESSMENT FROM A SUPPOSEDLY FRIENDLY NATION?

There must be some mandatorily, because
Mrs. Chalker ^{has never said anything} said nothing of the sort. We in the British Government admire the tenacity which Nigeria has shown in ^{undertaking} embarking on major economic adjustments ^{re its economy. There} which are never painless. We understand this in Britain: ^{in the seventies} we have had to take similar measures ourselves and the results have been very good. We want you to enjoy the same success.

8. THERE IS A DISAGREEMENT BETWEEN THE BRITISH GOVERNMENT AND THE NIGERIAN GOVERNMENT OVER AIR SERVICES. WHILE THE UK ALLOWS NIGERIA AIRWAYS LANDING RIGHT IN ONLY ONE BRITISH AIRPORT (HEATHROW), BRITISH CALEDONIAN AIRWAYS MAKE USE OF BOTH KANO AND LAGOS MURTALA MUHAMMED INTERNATIONAL AIRPORTS.

GIVEN THE PRINCIPLE OF RECIPROCITY, IS IT NOT FAIR THAT NIGERIA SHOULD RESTRICT THE B-CAL TO THE USE OF ONE AIRPORT?

But you are wrong to say we only allow Nigeria Airways to use one British airport. On the contrary the air services agreement provides for Nigeria Airways to fly to a second UK airport, so it is open to them to do so.

9. HISTORICALLY, BRITAIN AND OTHER COMMONWEALTH NATIONS ARE SUPPOSED TO BE VERY CLOSE ALLIES. BUT THE PICTURE HAS DRASTICALLY CHANGED SINCE YOUR TENURE AT NO.10 DOWNING STREET. YOUR GOVERNMENT HAS INTRODUCED DRACONIAN IMMIGRATION LAWS WHICH HAVE SERIOUSLY ALTERED THE STATUS OF COMMONWEALTH CITIZENS LIVING IN THE UK AND THOSE SEEKING ENTRY.

Our immigration and visa policy is ^{very similar to} ~~not very different from~~ yours: British passport holders have needed visas to enter Nigeria since the 1960s.

10. YOUR TENURE HAS HERALDED STEADY DECLINE IN THE RELEVANCE AND THE INFLUENCE OF THE COMMONWEALTH IN WORLD AFFAIRS. WOULD YOU BE CONCERNED IF THE COMMONWEALTH WERE TO DISINTEGRATE?

Over the past nine years the Commonwealth has played a central part in bringing Zimbabwe to independence; has taken an important initiative on the security of small states; has set up the Commonwealth Group of Eminent Persons to encourage dialogue in South Africa; and most recently, in Vancouver embarked on a valuable project to meet education needs of member countries through distance education. ~~I don't think that you would find that other governments present at our meetings would dismiss~~ These achievements ^{are valued by most member states} ~~in the way you do.~~

We believe that the Commonwealth is an organisation which can play a constructive and stabilising role in world affairs and we shall support it in that. We would like to see Nigeria take a more active part.

11. IN SOUTH AFRICA, APARTHEID CONTINUES TO FLOURISH PARTLY BECAUSE OF BRITAIN'S DOGGED OPPOSITION TO SANCTIONS. WILL YOUR COUNTRY EVER BACK SANCTIONS SINCE THE PRETORIA REGIME HAS BECOME EVEN MORE VIOLENT IN DEALING WITH THE BLACK MAJORITY?

At the outset, two points: first I consider apartheid repulsive and detestible: secondly we implement faithfully the range of measures against South Africa to which we have agreed ~~in the European Community and the Commonwealth.~~ ^{Security Council of the United Nations,} That said, one should separate the issues of opposition to apartheid and support for punitive economic sanctions. At the Commonwealth Heads of Government Meeting in Vancouver, we all agreed that apartheid must go just as soon as possible. We differ only in our assessment of the best means to achieve that aim. I believe sanctions will not remove the violence in South Africa, but will increase it, as well as causing ^{poverty &} immense ~~hardship~~ ^{hardship} to black South Africans. Those who argue for sanctions abandon any chance of influencing what happens in South Africa. ~~and the factors about - condemnations - methods of people to liberate~~ We intend to stay involved and to go on working for change, however difficult that may be.

12. IS YOUR OPPOSITION TO SANCTIONS NOT A SELF-SERVING TACTIC EMPLOYED TO GUARANTEE THE SAFETY OF BRITISH INVESTMENTS IN SOUTH AFRICA WHICH ARE TIED TO SOME 200,000 JOBS BACK IN THE UK?

~~No.~~ I oppose sanctions because I believe that they would not be effective in bringing about change and getting rid of apartheid. Instead of promoting change, they would harden the attitudes of white South Africans, polarise the conflict in South Africa, and cause hardship to innocent people throughout the region. We use all our links with South Africa, human as well as economic, to work for peaceful change by negotiation. This is fully in line with the negotiating concept developed by the Commonwealth Eminent Persons Group.

13. IS IT HYPOCRITICAL IF NOT DISHONEST THAT BRITAIN, WHICH OPPOSES SANCTIONS AGAINST SOUTH AFRICA FOR WHATEVER REASON, CHAMPIONED THE IMPOSITION OF ECONOMIC SANCTIONS AGAINST LIBYA FOR ALLEGED TERRORIST ACTS?

