

Confidential filing.

visit of the Nigerian foreign minister,
Professor Ishaya Audu, and his successor
~~Internal~~ ~~Situation~~ Professor Bolaji Akinjemi.

NIGERIA.

June 1980.

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Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
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Cabinet / Cabinet Committee Documents

Reference	Date
CC(86) 1 st Meeting, item 3	09/01/1986

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Signed J. Gray

Date 18/4/2017

PREM Records Team



The Rt. Hon. Peter Lilley MP

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Our ref JW4094
Your ref
Date 15 April 1991

Dear Stephen at flag.

Your letter of 25 March to Simon Gass, FCO, asked for a note on the Nigerian economy and on the problem of trade and investment raised by the Nigerian Foreign Minister, General Nwachukwu, when he met the Prime Minister.

As trade and investment are primarily matters for this Department, we thought it would be appropriate to let you have a note on these aspects direct from here.

I am copying this letter, and the attached note, to Simon Gass (Foreign and Commonwealth Office).

*Yours
D. Melville*

DAVID MELVILLE
Assistant Private Secretary

dti

the department for Enterprise



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NIGERIA: TRADE AND INVESTMENT

NOTE BY DEPARTMENT OF TRADE AND INDUSTRY

OVERVIEW

1. **UK EXPORTS.** After years of decline, UK exports to Nigeria have begun to pick up. Official export promotion efforts have been quite substantial and the Minister for Trade, Mr Sainsbury, made a promotion visit last December. Continued growth depends on a range of factors such as Nigeria sticking with its IMF-supported economic programme, sustained international aid, political stability and a good oil price to provide Nigeria with foreign exchange.

2. **UK IMPORTS.** Nigeria's nearly total dependence on oil-related exports makes it vulnerable but progress towards diversification is very slow. The Developing Countries Trade Agency (an arm of ODA) provides some help. In 1990, UK imports from Nigeria were almost 130% more by value than in 1989.

3. **UK INVESTMENT.** UK is the major foreign investor. Although Nigeria wants new investment, this has been slow to develop and there are disincentives. UK took the lead in promoting a bilateral Investment Promotion and Protection Agreement, signed by the Minister for Trade, Mr Sainsbury, during his December visit. Mr Sainsbury also stressed that Nigeria needs to be particularly welcoming to existing and potential new investors if it is to compete successfully with other countries for new investment.

DETAIL

4. **UK EXPORTS.** Nigeria has been a difficult market since the early 1980s, when lower oil prices ended an economic boom and lack of foreign exchange led to build-up of debt. In 1986, Nigeria launched a Structural Adjustment Programme supported by IMF/World Bank and aimed at liberalisation of imports and prices, a more market-based system for foreign exchange allocation, moves towards private enterprise, and acceleration of growth in non-oil industrial and agricultural sectors. Debts have been rescheduled. There have been hiccups but Nigeria has stuck to the Programme reasonably well, even though it has not been universally popular in the country.

5. UK exports were £1.4 billion in 1981, but fell continuously to £390m in 1988. Exports then increased by 43% in 1989 and over 28% in 1990 to reach £500m. Although ECGD short-term cover has been available, the export increases have been achieved even though there has been no recent medium-

term cover (apart from one special case), and no support from the Aid and Trade Provision (which normally has to work with medium-term cover). Despite the difficulties, Nigeria has remained the UK's largest market in Tropical Africa and there has been substantial official commitment to export promotion activity through trade missions, seminars in UK and in Nigeria, and market reports. Nigeria is one of the three Tropical African markets targeted for export promotion within the British Overseas Trade Board's Forward Plan. The Minister for Trade, Mr Sainsbury, made an export promotion visit in December last year, accompanied by a team of senior UK businessmen.

6. **UK IMPORTS** from Nigeria in 1989 were at much the same level as 1988, but there was an increase of almost 130% for 1990, from £129m for 1989 to £297m for 1990. Main imports are petroleum-related products, cocoa, coffee, rubber and oil seeds. Although Nigeria has been keen to diversify its exports, oil accounts for around 95% of export earnings.

7. **UK INVESTMENT.** UK is the largest foreign investor in Nigeria and UK companies have a wide range of investments. In recent years new investment has been low, although Nigeria has now proclaimed that it is keen to attract further investment. We supported an investment conference organised by Nigeria in London last November, where the Minister for Trade, Mr Sainsbury gave the opening address. We have also encouraged Nigeria to enter into a bilateral Investment Promotion and Protection Agreement, which was signed by Mr Sainsbury during his visit to Nigeria in December. We are helping to publicise an investment conference sponsored by UNIDO which is to be held in Abuja, Nigeria next May. Since 1972, ECGD's Investment Insurance Scheme has encouraged UK investment in Nigeria. Though this scheme is modest in size, Nigeria has accounted for the largest share of exposure in most years and does so currently - with 12.5% (£24.6m) of the portfolio. Although cover is presently limited to the expropriation and war risks (ie no cover for the restriction on remittance risk) this has not proved a disincentive. However, economic uncertainties, political uncertainties, cumbersome bureaucracy, corruption, and past experience of debt are amongst the factors which discourage investors. In the short term, the planned move to civil government by 1992 is seen as possibly unsettling. The limitation of overseas shareholdings in Nigerian subsidiaries has also been a disincentive for UK companies wanting to control their own business; although Nigeria is now abolishing this restriction for new investors, it has refused to make any change in principle for existing investors because of political sensitivities.

April 1991



NIGERIA: Visits Of Foreign Minister

June 80

The Ministry of Foreign Affairs in Lagos has announced that the Foreign Minister, Mr. Shugart Azikiwe, will visit the United Kingdom in the latter part of the month of June 1980. This visit is the first since his appointment as Foreign Minister in 1979. Mr. Azikiwe will be accompanied by a delegation of officials from the Ministry of Foreign Affairs and the Ministry of Trade and Industry. The visit is expected to last for about two weeks. Mr. Azikiwe will meet with the British Foreign Secretary, Mr. Francis Pym, and other senior officials of the British Government. He will also meet with the British Ambassador in Lagos, Mr. John Gifford, and other officials of the British Embassy. The visit is expected to be a successful one and will help to strengthen the ties between Nigeria and the United Kingdom.

NIGERIA : ECONOMIC NOTE

1. The Nigerian economy remains heavily dependent on oil. It currently produces around 1.8m barrels per day, about the same as the UK. But oil revenues have fallen dramatically since the early 1980s, and with an estimated population of well over 100m Nigeria is now among the world's poorest countries in per capita income terms (under \$300). It also has a huge external debt burden of around \$32bn.

2. President Babangida's government initiated an IMF-approved structural adjustment programme (SAP) in 1986. The programme was effectively suspended in 1988, but restarted with the approval of a new IMF Stand-by Arrangement in January 1989. (For political reasons Nigeria has so far made no drawing from the Fund although it has received large sums from the World Bank). Since 1989 the government has by and large persevered with tough and often unpalatable measures. Monetary policy has been tight and inflation has fallen from a peak of 51% in 1989 to 13.5% at the end of 1990. Fiscal discipline has been relatively good. A balanced budget has been presented for 1991 for the first time ever thanks to higher oil revenue forecasts (which now look over optimistic) and controls on expenditure. Some progress has been made with trade liberalisation and moves towards a market based system of foreign exchange allocation but there is more to be done. Implementation of structural reforms has been slow, but the 1991 budget announced further steps in privatising state industries or putting them on a fully commercial basis.

3. Though there is no significant or coherent challenge to the adjustment policies, most ordinary Nigerians have yet to feel any material benefit from them. Unemployment is high and living standards have fallen. Some agricultural sectors have responded to improved incentives with encouraging growth, but manufacturing recovery has been patchy and new investment

levels are disappointing. Meanwhile the government is persisting with some white elephant projects such as the new steelworks at Ajaokuta, and an aluminium shelter at Akwa-Ibom; it is also continuing with the construction of the new capital at Abuja in the interior. Failure to reach agreement on public investment priorities has led to the World Bank withholding a planned loan.

4. Following the conclusion of a new 15-month Standby Agreement with the IMF in January, Nigeria secured a further non-concessional rescheduling of official debt in the Paris Club. We have argued that Nigeria should benefit from the Toronto (and Trinidad) terms. But its oil windfall during the Gulf crisis reduced its requirement for debt relief in 1991, and other creditors remain very wary of extending the Toronto terms to Nigeria. Unlike other sub-Saharan countries, Nigeria has a substantial debt to commercial banks. After protracted negotiations Nigeria has recently concluded a debt reduction deal with the London Club, including provision for debt buybacks at a discount of about 60%.

5. Britain has played a leading role in mobilising external financial support for the economic adjustment programme, besides making a major bilateral contribution (£60m for balance of payments aid in 1989 and a further £60m announced in 1990 to be disbursed over 3 years, plus some £8m annually in technical cooperation).

6. The planned transition to civilian rule in 1992 casts some uncertainty over future economic policy. But President Babangida has committed himself to pursuing the Structural Adjustment Programme in the meantime, and to handing over the economy in the strongest possible condition.

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SUBJECT CC MASTER

lth

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

25 March 1991

Dear Sir,

CALL ON THE PRIME MINISTER BY THE NIGERIAN FOREIGN MINISTER

Thank you for the brief which Christopher Prentice sent me for the Prime Minister's meeting with General Nwachukwu, which took place this afternoon. General Nwachukwu was accompanied by the Nigerian High Commissioner and two of his advisers but by their own choice, only one of the advisers, whose name I did not catch, came into the meeting.

UN Secretary-General

General Nwachukwu handed over the attached letter from President Babangida which sets out the Nigerian case for General Obasanjo to become the next UN Secretary-General. The Prime Minister said that we would study the case for General Obasanjo very carefully. We never revealed our position in advance. We would want to support the person best qualified for the job and if a Nigerian had the best qualifications then that caused no problems. The Prime Minister remembered with affection his own time in Nigeria and he understood the African case for having the job but that was not the only issue at stake. He would look carefully at the matter.

The Gulf

General Nwachukwu congratulated the Prime Minister on Britain's role in the Gulf war. We had helped secure Kuwait's sovereignty. The Prime Minister said that we were now focusing on follow-up i.e. the UN ceasefire resolution, clearing up in Kuwait itself and the security of the whole region.

Nigeria Internal

The Prime Minister asked about political developments in Nigeria and General Nwachukwu described the timetable for the return to civilian rule. In reply to the Prime Minister, he said that only two political parties were being allowed this time round. One was slightly to the left of centre and the other slightly to the right. Both had good leaders and had attracted able young politicians. Either would do a competent job if elected. General Nwachukwu seemed to think that the policy of banning the old style politicians from holding office again had paid off. In the past however Nigeria had had real problems in

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preventing ballot rigging. This time they were trying to devise a foolproof system.

General Nwachukwu issued an invitation to the Prime Minister from President Babangida to visit Nigeria. The Prime Minister repeated he had warm memories of his time there and would very much like to pay a visit though he could not begin to say when that might be. Nigeria was a country of enormous potential given its size, its population, its raw materials and its natural harbour facilities. The Prime Minister thought it had every possibility of becoming an economic giant in Africa. General Nwachukwu said that this was where Nigeria needed Britain's support. He had led a trade delegation to Britain in 1988 and the Nigerian Trade Minister had come for meetings with the CBI in Britain last year. The follow-up to this had been disappointing. There were no obstacles to British investment e.g. there was an investment protection agreement in place. The Prime Minister said he would enquire about the situation.

South Africa

The Prime Minister asked about Nigeria's attitude to South Africa. General Nwachukwu said President de Klerk had done extremely well so far but the pillars of apartheid were still in place and sanctions should remain until words had been turned into deeds particularly until the Group Areas Act and the Land Act had been repealed. South Africa and Nigeria were the two major economic powers on the continent and the last thing Nigeria wanted was to see South Africa destabilized economically, but apartheid must be set aside and we could not afford to reward intentions as opposed to actions. That said, Commonwealth Foreign Ministers would review the situation in June and would be prepared to make a move then if South African legislation had been passed.

The Prime Minister replied rather firmly that the Commonwealth would have to make a move soon. The US would lift their sanctions as soon as the conditions had been met. So would the European Community. The Commonwealth would be stranded without support for its position. Now was the moment to reinforce President de Klerk's position domestically. We should not try to squeeze everything out of him before showing support. We could push de Klerk to a hill or a bridge too far. The end of apartheid was now in our hands and it would be a tragedy if we bungled it. The last thing we wanted was for Harare to be taken up with this issue when we should be looking at the future development of the Commonwealth itself.

General Nwachukwu repeated that Commonwealth Foreign Ministers would be prepared to move if in June South Africa had passed its promised legislation. The Commonwealth had already indicated its willingness to move on sport in response to what de Klerk had done. The Prime Minister asked whether this meant making a move before the enactment of legislation. General Nwachukwu replied that he could not see why not, though he seemed a bit unsure of his ground. The Prime Minister said that we were trying to identify those sports which were genuinely integrated.

Follow-up

I should be grateful for a draft reply for the Prime Minister to President Babangida's letter. Perhaps you could also let me have a short note on the Nigerian economy and the problem of trade and investment raised by General Nwachukwu.

I am copying this letter to Martin Stanley (Department of Trade and Industry).

Jans,
Stephe

STEPHEN WALL

Simon Gass, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

CALL BY THE NIGERIAN FOREIGN MINISTER

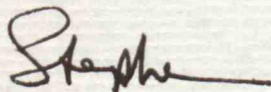
The Nigerian Foreign Minister **General Nwachukwu** is calling on you on Monday to deliver a message from President Babangida. You have only 15 minutes to spare to see him.

You had a friendly meeting with General Nwachukwu in Kuala Lumpur (see Patrick Wright's note attached). President Babangida's message will almost certainly be about the succession to Perez de Cuellar as UN Secretary General at the end of the year. I have met both the candidates: former Head of State General Obasanjo and former Foreign Minister Joe Garba. Garba is a devious man, capable but not capable enough, and too full of intrigue to make a good Secretary General. Obasanjo was well regarded as Head of State and has remained active internationally. He has not been unhelpful (e.g. actively trying to bring Mandela and Buthelezi together). But there is a question mark over his probity (see FCO letter) and when he called on Douglas Hurd recently he seemed old, wheezy and rambling.

You need only say:

- we shall give the Nigerian candidate further consideration;
- we never declare our position in advance of the vote;
- we shall obviously look for the candidate best qualified on merit to lead the UN.

It will also be worth having a go at Nwachukwu on South Africa (see FCO letter).



J. S. WALL

22 March 1991

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CRPC
Byp.

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Foreign &
Commonwealth
Office

London SW1A 2AH

22 March 1991

Dear Charles,

**Call on the Prime Minister by the Nigerian Foreign Minister:
25 March at 1715 hrs**

General Nwachukwu is calling to deliver a special message from President Babangida. Although we have not been able to obtain definite confirmation, the Nigerians told Sir David Hannay in New York last month that Babangida's message would concern the role of the UN after the Gulf War; it would also probably address the issue of the next UN Secretary-General. This could in fact be the core of the message, and Nwachukwu may want to lobby for a Nigerian as Perez de Cuellar's successor. There are two possible Nigerian candidates, ex-President Olusegun Obasanjo and Major-General Joseph Garba.

Neither is a strong candidate. Obasanjo was respected while he was Head of State (1976-79). But he has a shady past and private life, including allegations last autumn that he runs a private detention centre on his country farm. He is not the strong manager and administrator the UN needs. Garba is an even less suitable candidate and in any case now appears to have lost favour with the President. Their chances are unlikely to be helped by the existence of two other Commonwealth African candidates: Chidzero of Zimbabwe and Dadzie of Ghana, and by the fact that a fellow countryman, Chief Anyaoku, is Commonwealth Secretary-General.

Nwachukwu is coming to Britain from Germany and we assume that he will have carried out a similar lobbying exercise there.

In response to the Nigerian message, the Prime Minister might make the following points:

- the role of the UN in the Gulf crisis has greatly enhanced its standing and authority;
- we should take full advantage of this in using the UN to address the many challenges on the international agenda, including both old problems (Arab/Israel) and new ones (environment, drugs);

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- of greatest importance that next UN Secretary-General should be of a stature commensurate with these responsibilities. We should be looking for the best possible candidate, whose qualities must include personal integrity, diplomatic and managerial skills, an understanding of the new international issues and how to handle them in the UN, and a commitment to using the UN system more efficiently;
- (if required) regional origins not a primary consideration. Acknowledge that an African has never been Secretary-General, but job too important for any region to be given a prescriptive right to it. A number of distinguished individuals, including Africans, with the right qualities;
- shall naturally give a Nigerian candidature thorough consideration.
- (if necessary) see no case for revamping Security Council at present. Council still coming to terms with end of Cold War. Effective performance during Gulf crisis. Bigger Council would be unwieldy;
- permanent membership carries considerable responsibilities.

The meeting with Nwachukwu also offers a useful opportunity to make some points on South Africa, however briefly. Nigeria continues to take a hard line on sanctions and will be slow to change this stance, for fear of damaging her credentials as an honorary Front Line State. Nwachukwu is a member of the Commonwealth Committee of Foreign Ministers on Southern Africa (CCFM-SA). **President Babangida will have received the Prime Minister's message expressing disappointment at the outcome of the CCFM-SA meeting on 16 February.** Despite caution over sanctions, President Babangida has publicly acknowledged the courage President de Klerk has shown and has criticised the ANC and other opposition groups for not doing more to end the violence between their supporters. The Prime Minister might wish to say:

- de Klerk is taking bold steps to dismantle apartheid eg on 12 March he tabled a bill to repeal the Group Areas and Land Acts, and his latest budget (20 March) moves beyond the abolition of statutory apartheid to begin redressing the economic imbalances;
- as I said in my letter to President Babangida, disappointed that Commonwealth Foreign Ministers could not recommend that economic and financial sanctions be lifted at once. Hope you will be able to be more positive when you next meet;

- attached



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- vital that growth be restored to South Africa's economy (minus 1% last year) so that all South Africans see benefit of peaceful transition to non-racial democracy. EC policy of gradual relaxation of measures is designed to stimulate South Africa's economy as well as encourage further reform.

There are no pressing bilateral issues which we wish or which Nwachukwu is likely to raise (and there will be little or no time in any event). But the Prime Minister may wish to express appreciation of the steadfast commitment President Babangida has shown to returning the country to civilian rule in 1992 and to carrying through economic reform. Progress with both these programmes remains on course.

The Prime Minister will wish to know that Mrs Chalker has invited Nwachukwu to call on her in the morning of 25 March.

/ I enclose a personality note.

*Yours ever,
Christopher Prentice*

(C N R Prentice)
Private Secretary

Sir Charles Powell
10 Downing Street

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NWACHUKWU, MAJOR-GENERAL IKE OMAR SANDA (RTD)

Minister of External Affairs.

Former GOC 1 Mechanised Division, Kaduna

Ibo. Born 1 September 1940 in Port Harcourt. A Christian. Attended schools in Lagos, and later Royal Canadian School of Infantry and Command and Staff College, Jaji. Enlisted in the Army in March 1963 after four years in journalism. Commandant, Nigerian Army School of Infantry, February-September 1979. Provost Marshal 1979-84. Military Governor, Imo State (his own ethnic home) 1984-85. Thereafter, Adjutant General and Custodian of Discipline at Army Headquarters. Appointed Minister of Employment, Labour and Productivity in October 1986. Major-General June 1987. Transferred to External Affairs December 1987. Redeployed to Kaduna in December 1989. He returned to External Affairs in August 1990.

A quiet but pleasant man, widely respected for his performance both as Minister of Employment, Labour and Productivity and as Minister of External Affairs (1987-1989).

Visited the UK for bilateral talks in March 1988 and during State Visit in May 1989. UK-Nigerian relations improved significantly during his time at External Affairs. Unlike his predecessor, Akinyemi, he placed more emphasis on a Nigerian foreign policy which reflects current economic realities than on grand rhetorical gestures. As a member of the Ibo diaspora, with extensive Northern connections, he is not perceived as able to represent the Ibos on the AFRC. Nevertheless, his appointment as Chairman of the first Military Tribunal set up to try plotters of the 22 April coup attempt was intended to mollify southern, as well as international opinion.