No. We impose an arms embargo against Libya, and urge other countries to join it, because Libya supplies arms to terrorists. ~~For that matter~~ ^{and} we scrupulously apply an arms embargo against South Africa. But our wider objective in South Africa is to influence the direction of fundamental political change within the country. To do this we must persuade all sides in South Africa to accept the need for peaceful negotiation. Punitive sanctions would not help us achieve this. They would make South African problems harder to solve.

14. WOULD YOU OPPOSE SANCTIONS IF THE SITUATION IN SOUTH AFRICA WERE TO BE THE OTHER WAY ROUND - THAT IS BLACKS OPPRESSING WHITE IN A WHITE COUNTRY?

Yes. I have already explained why I do not believe that ~~punitive~~ ^{competitive} economic sanctions are an effective means of ending apartheid. ~~But~~ I oppose any form of oppression.

15. HAVE YOU EVER GIVEN A THOUGHT TO THE FUTURE OF THE BRITISH INVESTMENTS IN SOUTH AFRICA IN THE EVENT OF BLACK RULE?

Yes. Apartheid is ~~irrational and bad economics~~ ^{wrong} ~~and bad economics~~ ^{but industry is in the forefront of breaking it down.} I believe that British companies ^{will} ~~can~~ play a positive role when apartheid has gone. Meanwhile they are making a contribution to the development of the economic skills and living standards of black South Africans - through programmes of training and education and through community projects. The record of major British companies in South Africa is second to none in this respect.

Wrong but industry is in the forefront of breaking it down.

16. WHY DID BRITAIN NOT SEND AN OFFICIAL DELEGATION TO THE RECENT ARUSHA CONFERENCE OF THE AFRICAN NATIONAL CONGRESS?

Because ~~it would not have been appropriate to do so.~~ We use ^{our} ~~our bilateral~~ contacts ~~(with the ANC to urge them to abandon violence and work for a peaceful solution.)~~ We are opposed to violence whoever practices it.

17. IN YOUR TIME BRITAIN HAS REACTED MORE NEGATIVELY TO THE AFFAIRS OF SUCH INTERNATIONAL ORGANISATIONS LIKE THE UNCTAD, UNESCO OR EVEN THE NORTH-SOUTH DIALOGUE. ISN'T THIS INDICATIVE OF YOUR DISLIKE FOR THE SO-CALLED THIRD WORLD?

We have one of the largest aid programmes in the world and have recently made very far-reaching proposals to relieve the debt burden of the poorest countries in Africa. We have been among the largest contributors to relieving famine in Ethiopia and Mozambique and helped the latter to train and strengthen its security forces. ~~Now that is hardly consistent with disliking the Third World, is it?~~

That is a odd way to say it. ~~very considerable~~ help to the Third World.

18. THIS IS YOUR FIRST AFRICAN VISIT SINCE YOU BECAME PRIME MINISTER IN 1979. WHY DID IT TAKE YOU SO LONG?

It is not my first African visit since I became Prime Minister in 1979. In that year I visited Zambia and attended the Commonwealth Heads of Government Meeting in Lusaka. That meeting played a central part in setting in motion events which led to the Lancaster House Conference and the independence of Zimbabwe.

19. ON THE WHOLE, HOW WOULD YOU CATEGORISE YOUR FOREIGN POLICY TOWARD AFRICA?

It is difficult to generalise about a continent as vast and

diverse as Africa. Our policy towards Africa is designed to recognise the interdependence which is the basic fact of life in today's world. The Chancellor's special initiative to relieve the burden on the low income debt distressed African countries shows this clearly.

20. YOU DESCRIBED THE RECENTLY-SIGNED INF TREATY BETWEEN THE US AND USSR AS "A MARVELLOUS CHRISTMAS PRESENT", ALTHOUGH OTHER WEST EUROPEAN LEADERS CALLED FOR CAUTION, WARNING OF THE CONSEQUENCES OF THE INF ON EUROPE'S SECURITY. DO YOU FORESEE ANY SERIOUS THREATS TO EUROPE IN THE LIGHT OF THE TREATY AND IMPROVED US-SOVIET RELATIONS?

No. All Allied Governments fully support the INF Treaty, and made this clear in the North Atlantic Council of 11 December. We now have other arms control proposals to pursue: 50 per cent reductions in the stockpiles of the US and Soviet Union, a global chemical warfare ban, and the elimination of the imbalance in conventional forces in Europe. In this way we hope we can make the world safer for everybody - not just for the UK and Europe, but for Africa as well.



Foreign and Commonwealth Office

London SW1A 2AH

22 December 1987

Dear Charles,

CDM/12

Prime Minister's Visit to Nigeria: The Nigerian Press

Thank you for your letter of 10 December ^{at Hep} about the handling of the Prime Minister's visit to Nigeria with the Nigerian press.

Despite our offer "The Guardian" and "The Daily Times" have not come up with questions for written interviews. "This Week" has. I therefore enclose draft written replies to "This Week's" questions. Their deadline for their edition which appears in the week of the Prime Minister's visit is 28 December.

As for the press conference, we believe that the Nigerian press will grumble if there is no press conference but, in the end, the absence of a press conference would probably be less damaging than holding one, as you can see from the tenor of "This Week's" questions.

Yours ever,

L Parker

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL



SKWBDV

cpc

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

22 December 1987

Dear Sir,

VISIT TO NIGERIA

The Prime Minister has asked for consideration to be given to the possibility of her making some gesture of encouragement and support to the Nigerian government during her visit in early January. In Kenya, she will have the promise of some £20 million additional balance of payments aid to offer, provided the Kenyans reach agreement with the IMF. In Nigeria, as far as I can make out from the briefs, there is no similar piece of good news. The Nigerians are of course a less deserving case. Nonetheless we have a strong interest in using the Prime Minister's visit to get our relations with them on as good a footing as possible and to support their efforts to put the economy to rights.

For these reasons, the Prime Minister would like consideration given to two possibilities:

- military assistance. As I understand it, we are proposing to the Nigerians that we should retain some £7 million from the proceeds of the former West African Currency Board, to offset their debt to MoD of some £9½ million for military assistance. We might consider suggesting that, if the Nigerians accept this proposal, we would be prepared to write off the remaining £2½ million. This would open the way to continuation of our military training and assistance programme and would presumably create a very favourable impression with President Babangida. Clearly there are risks. If we write off a part of this debt, it may only encourage the Nigerians to expect us to do the same in other areas where the stakes (and the cost to us) are higher. But in the Prime Minister's view, it should be possible to ring-fence help of this sort with military assistance. The Prime Minister recognises that the sum involved - if we proceed - would not be a fair charge on departmental votes but would have to be found elsewhere.

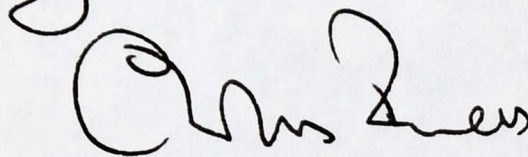
- commercial debt. The Prime Minister thinks that a renewed effort should be made to secure Nigerian agreement to pay off a fair proportion of their arrears to ECGD so that resumption of medium term cover could be announced during her visit. I do not know what the practical possibilities of making progress in these negotiations between now and

CONFIDENTIAL

7 January are, but the Prime Minister would clearly wish the maximum possible effort to be made.

I should be grateful if very early interdepartmental consideration could be given to these two proposals. It would be helpful to have an interim reply at least, some days before the Prime Minister's departure.

I am copying this letter to Alison Brimelow (Department of Trade and Industry), Alex Allan (HM Treasury), John Howe (Ministry of Defence) and Martin Dinham (Overseas Development Administration).

Yours sincerely,


(C. D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

CPC



Foreign and Commonwealth Office

London SW1A 2AH

18 December 1987

ah.

Dear Charles

Prime Minister's Visit to Nigeria: Speeches

/ Thank you for your letter of 10 December. I now enclose a first draft of the speech for the official banquet in Nigeria on the lines we agreed.

Yours ever,
L Parker

(L Parker)
Private Secretary

C D Powell Esq
PS/10 Downing Street



From: IVOR STANBROOK, M.P.

17th December 1987

Ken Archie

②
Prime Minister
You may care to
see.
CON
18/12

I am very glad that the Prime Minister is to visit Nigeria, but as one who has close contacts with that country I wonder if I might put in a word of caution?

Nigeria's development since independence has been uneven; it is a huge country with many resources and cultures which Britain did well to unify. Unfortunately the politicians lack self-discipline, corruption is endemic and politics tend to be tribal. Twice they have tried to operate Western-style constitutions and twice the soldiers have felt forced to take over. The first coup was largely due to tribal rivalry but the second occurred because the civilian regime disintegrated in a welter of corruption and incompetence to the scorn of the general population.

Yet they have been gifted with a succession of leaders of integrity, including Yakubu Gowon, whose magnanimity after the Biafra War helped speedily to restore their sense of unity. They also have a large professional class and an educated elite which, assisted by a surprisingly free and often irresponsible press, takes a close interest in world affairs and expects the government to wield influence proportional to its size and resources.

The biggest concern of these people is South Africa. The regime there is regarded with loathing for the way it treats its African population. Politically-conscious Nigerians are apt to regard themselves as the champions of oppressed Africans everywhere and their feelings about apartheid are unrestrained.

The Prime Minister's visit could easily be a disaster. What she said at Vancouver about the ANC, which all Nigerians regard as engaged in a just war, was resented. There is no way in which it could be repeated in public without causing fresh controversy. If I were privileged to advise her on this occasion I would respectfully urge her to avoid public references to South Africa as far as possible, but to say that she had come, at General Babangida's invitation, to listen, not to lecture, and to try in every way to appear anxious to hear what Nigerians have to say about the whole range of problems in which they have a legitimate interest. She can say what she likes in private to Babangida and the others: they will enjoy controversy, especially if they can laugh with her. Good humour is never far below the surface of a Nigerian. Ill will can be dissipated by a good laugh.