Married to Gwendolyn Tonyesia with four children. He plays golf, when he can afford the time, and a little tennis. A frequent visitor to the UK. No dietary or other special requirements.

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

18 March 1991

NIGERIAN FOREIGN MINISTER

Thank you for your letter of 15 March about the visit of the Nigerian Foreign Minister. It is exceptionally difficult for the Prime Minister to fit him in next week. But in view of his own connection with Nigeria, he has agreed to see Nwachukwu very briefly at 1600 on 25 March. But could it please be explained in advance that it is for only 15 minutes.

CHARLES POWELL

S.L. Gass, Esq.,
Foreign and Commonwealth Office.

DS

1600
D/D

OK - but briefly



cy/PL
①

Foreign &
Commonwealth
Office

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London SW1A 2AH

15 March 1991

Dear Charles,

Prime Minister

On the whole, I would
be inclined to squeeze this
in. The Nigerians are prickly:
they regard you as an
honorary Nigerian!

Request for Call on Prime Minister by
Nigerian Foreign Minister

Agree to
see him?

The Nigerian Foreign Minister, Major General (rtd) Ike Nwachukwu, is to visit London from 23 to 25 March to deliver a special message to the Prime Minister from President Babangida. They have asked if the Prime Minister can receive him at a convenient time on one of these dates.

CBM
15/3

The Nigerian Permanent Representative at the UN told Sir D Hannay last month that Nwachukwu was being sent to Britain, and probably other permanent members of the Security Council, to raise the issue of the future role and organisation of the UN, and the choice of the next Secretary General (Perez de Cuellar is expected not to seek a third term this autumn). We believe the Nigerians want to lobby for their former head of state, General Obasanjo, to have the job. We do not regard Obasanjo as a strong candidate.

The Foreign Secretary would not want to press the Prime Minister to see Nwachukwu (who he met in Kuala Lumpur in October 1989). When he called recently on the Foreign Secretary he was unimpressive and, from our viewpoint, receiving a message lobbying for Obasanjo's candidacy would not in itself warrant a call. On the other hand, the Nigerians, who score well above average for prickliness, may feel hard done by if the President's envoy is not seen by the Prime Minister and a call would be an opportunity to argue our case on South Africa. If the Prime Minister cannot see Nwachukwu, the Foreign Secretary will give him supper on Sunday 24 March. Mrs Chalker could also see him on 25 March.

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Could you please let me know if the Prime Minister would like to see Nwachukwu briefly?

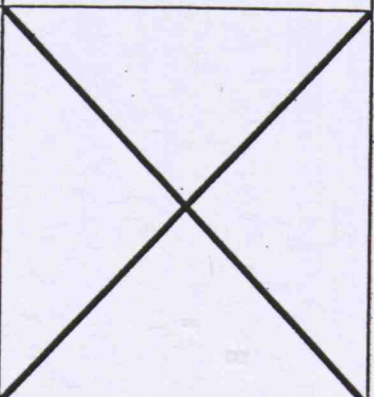
*Yours ever,
S L Gass*

(S L Gass)
Private Secretary

Sir Charles Powell KCMG
10 Downing Street

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AKINYEMI'S VISIT: PRESS REPORTS

mt

1. AKINYEMI'S VISIT TO LONDON CONTINUES TO RECEIVE EXTENSIVE COVERAGE IN TODAY'S LAGOS PRESS. MOST NEWSPAPERS CONCENTRATE ON REMARKS MADE BY THE EXTERNAL AFFAIRS MINISTER AT THE CONCLUSION OF THE VISIT. THERE ARE ALSO REPORTS OF HIS SPEECH AT THE BRITISH-NIGERIA CHAMBER OF COMMERCE. THE GOVERNMENT-OWNED "NEW NIGERIAN" HIGHLIGHTS THE SECRETARY OF STATE'S SPEECH AT THE OFFICIAL BRITISH DINNER.
2. ACCORDING TO "PUNCH" A BRITISH TREASURY SPOKESMAN STATED, FOLLOWING AKINYEMI'S MEETING WITH THE CHANCELLOR OF THE EXCHEQUER (SIC), THAT BRITAIN IS PREPARED TO OPEN A NEW CREDIT LINE TO NIGERIA IF THE IMF APPROVES NIGERIA'S RECENT ECONOMIC POLICY CHANGES. THE SPOKESMAN IS QUOTED AS ADDING THAT AKINYEMI HAD "UNDERSTOOD" THE REASONS FOR THE CONDITIONAL OFFER.
3. REPORTS IN THE "GUARDIAN" AND THE "VANGUARD" BASED ON THE NEWS AGENCY OF NIGERIA (NAN), STATE THAT AKINYEMI SAID AT THE CONCLUSION OF HIS VISIT THAT THE BRITISH GOVERNMENT HAD PROMISED TO BEGIN TALKS TO REOPEN NEW CREDIT LINES TO NIGERIA IN THE AGRICULTURAL AND INDUSTRIAL SECTORS. THE REPORTS SAY THAT AKINYEMI TOLD THE WESTERN EUROPEAN CORRESPONDENT OF NAN THAT THE OFFER WAS THE MOST SIGNIFICANT ASPECT OF HIS VISIT. IT REPRESENTED A VOTE OF CONFIDENCE

ASPECT OF HIS VISIT. IT REPRESENTED A VOTE OF CONFIDENCE IN NIGERIA'S ECONOMIC RECOVERY. TALKS WOULD BEGIN IMMEDIATELY. AKINYEMI IS ALSO QUOTED AS NOTING THAT THE FAVOURABLE RESPONSE FROM BRITAIN WAS A SIGNAL TO OTHER WESTERN CREDITORS THAT NIGERIA WAS TAKING THE RIGHT STEPS TO ECONOMIC RECOVERY IN SPITE OF THE REJECTION OF THE IMF LOAN.

4. IN A SEPARATE INTERVIEW WITH "NATIONAL CONCORD" AKINYEMI DESCRIBED HIS MEETINGS AS "VERY FRUITFUL". ACCORDING TO "CONCORD" AKINYEMI SAID HE WAS SURPRISED BY THE TURN OF EVENTS, AS HE HAD ANTICIPATED OPPOSITION AND DEEP RESERVATIONS. AS IT WAS THE IMF STOPPED BECOMING AN ISSUE. THERE WAS AN ACCEPTANCE ALL ROUND THAT THE IMF IS NOW A THING OF THE PAST. THERE WAS NO ATTEMPT BY ANYBODY TO EVEN RAISE THE QUESTION AS TO WHETHER OR NOT NIGERIA MADE THE RIGHT DECISION.

5. AKINYEMI IS QUOTED AS DESCRIBING THE MEETING WITH THE PRIME MINISTER AS "VERY VERY POSITIVE" (CONCORD) AND "POSITIVE AND HIGHLY SUCCESSFUL" (NAN). HE TOLD CONCORD THAT "IT HAS BEEN ONE OF THE MOST PLEASANT SURPRISES OF MY ENTIRE LIFE ON HINDSIGHT I SAID TO MYSELF YOU SHOULD HAVE EXPECTED THAT. THE LADY ADMIRES PEOPLE WHO TAKE TOUGH DECISIONS. SHE HAS COME TO THE CONCLUSION THAT PRESIDENT BABANGIDA HAS TAKEN A TOUGH DECISION. SHE APPROVES OF THE PACKAGE. SHE THINKS WE ARE ON THE RIGHT TRACK. SHE THINKS WE HAVE SET THE RIGHT OBJECTIVES. THAT IS THE MESSAGE THAT I MYSELF BROUGHT, BUT SHE HERSELF SAID 'THE SACRIFICES WHICH YOU IMPOSED ON YOURSELF ARE BY FAR EASIER FOR YOUR PEOPLE TO ACCEPT THAN SACRIFICES THAT ARE IMPOSED FROM ABROAD, WHERE PEOPLE CAN BEGIN TO IMPOSE ALL KINDS OF CONDITIONS, USING ALL KINDS OF RED HERRINGS LIKE IMPERIALISM'.

6. SEVERAL NEWSPAPERS ALSO QUOTE AKINYEMI AS SAYING THAT BRITAIN'S REQUEST FOR AN EARLY RESUMPTION OF FULL DIPLOMATIC RELATIONS WOULD BE DISCUSSED ON HIS RETURN TO LAGOS.

7. THERE HAS STILL BEEN NO EDITORIAL COMMENT ON THE VISIT. HOWEVER OPINION IN BOTH THE BRITISH AND NIGERIAN BUSINESS COMMUNITIES IN LAGOS IS THAT THE VISIT HAS BEEN A NOTEWORTHY SUCCESS.

WYATT

Subject cc Master

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JA



10 DOWNING STREET

From the Private Secretary

8 January 1986

Dear Colin,

**PRIME MINISTER'S MEETING WITH THE
NIGERIAN FOREIGN MINISTER**

I enclose a record of the Prime Minister's meeting with Professor Akinyemi this morning. As you will see there is some follow-up action to be undertaken on the case of Mohammed Yusufu.

I am copying this letter and enclosure to Rachel Lomax (HM Treasury), John Mogg (Department of Trade and Industry) and Stephen Boys Smith (Home Office).

Yours sincerely,

(Charles Powell)

JA

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE FOREIGN
MINISTER OF NIGERIA ON WEDNESDAY 8 JANUARY at 1200

Present

Prime Minister	Professor Akinyemi
Foreign and Commonwealth Secretary	Mrs. Akinyemi
Mr A H Wyatt	Mr. Bashorum
Mr. Charles Powell	Mr. Karfi

Nigerian Economy

The Prime Minister said that the United Kingdom greatly admired the steps which the Nigerian Government had taken to promote economic recovery. It was remarkable to proceed through self-imposed discipline. Many lesser countries would only have been able to implement such a programme if they could say that it was forced on them by the IMF. Nonetheless the absence of specific IMF endorsement of the Nigerian measures did create some problems for us, as a member of the Paris Club, in relation to debt rescheduling and new credits. But she wanted to repeat that we thought the measures which had been taken were right and brave.

Professor Akinyemi said that he was pleased about the understanding of Nigeria's economic difficulties and his Government's actions which he had encountered. It had been quite clear to his Government that the Nigerian people were not ready to accept an IMF agreement. But the Government had made clear that difficult decisions had to be faced and taken, and people felt rather proud to be embarking the proposed programme on their own initiative. Indeed some of the decisions were harsher than the IMF itself had been seeking. For instance the IMF had sought only a 60 per cent cut in the fuel subsidy whereas the Nigerian Government were imposing an 80 per cent cut. Similarly the Government had gone as far as it could towards liberalising trade. It had also accepted cuts in ministerial salaries. The Prime Minister commented

that the test would be in maintaining self-discipline. Professor Akinyemi said that it had been made clear there would be no more sharing of the cake until the cake itself was bigger.

Professor Akinyemi continued that Nigeria needed Britain's understanding. If the United Kingdom was sympathetic towards Nigeria's problems others would take their cue from our attitude. The Prime Minister said that we would be ready to start negotiations shortly for a new line of credit to the Central Bank of Nigeria to finance exports of highly needed machinery and spare parts for Nigeria's industry. The Trade and Industry Secretary would be ready to discuss the details later that day. This was evidence of our readiness to deal sympathetically with Nigeria's problems. Britain was Nigeria's friend. As the most important country in Africa it was important that Nigeria was well led. The fact that the Nigerian Government was tackling its economic difficulties so effectively was an important example for the rest of Africa.

South Africa

The Prime Minister said that she had met the members of the Commonwealth Group of Eminent Persons shortly before Christmas. She had been particularly impressed by General Obasanjo and by his constructive approach to the Group's task. She had the impression that the members of the Group had got on well together and were determined to make a real effort to secure progress. General Obasanjo had made a particular point that there was no virtue in destroying the South African economy. Rather it was important to maintain its strength for a future Government to inherit. The Prime Minister continued that she was encouraged by her meeting with the Group to feel that there was a hope of securing the changes necessary in South Africa peacefully. Professor Akinyemi nodded throughout the Prime Minister's remarks.

Bristows Engineers

The Prime Minister said that she assumed that the Foreign Secretary and Professor Akinyemi had discussed the problem of the Bristows Engineers. It seemed to people in this country that the sentences imposed on Mr. Paterson and Mr. Clark were out of proportion to their offences. But she understood that the matter was now in the appeals procedure. We had great hopes from this. Professor Akinyemi said that he could assure the Prime Minister that there had been no political interference in the court's judgements. The background to the case had been unfortunate. The offence was seen as a manifestation of lack of respect for Nigeria's sovereignty. The situation had been made worse by the behaviour of a British television crew which had actually burst into the courtroom during the trial. Like the Prime Minister he hoped that the appeal would clear the way to a solution of the problem.

Professor Akinyemi continued that he wanted to raise the case of Mr. Yusufu.

TEMPORARILY RETAINED J. Gray 18/4/2017
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OF THE PUBLIC RECORDS ACT.

The Foreign Secretary noted that arrangements for repatriation of prisoners were under discussion in the Commonwealth. The two Governments should look closely at this though he did not want to give the impression that it would necessarily provide a solution. The Prime Minister concluded that we would look into the question of Mr. Yusufu's physical and mental condition.

JMB

The Prime Minister said that we were pursuing very vigorously the matter of forged ECGD documents and alleged fraud

involving JMB. The two central banks were in touch on this and she understood that Professor Akinyemi would be seeing the Governor of the Bank of England the next day.

Professor Akinyemi said that Nigeria appreciated the action which the British Government was taking and was willing to cooperate fully in it.

The meeting ended at 12.30pm.

C. D. Powell

8 January 1986

JALAIH

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Foreign and Commonwealth Office

London SW1A 2AH

8 January 1986

C D Powell Esq
No 10 Downing Street

CDD

Dear Charles,

NIGERIA: NEGOTIATIONS ON NEW CREDITS

When she sees Mr Akinyemi this morning the Prime Minister may wish to tell him that we would be ready to start negotiations shortly for a new line of credit to the Central Bank of Nigeria to finance exports of badly needed machinery and spare parts for Nigerian industry. The negotiations could also cover the provision of credit for exports of foodstuffs pending Nigeria's return to agricultural self-sufficiency. The aim would be to have an agreement in principle in place so that it could be activated as soon as Nigeria has reached a wider agreement with its creditors on rescheduling.

We believe that an offer of early negotiations on new credits would be of practical value both for our own trade and to the Nigerians; and that it would provide that sign of a new willingness to further our relations with the Nigerians which Mr Akinyemi has indicated that he needs for his own people and for public opinion in Nigeria.

I understand that Mr Brittan might wish to develop this proposal, once the Prime Minister has made it, when he sees Mr Akinyemi this afternoon.

I am sending copies of this letter to John Mogg and to Mike Neilson.

Yours ever,

Le Appleyard

L V Appleyard

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PRIME MINISTER

MEETING WITH NIGERIAN FOREIGN MINISTER

Professor Akinyemi has asked whether he could bring his wife when he arrives tomorrow, so that she can shake your hand and then leave. I said that I was sure you would not mind.

CJP.



Charles Powell

7 January 1985

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PRIME MINISTER

MEETING WITH NIGERIAN FOREIGN MINISTER

You are to see Professor Akinyemi on Wednesday for half an hour. (You met him in Nassau.) The Foreign Secretary will also be present.

The main purpose is for you to reassure him that we attach great importance to improving relations with Nigeria. In this context we have to recognise that the severity of the sentences on the two Bristows Engineers is seen in this country as wholly out of proportion to what the two men are reported to have done. We hope that an early and an equitable outcome can be found through the appeals procedure (there can of course be no question of bartering them for Yusufu).

You will also want to compliment him on the recent and courageous Nigerian budget (depreciation of the naira, 80% reduction in petroleum subsidy, 30% import levy, 20% cut in defence budget). But the decision to break off negotiations with IMF puts us in a difficult position. It is hard for us - as indeed for all Paris Club members - to agree debt rescheduling and new credits without an IMF endorsed programme. But we shall look carefully at any proposals put forward by the Nigerian Government.

(If raised) UK and Nigeria have a mutual interest in co-operation to clear up JMB affair. Governor of the Bank is in close contact with his opposite number.

You will want to let him know that you had a good meeting with the Eminent Persons Group on South Africa, and were particularly impressed by General Obasanjo. The South African Government have given a reasonably encouraging reply to the

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- 2 -

letter from the Group's two Chairmen. Remarkable that Botha now goes as far as to recognise publicly that white domination must and will end.

If there is time, you may want to make some reference to Libya's disruptive activities both in support of international terrorism and more widely in West Africa.

C.D.P.

CHARLES POWELL

6 January 1986

JALAHY

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Your Ref

with compliments

Treasury Chambers
Parliament Street
London SW1P 3AG
Tel: Direct Line 01-233
Switchboard 01-233-3000

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Foreign and Commonwealth Office

London SW1A 2AH

6 January 1986

P Mountfield Esq
HM TREASURY

Dear Peter,

VISIT OF NIGERIAN FOREIGN MINISTER

1. Thank you for your letter earlier today to John Johnson about this, who has asked me to reply.
2. I enclose an amended version of the draft press line enclosed with your letter. It embodies what we agreed in our last telephone conversation.
3. Our people are in touch over question-and-answer briefing. This will include the passage in square brackets in paragraph 4 of the press line enclosed with your letter, which has accordingly been dropped.

*Yours ever,
Humphrey*

H J H Maud

cc: Mr Johnson
J Gill Esq, ECGD
P M Mayes Esq, BANK OF ENGLAND
Sir G Littler)
R G Lavelle Esq) H M Treasury
G Fitchew Esq)
Mrs A Case)
B Everett Esq, OT4, DTI
Mr Braithwaite
Mr Tait, ERD
Mr Daly, WAD

NIGERIAN DEBT: PRESS LINE AT END OF AKINYEMI'S VISIT

1. Ministers devoted a lot of attention to the problem of Nigerian official debt. ECGD is Nigeria's biggest single creditor.

2. The UK has longstanding historical and political links with Nigeria as a major member of the Commonwealth. It also has major financial and commercial interests in Nigeria, and a big stake in the successful recovery of the Nigerian economy. It is very much in the UK's interests that the Nigerian economy should be strong and healthy, so that it can service its debt to its overseas creditors. For all these reasons ECGD and the Treasury have consistently taken a prominent and constructive part in all international discussion of Nigerian debt problems.

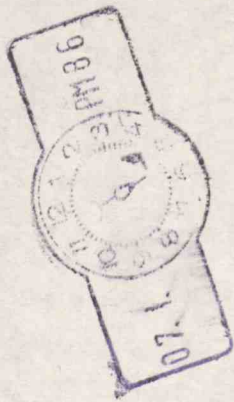
3. The Nigerian budget announced last week contains a series of economic measures which required considerable political courage because of the domestic implications. The Nigerian government took these measures of its own free will, without any dictation from outside bodies like the IMF. Nevertheless, we think they are very much on the right lines. If we have any criticism, it is of the exchange rate, where we think Nigeria could have gone further and faster than it has so far decided to do. The way in which the two-tier market will be organised will be crucial in ensuring the success of the programme. (The volume of transactions and the timing of the eventual reunification of the rates are both important.)

4. It is not for doctrinal reasons that official and private creditors see the IMF's independent endorsement of a country's economic policies as a necessary precondition for successful debt rescheduling. They believe that this offers their best guarantee that the underlying policies are sound and hence that the debt can be repaid. Once this happens, we and, we believe, the other creditors in the Paris Club will be glad to join in a multilateral debt relief operation. This would include regularisation of existing short-term debt arrears. There is no doubt that Nigeria's

/present

present economic problems require some such form of debt relief. UK officials are looking forward to constructive discussions like those we have had with Nigerian representatives in recent months.

5. We believe that the process begun by the latest Nigerian measures should bring nearer the day when ECGD can resume medium and long term cover for the important Nigerian market.