General Babangida himself is a good listener. His name means "Big House" in English. He comes from a tribally-mixed area in central Nigeria (like Abubakar Tafawa Balewa and Yakubu Gowon) and is widely popular. He is anxious to avoid public controversy with Britain and there is much, outside the South Africa question, which can be profitably discussed. The recent local elections suffered from bureaucratic mismanagement but they revealed a zeal for political progress which he is trying to accommodate. He pushed aside his predecessor, General Buhari, but there was never any doubt that he was the strong man behind the coup which (bloodlessly) took over from the civilian regime in 1983. He just might be supplanted by another soldier but his chief of staff is an excellent man and totally loyal.

Yours sincerely,

Ivor Stanbrook

The Hon. A. Hamilton MP

file

COMMENT

RESTRICTED AMENDED DISTRIBUTION 15/12
FM LAGOS
TO IMMEDIATE FCO
TELNO 1286
OF 111540Z DECEMBER 87

PRIME MINISTER'S VISIT TO NIGERIA: PUBLIC VIEWS

1. THE NIGERIAN PRESS ON 11 DECEMBER REPORTED THE ISSUE OF A COMMUNIQUE BY THE NIGERIAN ACADEMIC STAFF UNION OF UNIVERSITIES (ASUU) WHICH ADVISES THE GOVERNMENT "NOT TO WELCOME" THE PRIME MINISTER ON THE GROUNDS OF "THE SUPPORT THAT THE BRITISH GOVERNMENT IS GIVING TO THE APARTHEID REGIME OF SOUTH AFRICA" AND THE PRIME MINISTER'S "LOVE AND ADMIRATION FOR APARTHEID". THE STATEMENT FURTHER CLAIMS THAT THE PRIME MINISTER'S VIEWS ON APARTHEID ARE INFLUENCED BY "HER FAMILY'S HUGE INVESTMENTS IN MINING AND OTHER ECONOMIC ACTIVITIES IN SOUTH AFRICA". IT ALSO ATTACKED THE KENYAN GOVERNMENT FOR THEIR "COLLABORATION WITH APARTHEID SOUTH AFRICA".

2. THIS UNBALANCED AND EXTREME STATEMENT IS TYPICAL OF THE SELF CONSCIOUSLY RADICAL ASUU, AND SHOULD NOT BE READ AS A SIGN OF GENERAL PUBLIC OPINION. BUT IT MAY MARK THE BEGINNING OF A CAMPAIGN BY ORGANISATIONS WITH SIMILAR VIEWS. WE SHALL KEEP A CLOSE WATCH ON THIS.

EWANS

YYYY

ADVANCE	3	
HD/WAD		1
HD/NEWS		1
HD/INFO D		1
MAIN	107	
LIMITED		8
WAD		6
OADS		25
NEWS		10
INFO D		15
PROTOCOL		7
PUSD		25
PS		7
PS/PUS		1
PS/MRS CHALKER		1
MR FAIRWEATHER		1
MR MUNRO		1
ADDITIONAL	6	
PS/NO 10 DOWNING ST		6
[R DAINTREE]		

CONFIDENTIAL



file 26
ape

10 DOWNING STREET

LONDON SW1A 2AA

10 December 1987

From the Private Secretary

PRIME MINISTER'S VISIT TO NIGERIA: SPEECHES

Thank you for your letter of 10 December. I would indeed be grateful for a draft speech for the official banquet in Nigeria, on the lines which you suggest. Once we know what the Prime Minister is going to say, we can certainly give the Nigerians advance notice. But it might be quite late in the day.

Charles Powell

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

DT

CONFIDENTIAL

CPC



Foreign and Commonwealth Office

London SW1A 2AH

10 December 1987

Dear Charles,

Prime Minister's Visit to Nigeria: Speech

The only occasion for a speech during the Prime Minister's visit to Nigeria is likely to be the Government Banquet which the Nigerians will probably offer for the evening of 7 January. President Babangida would speak first, probably for no more than 10 minutes. The Prime Minister's reply would be equally short.

Our High Commissioner believes that Babangida's speech will focus on British/Nigerian relations, but that he will also seek our understanding of Nigeria's economic problems, and that he is virtually certain to mention South Africa.

Although Babangida himself is inclined towards the restrained Moi approach on South Africa, Nigeria's official policy and our own has long diverged, sometimes bitterly and to our direct cost (eg the nationalisation of BP in 1979). These differences are inescapable; but it will be in our interests to play them as far as possible in low key. The Prime Minister's reply to Babangida's speech could therefore refer very briefly to our policy on Southern Africa, reiterating her Vancouver line on apartheid and drawing attention to our positive measures to assist black South Africans and SADCC. She might also point out the contradiction between policies designed to promote the economic development of black Africa and a policy (sanctions) which risks serious harm to the economies of Front Line States and South Africa itself.

It might be helpful if our High Commissioner were to be able to give the Nigerians advance warning of how the Prime Minister intends to cover the South African issue in her speech, and to express the hope that Babangida will himself avoid dealing with it in a way which could encourage the press to talk of confrontation.

If you agree, we will produce a first draft of a possible dinner speech.

However,
L Parker

C D Powell Esq
PS/No 10 Downing Street

(L Parker)
Private Secretary



10 DOWNING STREET

cc N. Bates

From the Press Secretary

Mr Powell

I am in no way attracted by a press conference in Nigeria, though I think the Prime Minister ought to see British correspondents towards the end of each visit.

If we see 10 Nigerians before we go, we are in a weaker position now or after press conference in Lagos.