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10 DOWNING STREET

From the Private Secretary

6 January 1986

**CALL ON THE PRIME MINISTER BY
NIGERIAN MINISTER OF EXTERNAL AFFAIRS**

Thank you for your undated letter enclosing briefing for Professor Akinyemi's call on the Prime Minister on 8 January. I am sure that the Prime Minister would be grateful if the Foreign Secretary would attend.

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

K

GRS 1300

[Call]

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FM LAGOS

TO DESKBY 061030Z FCO

TELNO 23

OF 060950Z JANUARY 86

INFO DESKBY 061100Z DTI, ECGD, BANK OF ENGLAND, TREASURY

INFO DESKBY 061500Z UKDEL IMF/IBRD

*Prime Minister
You are selling to
Foreign Minister
on Wednesday*

NIGERIAN FINANCE MINISTER'S TELEVISION INTERVIEW, 3 JANUARY,

SUMMARY

1. NAIRA MAY REMAIN PEGGED FOR SOME TIME AT ONE TO ONE WITH THE DOLLAR. KALU HOPES THAT IT MAY BE POSSIBLE FOR DEBT SERVICE PAYMENTS TO EXCEED 30 PER CENT IN 1986. NIGERIA TO APPROACH CREDITORS FOR RESCHEDULING TALKS SOON: MULTI-YEAR RESCHEDULING PREFERRED. IMPORT LIBERALISATION TO REMAIN GOVERNMENT'S ULTIMATE AIM. IMPLEMENTATION OF BUDGET TO BE CLOSELY MONITORED.

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DETAIL

2. NIGERIAN FINANCE MINISTER KALU WAS INTERVIEWED ON NIGERIAN TELEVISION ON 3 JANUARY. MAIN POINTS WERE AS FOLLOWS:

A) VALUE OF THE NAIRA

AS SET OUT IN THE PRESIDENT'S SPEECH, DR KALU SAID, THE GOVERNMENT WOULD CONTINUE TO REVIEW THE RELATIVE VALUE OF THE NAIRA. THEY WOULD BE AS REALISTIC AS POSSIBLE. BUT THE NAIRA HAD DEPRECIATED SUBSTANTIALLY IN THE LAST FEW MONTHS, TO ABOUT ONE TO ONE WITH THE DOLLAR. 'WE THINK IT IS POSSIBLE TO SUSTAIN IT AT THAT LEVEL FOR SOME TIME, BUT WE WILL CONTINUE TO LOOK AT IT AS EVENTS EVOLVE'. THE GOVERNMENT WOULD 'EMPHASISE THE BUILDING UP OF DOMESTIC PRODUCTIVITY, WHICH AFTER ALL IS THE BASE OF THE VALUE OF THE NAIRA. NOW, IF YOU BEGIN TO GET OUR INDUSTRIES BACK TO WORK, IF YOU BEGIN TO SUBSTANTIALLY SUSTAIN THE KINDS OF INCREASED PRODUCTION THAT WE ARE ABLE TO ACHIEVE IN AGRICULTURE, THAT REALLY IS THE BASIS FOR SUSTAINING THE VALUE OF THE NAIRA, RATHER THAN WHAT IS HAPPENING TO THE DEUTSCHMARK OR THE DOLLAR. BUT WE WILL CONTINUE TO KEEP THE OVERALL RELATIONSHIPS OF THIS BASKET OF CURRENCIES TO THE NAIRA IN VIEW'.

B) RESCHEDULING

'NOW THAT WE HAVE RELEASED THE BUDGET, THE NEXT STAGE IS TO MAKE FORMAL CONTACT TO SAY, 'LOOK HERE, WE'VE GOT A PACKAGE TOGETHER, WE THINK THIS IS A REALISTIC PACKAGE IN OUR CIRCUMSTANCES, AND THIS IS A GOOD BASIS TO ACTUALLY BEGIN NEGOTIATIONS'. NIGERIA WOULD 'ACHIEVE THAT LEVEL OF REPAYMENTS IN '86 THAT WE THINK WILL BE CONSISTENT WITH OUR

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NATIONAL CASH FLOW. WE CERTAINLY HOPE WE CAN DO BETTER THAN 30 PER CENT, BUT I THINK FOR SOME OF THESE CREDITORS IT IS CLEAR THAT IT IS IN THE INTERESTS OF NIGERIA AND ITS CREDITORS THAT WE ARE ABLE TO RESCHEDULE, THAT IS, THE NATION IS GIVEN THE CHANCE TO REBUILD.' WHEN A COUNTRY RESCHEDULED, DR KALU SAID, IT WAS IMPORTANT THAT IT DID NOT THEN HAVE TO ASK FOR ANOTHER RESCHEDULING. 'OPTIMAL RESCHEDULING WILL BE A SITUATION WHERE WE CAN SCALE DOWN THE LEVEL OF DEBT SERVICE FOR THESE THREE YEARS (1986-88) TO 25-30 PER CENT, AND THAT WILL ALSO MEAN THAT RATHER THAN COMPLETING PAYMENT SAY BY '89, WE CAN STRETCH IT OUT TO ABOUT '93-'95... WE ARE GOING TO BE EMPHASISING NOT JUST RESCHEDULING TO REDUCE THE DEBT SERVICE IN '86, BUT ALSO TO ENSURE THAT NEXT YEAR WE DO NOT HAVE TO GO BACK TO FURTHER RESCHEDULE'.

C) WILL PARIS AND LONDON CLUBS AGREE TO MULTI-YEAR RESCHEDULING? DR KALU SAID THAT HE HAD BROACHED THIS SUBJECT WITH THE LEADERS OF THE PARIS CLUB A FEW MONTHS AGO. THEIR REPLY HAD BEEN THAT ONCE THE NIGERIAN POLICY PACKAGE WAS PERCEIVED AS APPROPRIATE, IT WOULD BE POSSIBLE TO EXTEND A RESCHEDULING AGREEMENT WITHOUT COMPLETE RENEGOTIATION. 'I WOULD OF COURSE HAVE PREFERRED WHERE YOU TAKE THE FULL DEBT AND YOU MORE OR LESS STRING IT OUT A LITTLE FURTHER AHEAD SO THAT FROM THIS YEAR YOU CAN GET THE NEW SCHEDULE OF PAYMENTS, RATHER THAN WHERE YOU ARE SAYING, OK, YOU ARE ABLE TO RESCHEDULE THIS, YOU PAY THIS, AND THEN YOU RESCHEDULE AGAIN NEXT YEAR'.

D) WILL PARIS AND LONDON CLUBS AGREE TO RESCHEDULE WITHOUT THE IMF?

DR KALU SAID THAT NIGERIA WOULD HAVE TO WAIT AND SEE. HE THOUGHT THAT THE LONDON CLUB WOULD PROBABLY NOT BE 'LOOKING OVER THEIR SHOULDERS AS TO HOW THE IMF FEELS ABOUT OUR POLICY PACKAGE. BUT I THINK THAT IT IS FAIR TO SAY THAT THEY CAN PROBABLY GET A SENSE OF THE FUND'S POSITION REGARDING OUR POLICY PACKAGE EVEN THOUGH THERE IS NOTHING WRITTEN DOWN ON PAPER'. AS FOR THE PARIS CLUB, DR KALU WENT ON, THEY WERE 'MORE DIRECTLY LINKED TO THE GOVERNMENT, AND THEY ARE OF COURSE PART AND PARCEL OF THE INTERNATIONAL MONETARY SYSTEM. AS SUCH, THEY MAY MAKE MORE EXPLICIT EFFORTS TO ENQUIRE FROM THE FUND THEIR PARTICULAR POSITION REGARDING THE VARIOUS ELEMENTS OF OUR POLICY PACKAGE. BUT AS I SAID, I WOULD NOT WANT SUDDENLY OVER THE AIR TO PREJUDGE HOW THEY WILL RESPOND. WHAT WE WILL SEEK TO DO IS IMPRESS UPON THEM THE EFFICACY OF THE POLICY PACKAGE THAT WE HAVE EVOLVED, HOW THIS WILL WORK OUT, AND I THINK THEIR REACTION DEPENDS ON HOW CREDIBLE WE ARE RATHER THAN ON WHETHER THEY'VE GOT AN OK FROM WASHINGTON'.

E) IMPORT LIBERALISATION

DR KALU SAID THAT A LOT WAS LOST THROUGH BUREAUCRATIC CONTROLS. BUT THE GOVERNMENT WOULD MOVE WITH 'DELIBERATE SPEED'.

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REAPING SOME OF THE BENEFITS OF DEVALUATION (IN TERMS OF PROMOTING IMPORT SUBSTITUTION ETC) WHILE KEEPING THIS LOBBY HAPPY. BUT THERE MAY IN FACT BE SOME JUSTIFICATION FOR WANTING TO WAIT AND SEE JUST WHAT INFLATIONARY IMPACT THE IMPORT LEVY, THE REMOVAL OF THE PETROLEUM SUBSIDY, AND THE LIKELY INCREASE IN UTILITY PRICES HAVE BEFORE GOING ANY FURTHER: AND KALU CLEARLY RECOGNISES THAT THERE MAY HAVE TO BE FURTHER ADJUSTMENTS TO THE NAIRA'S VALUE AT SOME STAGE IN THE FUTURE.

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4.

HE AGREED THAT THE GOVERNMENT WOULD ADOPT A MORE LIBERAL VIEW OF THE USE OF IMPORT LICENCES NOT VALID FOR FOREIGN EXCHANGE TRANSFER: 'A LOT OF PEOPLE DO IN FACT HAVE ACCESS TO OTHER SOURCES OF FUNDS, SO PROVIDED THEY KEEP WITHIN THE PRE-SET PRIORITIES, THERE IS NO REASON WHY WE SHOULD REALLY RESTRAIN THEM'. IF YOU WANTED OTHER PEOPLE TO BUY YOUR GOODS, DR KALU SAID, THEN YOU HAD TO GIVE THEM AN OPPORTUNITY TO COME AND SELL THEIRS. BUT DIFFERENT COUNTRIES WERE AT DIFFERENT LEVELS OF MATURITY: NIGERIA COULD NOT AT PRESENT 'GO THE FULL HOG OF HAVING OPEN GENERAL LICENCE, BUT THAT IS THE DIRECTION WE WILL CONTINUE TO MOVE'.

F) IMPLEMENTATION OF BUDGET

DR KALU SAID THAT A SPECIAL TASK FORCE WOULD BE SET UP, COMPRISING THE MINISTRIES OF FINANCE, NATIONAL PLANNING, AGRICULTURE, AND INDUSTRIES. THE MINISTRY OF NATIONAL PLANNING WOULD BE GIVEN ITS PROPER MONITORING ROLE: IN FUTURE, SPENDING MINISTRIES WOULD HAVE TO SEEK THEIR AUTHORISATION BEFORE MONEY COULD BE PAID FOR PROJECTS, RATHER THAN GOING STRAIGHT TO THE MINISTRY OF FINANCE, AS HAD BEEN THE CASE IN THE PAST. THERE WOULD BE A LOT OF CROSS-CHECKING, AND VERY CLOSE SUPERVISION.

COMMENT

3. KALU'S SUGGESTION THAT NIGERIA MIGHT AFTER ALL PAY MORE THAN 30 PER CENT OF FOREIGN EXCHANGE EARNINGS ON DEBT SERVICING IF CASH FLOW PERMITS IS A POSITIVE GESTURE: AND EVEN 30 PER CENT OF FOREIGN EXCHANGE INCOME COULD WELL BE MORE THAN THE N2.87 BN INDICATED BY THE BUDGET, IF, AS WE EXPECT, ACTUAL FOREIGN CURRENCY EARNINGS EXCEED THE BUDGET TARGET - OUR TELNO 1327. BUT KALU CLEARLY SEES NO CHANCE OF BEING ABLE TO AVOID RESCHEDULING ALTOGETHER. WE WOULD IMAGINE THAT CREDITORS ARE UNLIKELY TO GRANT NIGERIA A MULTI-YEAR RESCHEDULING AGREEMENT WITHOUT AN IMF DEAL IN PLACE, BUT KALU'S REMARKS SUGGEST THAT HE WOULD IN FACT BE WILLING TO ACCEPT A SINGLE YEAR AGREEMENT AS A SECOND BEST WITHOUT TOO MUCH DEMUR.

4. THE DECISION TO PEG THE NAIRA AT ONE TO ONE WITH THE DOLLAR (IF THAT IS INDEED WHAT EVENTUALLY HAPPENS) IS LESS WELCOME. IT SUGGESTS THAT THERE IS STILL SOME CONSIDERABLE OPPOSITION IN GOVERNMENT CIRCLES TO SEEING THE NATIONAL CURRENCY CONTINUE TO SLIDE, DESPITE BABANGIDA'S APPARENT ENDORSEMENT OF FUTURE DEPRECIATION IN HIS BUDGET SPEECH. THE INTRODUCTION OF THE 30 PER CENT IMPORT LEVY WAS PROBABLY INTENDED AS A WAY OF

REAPING.

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VISIT OF THE MINISTER OF EXTERNAL AFFAIRS OF THE
FEDERAL REPUBLIC OF NIGERIA AND MRS AKINYEMI:
6-9 JANUARY 1986

ADMINISTRATIVE PLAN
(to be read in conjunction with the printed programme)

MONDAY 6 JANUARY

Arrival

When the aircraft has landed, a representative of the British Airports Authority will accompany the Acting High Commissioner for the Federal Republic of Nigeria from the Hillingdon Suite to the aircraft. Mr Karfi will escort the Minister of External Affairs to the greeting party where he will be welcomed by Sir Edwin Arrowsmith, the Special Representative of the Secretary of State for Foreign and Commonwealth Affairs, who will present (in order):

Mr Arthur Wyatt	British Acting High Commissioner at Lagos
Brigadier Alan Cowan	Secretary, Government Hospitality
Mr Michael Daly	Head of West African Department Foreign and Commonwealth Office
Group Captain Robert Thomson	Government Hospitality Escort Officer

The following members of the High Commission for the Federal Republic of Nigeria will also be present in the VIP lounge:

Mr W O Akinsanya	Minister Counsellor (Head of Chancery)
Mr Iro Ladan-Baki	Counsellor (Chief of Protocol)

Transport

Cars are provided for the official suite by Government Hospitality throughout the visit (see car plan at Annex 1).

Participation of the official suite in the Minister of External Affairs' programme

Mr Ibrahim Karfi, Acting High Commissioner for the Federal Republic of Nigeria in London, and Mr A H Wyatt, Acting British High Commissioner in Lagos, will accompany Professor Akinyemi throughout the programme, except for the call on the Prime Minister on 8 January (see below). Similarly, the other members of the official suite, as listed at page 1 of the printed programme, are expected to accompany Professor Akinyemi throughout his programme, except for the call on the Prime Minister (see below). In addition, Professor Akinyemi will also be accompanied on his calls by Mr Akinsanya, Minister Counsellor (Head of Chancery), and the appropriate Counsellor from the High Commission for the Federal Republic of Nigeria, as noted below.

TUESDAY 7 JANUARY

Talks with the Secretary of State for Foreign and Commonwealth Affairs

Mrs N U Wadibia-Anyanwu, Minister Counsellor (Economic), will be the accompanying Counsellor from the Nigerian High Commission.

House of Commons

Professor Akinyemi and the official suite will be accompanied by the Acting High Commissioner, Mr Karfi, and Mr Akinsanya, the Minister Counsellor.

Dinner given by HM Government at Lancaster House

All members of the official suite and Mr Karfi, Acting High Commissioner, will attend.

WEDNESDAY 8 JANUARY

Call on the Prime Minister

For this call, Professor Akinyemi will be accompanied by the Acting High Commissioner, Mr Karfi, and Ambassador Balewa only.

Call on the Secretary of State for Trade and Industry

Mr O A Ashiru, Counsellor (Economic), will be the accompanying Counsellor from the Nigerian High Commission.

XMAAAR

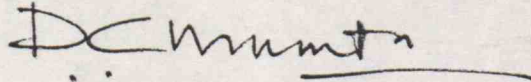
THURSDAY 9 JANUARY

Calls on the Governor of the Bank of England and Economic Secretary, HM Treasury

Mr O A Ashiru, Counsellor (Economic), will be the accompanying Counsellor from the Nigerian High Commission.

Departure

Professor Akinyemi is expected to depart for Washington from London Heathrow Airport (Hillingdon Suite) on Sunday 12 January. Sir Edwin Arrowsmith, Special Representative of the Secretary of State, will bid farewell.



D C Mumford
Protocol Department
Foreign & Commonwealth Office
Room SG/104
Old Admiralty Building
Tel: 273 3592

3 January 1986

XMAAAR

CAR PLANLondon Heathrow Airport to Hotel Inter-Continental

Car 1 (High Commission Car)	The Honourable Professor Akinyemi The Acting High Commissioner for the Federal Republic of Nigeria Special Branch Officer
Police Car	Special Branch Officer Nigerian Security Officer
Car 2	Mrs Akinyemi Nigerian High Commission official (name to be notified) Group Captain Thomson
Car 3	Ambassador Balewa Ambassador Emenyi Mr Wyatt
Car 4	Mr Bashorun Mr Egwerre Mr Akinsanya Captain Swinley

The above will be the basis of the car seating plan throughout the visit, adjusted as necessary by Group Captain Thomson.

DISTRIBUTION

10 Downing Street
Private Secretary (2)
Press Office (2)
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House of Commons
Mr Ivor Stanbrook MP (1)

High Commission for the Federal Republic of Nigeria
Mr Ibrahim Karfi (20)

HM Treasury
PS/Mr Ian Stewart (2)

Department of Trade & Industry
PS/Mr Brittan (2)

Bank of England
Private Secretary to the Governor (2)

Foreign & Commonwealth Office
Private Secretary (3)
PS/Mr Rifkind (2)
Mr E A J Fergusson (1)
Mr J R Johnson (1)
Mr A H Wyatt, Heads of Mission Section (1)
Mr M Daly (1)
West African Department (Miss McComb) (20)
News Department (3)
Protocol Department (6)
Miss R Hazell (1)

Government Hospitality (15)

FROM: M F Daly
West African Department

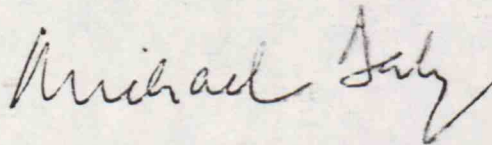
DATE: 3 January 1986

cc: Mr E A J Fergusson
PS/Mr Rifkind

Mr Johnson

CALL ON PRIME MINISTER BY NIGERIA FOREIGN MINISTER, 1200 HRS,
8 JANUARY 1986

1. I submit briefing and draft covering Private Secretary letter to PS/No. 10 for Akinyemi's call on the Prime Minister on 8 January.

A handwritten signature in cursive script that reads "Michael Daly".

M F Daly

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

PS

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

PS/No. 10

Secret

Confidential

Restricted

Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CALL ON THE PRIME MINISTER BY NIGERIAN MINISTER OF
EXTERNAL AFFAIRS TO UK : 8 JANUARY 1986

CAVEAT.....

1. I enclose briefing for Professor Akinyemi's courtesy call on the Prime Minister at 1200 on 8 January (my letter of 10 December refers).

2. Along with your copy of the main brief, which covers both bilateral relations and South Africa, (and which includes for you only further detailed information on these points as Annexes A-D). I have also attached a personality note on Akinyemi, a political background note, a Country Assessment Paper and the latest bilateral trade statistics. I have also enclosed a copy of the official programme.

Enclosures—flag(s).....

3. Professor Akinyemi will be accompanied by a delegation of 4 officials, but I assume that you would wish to limit numbers for the call on the Prime Minister,

/to

COVERING CONFIDENTIAL

to perhaps the Nigerian Acting High Commissioner, Mr Karfi, plus one Nigerian official? On our side, the Secretary of State or Mr Rifkind would be happy to attend if the Prime Minister wishes. Our Acting High Commissioner in Lagos, Mr Arthur Wyatt, will be in London for the visit and would be on hand if required. Alternatively, Mr Fergusson, the Deputy Under Secretary responsible for Nigeria, is also available. Perhaps you would let me know the Prime Minister's preference?