I would prefer

- 1) Guardian & Daily Times written interviews; plus written interview to This Week
- 2) COI radio interview before departure, making transcript available a/w broadcast

John
10/12



10 DOWNING STREET

~~Mr. Hyman~~

As we have a

quick word

please. I would

favor written interviews.

Do you want a

pen cap or a
key?

C.D.



DATA BI

ce BI

PC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

10 December 1987

Dear Mr. [unclear]

**PRIME MINISTER'S VISIT TO NIGERIA: INTERVIEWS WITH THE
NIGERIAN PRESS**

Thank you for your letter of 10 December about the handling of the Prime Minister's visit to Nigeria with the Nigerian press.

I have talked to Bernard Ingham. We share your view that there is nothing to be gained by the Prime Minister seeing the Nigerian correspondents here before her departure. We think she would be perfectly content to do written interviews with The Guardian and the Daily Times as well as with This Week. My only worry is that, with three simultaneous interviews, we may find we are spreading the available material pretty thin. Perhaps the answer would be for you to ask the papers concerned to submit their questions and to draft answers together with other departments. But it will be necessary to move very quickly so that we can get the answers done before Christmas.

We also propose that the Prime Minister should do a COI radio interview before departure, making the transcript available to takers in Nigeria.

We see no strong case for the Prime Minister to give a press conference in Nigeria although we would like her to have an opportunity to meet the British correspondents informally at some point during the visit. Is the absence of a press conference likely to cause any problems at the Nigerian end?

Yours sincerely,
C.D. Powell

(C.D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

PA

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

10 December 1987

Dear Charles,

Prime Minister's Visit to Nigeria: Interviews with Nigerian Press

I enclose two telegrams from our High Commission in Lagos containing suggestions for handling the Nigerian press before and during the Prime Minister's visit to Nigeria.

I realise that this is very much a matter for you and the No 10 Press office, but you might find it helpful to have our comments, particularly on the High Commission's recommendations for pre-departure interviews.

The High Commission recommends that the Prime Minister should see London-based Nigerian correspondents. We have strong reservations about this: our own experience with Nigerian journalists based in London has led us to conclude that as a group they are frankly useless. A press conference would be an unproductive waste of everybody's time.

As for interviews with Nigerian publications, the Nigerian High Commissioner is pressing the case for an interview with The Guardian, a Nigerian daily. As its editorial tone has been hostile to us in the past, we would not ordinarily recommend this: our preference would be to engineer an interview with the (Nigerian) Daily Times which is long established and has a larger circulation. But turning down The Guardian could well provoke it into making a point of giving the Prime Minister a bad press. We would therefore recommend written interviews with both The Guardian and Daily Times.

If the Prime Minister were also prepared to give a written interview to a Nigerian periodical, our High Commission recommend This Week, a new glossy. I enclose an example. Other possibilities might be West Africa magazine, a serious Nigerian-owned but London-edited publication which has wide and influential readership both in Nigeria and within West Africa as a whole and which recently carried exclusive interviews with leading West African statesmen, including President Babangida. Another contender might be African Economic Digest. I understand that the editor has already written to the Prime Minister about the possibility of her contributing a message to a special issue they hope to produce to coincide with the visit to Africa.



The second telegram from Lagos concerns possible timing of a Prime Ministerial press conference in Nigeria. I assume that you will want such a conference to take place. The timing, however, is in our view best left until the rest of the Prime Minister's programme is clearer. Although it would be imprudent to ignore the Nigerian press, you should be aware that their questions are likely to be unfriendly and focussed on South Africa and Dikko.

Now & ever,

A handwritten signature in blue ink, appearing to read 'L. Parker', with a flourish underneath.