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CALL ON THE PRIME MINISTER BY NIGERIAN MINISTER OF
EXTERNAL AFFAIRS TO UK : 8 JANUARY 1986

NIGERIA

UK OBJECTIVES

1. To emphasise importance HMG attaches to improving relations with Nigeria and to welcome progress already made under new government.
2. To stress importance of a satisfactory outcome in Bristows case.
3. To reiterate our wish to assist Nigerian economic recovery where possible and applaud tough measures announced in Nigerian budget. But to point out limitations to our ability to assist in absence of recovery programme endorsed by IMF.
4. (On South Africa) To reaffirm our total opposition to apartheid and our commitment to work for fundamental change in South Africa (particularly through EPG). But to reiterate our opposition to mandatory economic sanctions.

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POINTS TO MAKE

Bilateral

1. In our mutual interests to restore traditionally close relations. Britain more than willing to play its part and we welcome Nigerian government's commitment to this end. Hope that we can build on positive steps already taken, including increasing Ministerial and other high-level contacts.

2. Even between friends, problems will arise, but hope that these can be dealt with diplomatically and in spirit of friendship. Major problem for UK is Bristows engineers case. Would regret it if this were to damage progress already achieved in improving relations.

South Africa

3. Eminent Persons Group a most important initiative. Got off to a good start. Do not underestimate difficulties. But a unique opportunity to encourage dialogue between black and white leaders. Sure General Obasanjo will make a valuable contribution.

4. Genuine dialogue only hope of peaceful change. Once started, it will inevitably lead towards dismantling apartheid (which we abhor) and political power-sharing. Understand past African frustrations about failure of peaceful attempts to achieve change. But now a new situation with new possibilities for change.

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AKINYEMI'S OBJECTIVES

Economic

1. To press for concrete evidence of UK's commitment to improved relations in the form of economic assistance and agreement to debt rescheduling, arguing that steps undertaken in Nigerian Budget go a long way to meeting creditor concerns and that now is the time for Nigeria's friends to prove their friendship. He may claim that other Paris Club members are more helpful than us.
2. He may seek to deflect criticism of debt repayment delays by raising the JMB issue and arguing that with allegations of massive fraud circulating, Nigeria is justified in applying stringent checks to verify debts.

Bristows

3. To insist that Bristows case is a legal matter and to imply that our representations are a slur on the independence of the Nigerian judiciary.

Yusufu and Dikko

4. Although Akinyemi is unlikely to labour the points, he may (drawing a comparison with our representations on Bristows) sound out the possibilities for Yusufu's early release and request early and favourable consideration of the Nigerian government's application for Dikko's extradition. He may claim that Yusufu pleaded guilty on the understanding that he would be treated leniently. He may also raise the question of so-called Nigerian "fat cats" resident in UK, possibly alleging that HMG and/or British banks are obstructing the repatriation of funds to Nigeria.

/Immigration

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Immigration, Prisoners and Press

5. He may allege cases of discrimination against Nigerians entering the UK and mistreatment of Nigerian prisoners in British jails. He may also claim that British press reporting on Nigeria is unfair and biased.

South Africa

6. To press the case for mandatory economic sanctions and to imply that British policy is based on narrow, nationalistic interests.

YOUR RESPONSE

Economic

1. UK's wish to assist Nigerian economic recovery is genuine. Recognise positive steps taken in Budget. But decision to break off negotiations with IMF puts us in difficult position. As a member of Paris Club, it would be difficult for us to agree debt rescheduling and new credits without an IMF-endorsed programme. But willing to examine carefully any proposals put forward by Nigerian government.

2. Fund programmes are not imposed against wishes of borrowers and IMF endorsement of measures being undertaken by Nigerian government would not require acceptance of loan if this is a sticking point for Nigeria. Fund could provide classical standby (i.e. no money), details of which need not be made public.

JMB

3. UK authorities are fully committed to root out fraud. An intensive police investigations is under way into the

/JMB

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affairs of JMB and certain of its customers. Not an easy task: UK and Nigeria have a mutual interest in cooperation. UK more than willing to play its part: Governor of Bank of England has established close and continuing contacts with Nigerian Central Bank.

4. JMB claims in Nigeria very small in comparison to total debts: about £100m, and evidence supports the view that large majority are bona fide.

Bristows

5. We have deliberately avoided commenting on Nigerian judicial procedures. But cannot disguise widespread concern in Britain at severity of sentences which are wholly out of proportion to what men are reported to have done. We hope that an early and equitable outcome can be achieved through appeal.

Yusufu

6. Yusufu pleaded guilty to a serious criminal offence and was sentenced accordingly. Sentence upheld in appeal court on 2 December. No "understanding" on guilty plea. No possibility of linkage or exchange with Bristows engineers: two cases quite separate.

Dikko

7. HMG fully aware of strength of feeling in Nigeria about Dikko. His continued presence in UK is unwelcome to us. But he has right of appeal against Home Secretary's decision to refuse asylum and this must be dealt with in accordance with established legal procedures before decision can be taken on Nigerian

/government's

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government's extradition request.

8. No question of HMG preventing repatriation of funds from British bank accounts to Nigeria. No Exchange controls and personal banking arrangements confidential between banks and individuals.

Immigration, Prisoners and Press

9. UK immigration rules implemented without discrimination. Only one per cent of Nigerian travellers to UK refused entry and they have right of appeal.

10. Nigerian prisoners in UK not subjected to discriminatory treatment. Any specific complaints of mistreatment are thoroughly investigated.

11. HMG cannot control what appears in British press and media. Not true to say that all reporting on Nigeria is negative; many British newspapers take a constructive and positive line.

South Africa

12. HMG abhors apartheid and is firmly committed to work for fundamental and peaceful change. But must be realistic: South African government is not on brink of collapse. Change will take place more quickly and effectively if government and Whites are persuaded, rather than forced, to accept need for fundamental reform. Business and other sections of white community actively campaigning for reform. Danger of driving South Africa into "laager".

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VISIT OF NIGERIAN MINISTER OF EXTERNAL AFFAIRS TO UK : : :
7 - 9 JANUARY 1986

NIGERIA

BACKGROUND

1. Although a leading member of Non-Aligned Movement (NAM), Organization of African Unity (OAU), and OPEC and maintaining friendly relations with Soviet Union and Eastern Bloc, Nigeria remains generally pro-Western in outlook. It is, however, a hardliner on Southern African issues and has in the past been sharply critical of the West. Former Buhari regime was lukewarm, and often critical, towards Commonwealth. But President Babangida has more recently affirmed Nigeria's commitment to membership and, despite initial "strong objections" to Commonwealth Accord on South^{CSA}/Africa at CHOGM, has nominated ex-Head of State, Obasanjo, to Eminent Persons Group.

2. Relations with UK, traditionally closer than with other developed countries, have undergone periods of strain e.g., in 1976 when UK suspected of involvement in assassination of then Head of State, Murtala Mohammed; in 1979 when BP's interests in Nigeria were nationalized over company's links with South Africa and again in 1984 when bilateral relations deteriorated sharply as a result of Dikko affair. Under Buhari's administration, many Nigerians persisted, despite evidence to the contrary, in interpreting our adherence to Paris Club consensus as

/being

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being a British-led attempt to block Nigeria's economic development, and thus to destabilize the country. Media, particularly government-controlled press, sometimes hysterically critical of Britain.

3. Relations have improved under new administration. President Babangida has expressed desire to put relations back on normal footing after difficult period of Buhari regime. Nigerians now less inclined to drag up old problems (eg Dikko). And they have made some "gestures" (eg release of Mr Graham Coveyduck; acceptance of Secretary of State's visit to Lagos on 10 and 11 September; Akinyemi's warm appraisal of that visit; decision to nominate Babangida's No 2, Ukiwe, to lead Nigerian delegation at CHOGM).

4. Since Secretary of State's visit to Lagos in September, there have been a number of high level contacts with AFRC and Nigerian Ministers. Prime Minister and Secretary of State met Commander Ukiwe and Akinyemi at CHOGM, Finance Minister Kalu met Economic Secretary in Seoul and called privately on Chancellor in November. Governor of Central Bank visited London in November for talks with Governor of Bank of England about Johnson Matthey. CGS visited Nigeria in October. More visits in pipeline (eg outward by Minister for Trade, Minister of Agriculture, Mr Rifkind, CDS; inward: Minister of Agriculture) but not yet fixed.

Bristows

5. But problems remain. Most important for us is Bristows engineers case. Messrs Clark and Paterson were

/sentenced

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sentenced on 7 October to 14 years imprisonment (7 years on two counts of stealing and conspiracy to steal an aircraft, to run consecutively). Background is attached at Annex A. We have subsequently made a number of ministerial representations (including Prime Minister's personal message to President Babangida on 15 October) on men's behalf, expressing shock and concern at disproportionate length of sentences, and calling for a satisfactory outcome through the appeal, due to be heard in late February at the earliest.

6. We have received indications that Babangida appreciates our concerns and may be prepared, if appeal fails to deliver satisfactory outcome, to use his executive powers to arrange men's pardon and deportation. But Akinyemi may not be aware of these signals.

Yusufu

7. Some press in Britain and Nigeria and senior Nigerians (although not in the government) have raised the possibility of an exchange between the Bristows engineers and Yusufu (the Nigerian army major convicted for his part in the Dikko kidnap affair and currently serving a 12 year prison sentence in UK. See background note at Annex B). We have firmly rebutted such suggestions. President Babangida, who is under pressure from some quarters of Armed Forces to seek Yusufu's return to Nigeria, has made it clear he sees no connection between the two cases, but has raised question of repatriation for Yusufu. There is no existing repatriation arrangement between Britain and Nigeria, but we have commended to the Nigerians a proposed Commonwealth

/Repatriation

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Repatriation Scheme which is due to be discussed by Commonwealth Law Ministers in Harare in mid-1986. The Nigerians have not yet reacted officially to the Scheme.

Dikko

8. The new Nigerian government appears less concerned than its predecessor to press for an early decision on Dikko's extradition. But the subject of political fugitives is still aired regularly in the Nigerian press (See background note at Annex C). There have been wholly unfounded claims that HMG is obstructing the release of funds from accounts held by these people in UK.