(L Parker)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

RESTRICTED

015267
MDADAN 7683

RESTRICTED
FM LAGOS
TO IMMEDIATE FCO
TELNO 1216
OF 021303Z DECEMBER 87

ADVANCE COPY

FOR NEWS DEPARTMENT

PRIME MINISTER'S VISIT

1. IT MAY BE HELPFUL TO YOU TO HAVE OUR VIEWS ON INTERVIEWS WHICH THE PRIME MINISTER MIGHT GIVE THE NIGERIAN MEDIA BEFORE HER DEPARTURE FROM LONDON.
2. ALTHOUGH THE NIGERIAN PRESS IS THE LARGEST IN AFRICA THERE ARE ONLY A HANDFUL OF NIGERIAN CORRESPONDENTS AND MEDIA OFFICES IN LONDON. I SUGGEST THAT YOU SHOULD CONCENTRATE ON THESE.
3. I RECOMMEND THAT THE PRIME MINISTER SHOULD SEE ALL THE LONDON BASED NIGERIAN CORRESPONDENTS (THERE ARE NO MORE THAN TEN) AS A GROUP FOR ABOUT 45 MINUTES. AS SEEN FROM HERE THE MOST PRODUCTIVE APPROACH WOULD BE A MINI-PRESS CONFERENCE WITH THE PRIME MINISTER OPENING WITH A SHORT STATEMENT LOOKING FORWARD TO HER VISIT, GIVING SOME OF THE BACKGROUND, AND LOOKING AHEAD AT THE ISSUES TO BE DISCUSSED. THIS COULD BE FOLLOWED BY A QUESTION AND ANSWER SESSION. WE SHOULD LIKE THE PROCEEDINGS TO BE RECORDED BY COI AND A TRANSCRIPT PRODUCED AND TELEXED FOR DISTRIBUTION BY US IN NIGERIA.
4. I ALSO RECOMMEND THAT THE PRIME MINISTER GIVE A FURTHER SEPARATE, EXCLUSIVE INTERVIEW OF ABOUT 30 MINUTES TO ONE OUTLET. WE HAVE TWO REQUESTS OUTSTANDING: FROM THE GUARDIAN (MY TELELETTER TO MEYER OF 16 DECEMBER 1986) AND FROM THIS WEEK MAGAZINE. I RECOMMEND THIS WEEK MAGAZINE. IT IS A STYLISHLY PRODUCED WEEKLY NEWS MAGAZINE COVERING ALL NEWS DEVELOPMENTS BUT CONCENTRATING ON BUSINESS AND ECONOMIC MATTERS. ITS CIRCULATION IS LESS THAN THE GUARDIAN NEWSPAPER AND ASSOCIATED AFRICAN GUARDIAN MAGAZINE, BUT IT IS SEEN WIDELY THROUGHOUT GOVERNMENT AND THE PRIVATE SECTOR. WHEREAS WE COULD BE ASSURED OF A SYMPATHETIC APPROACH FROM BOTH OUTLETS, THE OVERALL TONE OF THE REPORTING AND EDITORIALISING OF THE INTERVIEW BY THISWEEK IS LIKELY TO BE MORE FAVOURABLE THAN THAT OF THE GUARDIAN (THE LATTER PUBLISHED A PARTICULARLY HOSTILE EDITORIAL AT THE CONCLUSION OF MRS CHALKER'S VISIT AND WAS WELL

RESTRICTED

CONFIDENTIAL

015267
MDADAN 7683

IN FRONT OF THE REST OF THE NIGERIAN PRESS IN CRITICISING OUR POSITION OVER THE LOCATION OF THE VISA OFFICE). SUBJECT TO OTHER NEWS DEVELOPMENTS, IT IS LIKELY THAT THISWEEK WOULD MAKE THE INTERVIEW THEIR COVER STORY. A FURTHER ARGUMENT IN FAVOUR OF THISWEEK IS THAT THEY MAINTAIN A LONDON BUREAU WHEREAS THE GUARDIAN WITHDREW THEIR CORRESPONDENT LAST SUMMER ON COST GROUNDS. WE AND DTI ARE ALSO CONSIDERING A SPECIAL ADVERTISING SUPPLEMENT WITH THISWEEK AS A FOLLOW UP TO LAST MONTH'S KANO WEEK.

5. AS FAR AS RADIO IS CONCERNED WE COULD PLACE A COI INTERVIEW WITH THE PRIME MINISTER ABOUTHER VISIT OF AROUND TEN MINUTES DURATION WITH RADIO NIGERIA. FOR TELEVISION MY INFORMATION OFFICER IS APPROACHING THE COI FOR LIBRARY MATERIAL WHICH WE WILL PASS TO NTA.

EWANS

YYYY

DISTRIBUTION

2

ADVANCE

2

HD/NEWS

HD/WAD ✓

NNNN

PAGE 2

RESTRICTED

PAGE 1
CONFIDENTIAL

(135)
see 153

UWA 02615
-4-00007

CONFIDENTIAL

021167
MDHIAN 8908

for
for
9/12

TOP COPY
Q DIST ?

CONFIDENTIAL

FM LAGOS
TO DESKBY 031700Z FCO
TELNO 1233
OF 031523Z DECEMBER 87
INFO ROUTINE KADUNA

(iii)

YOUR TELNO 821: PRIME MINISTER'S VISIT: PRESS CONFERENCE

1. I NOTE THAT THE OUTLINE PROGRAMME DOES NOT MENTION A PRESS CONFERENCE. IN SPITE OF THE SHORTNESS OF THE VISIT I THINK THAT THIS WOULD BE DESIRABLE. THERE WILL OTHERWISE BE CONTINUOUS PRESSURE FROM THE LOCAL PRESS ON THE PRIME MINISTER TO MAKE STATEMENTS AS SHE MOVES AROUND BETWEEN HER VARIOUS APPOINTMENTS

2. IT WILL NOT BE EASY TO FIT A PRESS CONFERENCE INTO THE PROGRAMME. THE FOLLOWING SEEM TO ME TO BE POSSIBLE TIMES.

(A) IMMEDIATELY AFTER COMPLETION OF THE TALKS WITH THE PRESIDENT. I DO NOT THINK THAT A JOINT CONFERENCE WOULD BE A GOOD IDEA AS ALMOST ALL THE QUESTIONS WOULD BE DIRECTED TO THE PRIME MINISTER AND THE PRESIDENT MIGHT IN CONSEQUENCE BE EMBARRASSED. THIS PROBABLY RULES OUT A PRESS CONFERENCE AT THE PRESS CENTRE AT DODAN BARRACKS. HOWEVER THE CONFERENCE COULD BE HELD EITHER AT THE NEW HIGH COMMISSION CLUB HOUSE OR THE NIGERIAN INSTITUTE FOR INTERNATIONAL AFFAIRS WHICH HAS AN AUDITORIUM. BOTH BUILDINGS ARE ABOUT FIVE MINUTES FROM MY RESIDENCE.

(B) IN LAGOS AT 0800 ON FRIDAY 8 JANUARY, AT EITHER OF THE ABOVE LOCATIONS. THIS WOULD DELAY THE PRIME MINISTER'S ARRIVAL IN KANO UNTIL APPROXIMATELY 1115, RULING OUT A CALL ON THE EMIR UNTIL AFTER THE MARKET VISIT AND PRAYERS I.E. 1500 HOURS (WE ARE NOW EXPLORING THE POSSIBILITY OF A VISIT TO THE FRIDAY MARKET AT WUDIL SOUTH EAST OF KANO WHICH IS CLOSER TO KANO THAN KAZAURE. I WILL REPORT FURTHER ON THIS ONCE WE HAVE MADE OUR RECONNAISSANCE).

(C) A SHORT PRESS CONFERENCE AT THE AIRPORT PRIOR TO THE PRIME MINISTER'S DEPARTURE FOR KANO. THIS NEED NOT DELAY THE DEPARTURE BY MORE THAN ABOUT THIRTY MINUTES WHICH WOULD STILL GIVE THE PRIME MINISTER TIME TO CARRY OUT A PROGRAMME IN CENTRAL KANO BEFORE NOON. MY INFORMATION OFFICER IS HOWEVER OPPOSED TO THIS OPTION. HE POINTS OUT, WITH REASON, THAT IT WOULD BE MUCH MORE

CONFIDENTIAL

021167
MDHIAN 8908

DIFFICULT TO CONTROL THE PRESS AT THE AIRPORT THAN IN A VENUE IN CENTRAL LAGOS.

(D) A PRESS CONFERENCE IN KANO. IF THE PRIME MINISTER LEAVES LAGOS AS PLANNED AT 0800 SHE WILL BE IN CENTRAL KANO BY 1015 AND SHOULD HAVE COMPLETED HER CALL ON THE EMIR BY 1100. THIS WOULD GIVE HER ONE HOUR TO CARRY OUT OTHER ENGAGEMENTS IN KANO. WE HAD ENVISAGED RECOMMENDING A VISIT TO THE HISTORIC DYE PITS AND THE KANO MUSEUM, BOTH CLOSE TO THE EMIR'S PALACE. THE MUSEUM, HOUSED IN A TRADITIONAL HAUSA RESIDENCE, CONTAINS INTERESTING PHOTOGRAPHS OF THE BRITISH ARRIVAL IN KANO AT THE BEGINNING OF THE CENTURY AS WELL AS A GOOD DISPLAY OF CRAFTS. THIS TIME COULD HOWEVER BE USED FOR THE PRESS CONFERENCE WHICH COULD BE HELD IN THE BRITISH COUNCIL OFFICES WHICH ADJOIN THE WALLS OF THE PALACE. THE MAIN DISADVANTAGE OF ANY PRESS CONFERENCE IN KANO IS THAT I SEE THE PRESS CONFERENCE PRINCIPALLY AS THE OPPORTUNITY TO EXPOSE THE PRIME MINISTER TO THE NIGERIAN MEDIA. THE LATTER WILL NOT BE SO WELL REPRESENTED IN KANO AS THEY ARE IN LAGOS. IN ADDITION NATIONAL COVERAGE OF A PRESS CONFERENCE IN KANO WOULD BE MUCH MORE RESTRICTED AND DELAYED AS COMPARED TO A CONFERENCE IN LAGOS.

3. NONE OF THESE OPTIONS ALLOWS TIME FOR SEPARATE INTERVIEWS FOR BRITISH RADIO AND TELEVISION. HOWEVER I SUGGEST THAT THESE WOULD BE BEST FITTED IN IN KANO, PERHAPS DURING THE MARKET VISIT, WHICH WILL PROVIDE A VERY COLOURFUL AND OBVIOUSLY AFRICAN BACKDROP.

4. I SHOULD BE GRATEFUL FOR YOUR VIEWS.

EWANS

YYYY

DISTRIBUTION

106

MAIN

106

LIMITED
WAD
OADS
NEWS D
INFO D
PROTOCOL D

PUSD
PS
PS/PUS
PS/MRS CHALKER
MR FAIRWEATHER
MR MUNRO

PAGE 2
CONFIDENTIAL

NNNN

EMBER 7, 1987

Public Doctors In Private Practice

VOL. 6 NO. 12 N3.00

THIS WEEK

NIGERIA'S AUTHORITATIVE NEWSMAGAZINE

MASSIVE FRAUD AT THE PORTS



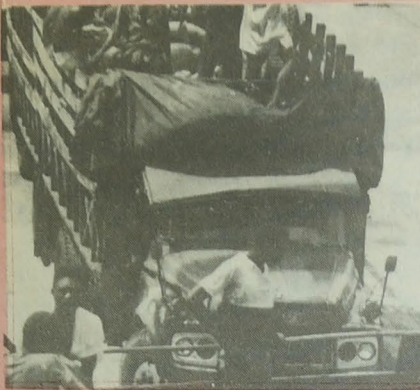
EXCLUSIVE

ALGERIA..AD10 ANGOLA..KW80 BELGIUM..F98 CANADA..C\$2.00
EQYPT..E£1.50 FRANCE..F15.00 THE GAMBIA..D4 GERMANY (WEST)..MD4.50
GHANA..C70 ITALY..L13000 KENYA..Sh30 LIBERIA..L\$2.50 SIERRIA-LEONE..Le3.00
UNITED KINGDOM..£.80p U.S.A..\$2.00 ZIMBABWE..\$1.30

THISWEEK

8

ber, Finance Minister Chu
d the nation that this year's
d run into a deficit. He did
y. Here is why. Fraudulent
ch as over-invoicing, under-
nd forgeries still feature in the
port trade. This means that a
l part of the revenue due to the
government is not collected
to a shortfall in budgeted
expectations. THISWEEK pro-
n insight.



SPECIAL REPORT

H celebrates its silver jubilee with something to ponder about:
te practice by some of its doctors.

19

NOTION

riel Akin-Deko, a high chief of Idanre, Ondo State left
e words for Nigeria.

23

INTERNATIONAL

ill, deaths, starvation and hunger lurk in Ethiopia.

26

DEPARTMENTS

Letters 4
Nation 24

- NEC bans many voices
- Who is Emir of Minna?
- High court overrules tribunal

International 27

- Has West Germany a new policy on Africa?
- Racist Pretoria issues conditions for withdrawal of troops

Spectrum 32

LITERATURE

- ANA: Six years, so what?

BOOKS

- Invitation to break your ribs

MEDIA

- Jacksonites re-groove *The Record*

PEOPLE 30

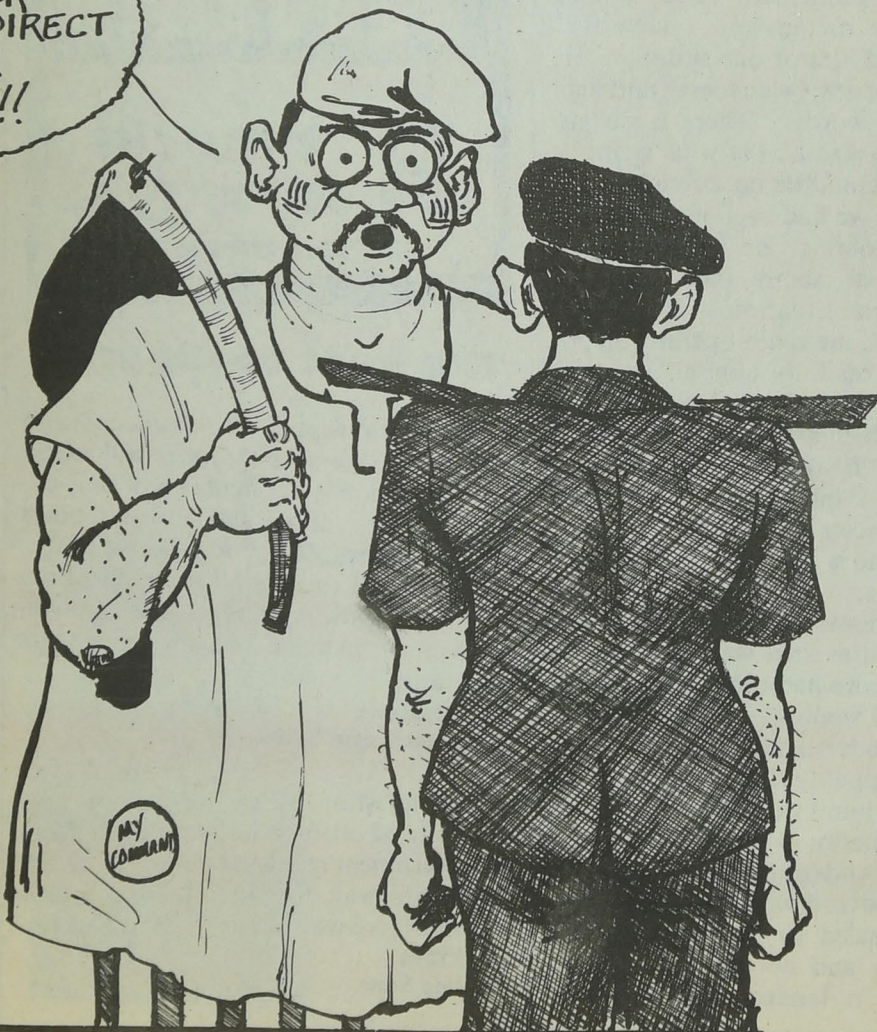
Economic Watch 36

Interview 38

- With Chief Anofi Guobadia

THISWEEK (ISSN: 0794-4810) is published by THISWEEK Limited, 113 Ogunlana Drive, P.O. Box 2002, Surulere, Lagos, Nigeria. All Correspondence to this address: Telephone: 801670-4. All rights reserved. Reproduction in whatever form, in whole or in part, without permission is forbidden.

LOOK, TAKE SOME ADVICE
FROM AN OLD SOLDIER—
DEAL STRAIGHT AND DIRECT
AND FORGET THIS YOUR
DOUBLE-SHUFFLE!!



FBUNWESHINLOYE

Rest of magazine not copied