Immigrants and Prisoners

9. The Nigerian government and press has also periodically alleged discrimination against Nigerians entering the UK and maltreatment of Nigerian prisoners in British jails. We have firmly rebutted such claims and pointed out that Nigerians refused entry to the UK (who total only 1% of all Nigerian entries) have right of appeal and that any notified cases of prisoner maltreatment are thoroughly investigated.

Economy

10. (See Annex D for further background)
Akinyemi and others have told us that the major objective of the new government is to secure economic assistance from UK. In this, as in other aspects of our relations, the Nigerians expect us to be more receptive and helpful than others. We have already spoken in broad terms of the type of assistance we would offer in the context of an IMF agreement. It will be more difficult to be

/forthcoming

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forthcoming in the light of the recent Nigerian decision not to seek a formal agreement with the Fund.

11. Nonetheless, the austerity programme announced by Babangida in October and further measures introduced in the New Year Budget go some way towards meeting the pre-conditions of an IMF agreement and the Nigerian Finance Minister, Kalu (who called on the Chancellor on 20 November) has said that the government would approach Paris and London Club creditors shortly to discuss rescheduling of medium-term debt. Despite the government's public stance, the prospect of an eventual agreement with the Fund (perhaps on the basis of a classical standby i.e. without a loan) or Fund endorsement of a readjustment programme appears not to have been ruled out entirely: confidential discussions are continuing between senior Nigerian officials and Fund staff.

Johnson Matthey

12. Nigerian press and some government figures have seized on connections between JMB to emphasise that only bona fide debts will be accepted by the Nigerian government and to justify delays which have occurred in the exercise to refinance uninsured debts. Babangida referred specifically to JMB in his Budget speech, claiming that the decision to limit debt servicing to 30% of foreign exchange earnings was "a realistic estimate considering recent revelations in the JMB affair and other foreign exchange scandals".

13. In fact, the scale of JMB's involvement in Nigeria is very small compared with total claims: JMB claims

/total

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total approximately £100 million and evidence supports the view that the large majority of these are genuine. Nigerian press allegations that 6.2 billion naira (over £5 billion) had been syphoned off by JMB are totally without foundation. The Governor of the Bank of England has kept in close touch with the Nigerian Central Bank (CBN) Governor to ensure that the Nigerian authorities are informed of all relevant and accurate details of JMB's exposure and the CBN has accepted an invitation to visit the Bank of England shortly for further discussions.

South Africa

14. Nigeria has traditionally taken a leading role in criticising both South Africa, and British policy towards Southern Africa. Anti-British feeling on this subject came to a head in 1979 when the Nigerian government imposed an imbargo on state contracts for British firms and nationalised BP's Nigerian subsidiary. The Nigerians were even prepared to withdraw from the Commonwealth, had the Lusaka Conference in 1979 not produced a successful outcome over Rhodesia.

15. The present Nigerian regime have been consistently critical of our opposition to economic sanctions; seeing this as merely an attempt to safeguard our commercial interests in South Africa. Commodore Ukiwe, head of the Nigerian delegation at CHOGM, made a veiled threat at Nassau against Britain's economic interests elsewhere in Black Africa if we failed to work with the Commonwealth "to apply maximum sanctions against South Africa".

/16.

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16. Although the Nigerian government at first publicly distanced itself from the Eminent Persons Group, it subsequently concurred with the nomination (by Kaunda and Mugabe) of former Nigerian Head of State, General Olusegun Obasanjo. Obasanjo who took a fiercely anti-British stand over Rhodesia, while Head of State in 1979, has mellowed considerably over the last six years and in recent press interviews has expressed surprisingly moderate and cautious views towards South Africa and EPG. He also adopted a constructive line at the EPG's meeting with the Prime Minister.

West African Department
3 January 1986

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bc PC

10 DOWNING STREET

From the Private Secretary

11 December 1985

VISIT OF THE NIGERIAN FOREIGN MINISTER

Thank you for your letter of 10 December conveying the Foreign Secretary's recommendation that the Prime Minister should see Professor Akinyemi during his visit to the United Kingdom.

|| The Prime Minister can see him at midday on 8 January.

(C.D. Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

JB

12/1230 8 Jan

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①
~~SECRET~~



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

I would not normally recommend a Foreign Minister

But:

- ① getting back on terms with Nigeria is vital.
- ② there are British subjects in jail.
- ③ it could be useful in the South Africa context.

10 December 1985

Dear Charles,

- ④ you could find the time.

if in London
yes
not

Agree to see him?

CDA
10/12

Visit of Nigerian Foreign Minister

Professor Bolaji Akinyemi, the Nigerian Minister of External Affairs, will be visiting the UK at Sir Geoffrey Howe's invitation from 7-9 January, probably arriving on the morning of 7 January. In view of the relative imminence of the visit and the importance of our political and economic relations with Nigeria I am writing separately rather than in the general answer to your letter of 28 November about President Diouf.

The Foreign Secretary would be grateful if the Prime Minister could spare a few minutes to see Professor Akinyemi during his programme. This need be no more than a courtesy call but the Foreign Secretary feels that a meeting is particularly important in view of the priority both we and the new Nigerian government attach to improving our bilateral relationship. The Akinyemi visit will provide a good opportunity to air outstanding issues and to reinforce the progress which has been made.

We know that the Nigerians are placing great store on Akinyemi's visit. President Babangida went out of his way to see Sir Geoffrey Howe during the latter's visit to Nigeria in September; the Nigerians will be acutely sensitive if it appears that we are not offering Akinyemi reciprocal treatment.

Akinyemi will be the first official Nigerian visitor since May 1984 (the Nigerian Finance Minister's visit in November when he called on the Chancellor was in a private capacity). Akinyemi was formerly Director-General of the Nigerian Institute of International Affairs and has a strong interest in Southern African issues. He is an important and influential member of the new government and, despite his reputation as a radical, has already proved to be worth talking to. Sir Geoffrey Howe had a good exchange with him at Nassau and, indeed, the Prime Minister may have met him there.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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File

File

SUBJECT



10 DOWNING STREET

From the Private Secretary

14 July 1980

Dear Roden,

VISIT OF PROFESSOR ISHAYA AUDU

The Nigerian Foreign Minister, Professor Ishaya Audu, called on the Prime Minister this afternoon as arranged. He was accompanied by the Nigerian High Commissioner and by Ambassador J.D.O.Sokoya. Our High Commissioner in Lagos and Mr. Day were also present. The discussion ranged widely and a number of topics were touched on briefly.

The Prime Minister asked about the situation in Nigeria. Professor Audu said that there had been some teething troubles with the introduction of democracy, but on the whole things were going well. The tribal system had grown weaker and power was more centralised than before. A period of stability was in prospect. Mr. Brown commented that the transition from a military to a civil regime had been long and carefully prepared. Professor Audu said that Nigerians had experienced military rule and had now had enough of it. The ability of military regimes to take decisions could seem attractive in certain circumstances. But inevitably mistakes were made. There was now a general detestation of military rule: this probably united the Nigerian people more than their support for President Shagari.

Professor Audu said that the Nigerian Government were planning to open a number of technical universities. They regarded the need to raise the level of technical education in the country very seriously. The United Kingdom had a large reservoir of talent in this area. The Nigerian Government hoped that joint schemes could be developed that would enable them to tap this reservoir. Britain was the country with whom Nigeria felt most familiar. The Nigerian Government hoped that Britain's present difficulties in this field would prove temporary.

Professor Audu said that his Government hoped that it would also be possible for the United Kingdom and Nigeria to collaborate in tackling Nigeria's agricultural problems. In Nigeria, as in other African countries, the rural economy had deteriorated. There had been a drift of population from the country to the towns. Mr. Brown pointed out that now that the United Kingdom was not importing Nigerian oil, the balance of trade between the two countries had become completely unbalanced. If the situation was to be improved, Nigeria would have to develop other exports to the United Kingdom, e.g. cash crops. Professor Audu confirmed that this was a major problem. He hoped that British entrepreneurs

/might be

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might be able to co-operate with the Nigerian authorities in reviving the production of both cash and food crops. Much more could be done than was at present going on. The Prime Minister commented that the approach adopted by the Tanzanian authorities towards their country's agricultural problems had been quite wrong. The collectives had solved nothing. It was wrong to separate people from their own property. It was better to leave them where they were and give them better equipment and more fertiliser. Professor Audu made it clear that he completely agreed with the Prime Minister.

The Prime Minister commented on the devastating effect that the oil price rises were having on the poorer developing countries. Noting that British prices tended to follow those of Nigeria, Algeria and Libya, she asked whether the Nigerian Government were thinking of trying, together with the other two Governments, to steady the price of their oil. Professor Audu agreed about the gravity of the problem but said that Nigeria sold some 25% of its oil to the poorer African states. Sales were usually made on a Government-to-Government basis and with 90-day credit. Not all their customers paid and the Nigerian Government did not press them. It followed that the Nigerian Government considered that they were already doing as much as they reasonably could.

The Prime Minister asked for Professor Audu's assessment of the situation in Zimbabwe. Professor Audu said that Mr. Mugabe was clearly very sincere and deserved the support of all. Certainly he would have Nigeria's support. The Nigerian Government was less happy about Mr. Nkomo's trip to Libya. The Prime Minister expressed the hope that all would be well in Zimbabwe. Mr. Mugabe was making an enormous effort. As for Mr. Nkomo, she considered that in the end he would be loyal. She recalled the admirable way in which he had conducted the election and accepted the outcome. It would be important to make early progress with the programme of land rehabilitation.

Commenting on the problems in the Middle East, Professor Audu said that his Government disapproved of the hostage-taking in Iran. President Shagari had written personally to Ayatollah Khomeini but to no avail. The Nigerian Government were now standing back and hoping that the situation would resolve itself. Similarly, they deplored the Soviet invasion of Afghanistan, but could do no more than hope that it would be resolved without resort to a wider war. As regards the Arab/Israel dispute, the Nigerians had had hopes that the Camp David process would produce results. But the difficulties of getting Israel to live up to its undertakings were, it seemed, very great. They had also hoped for a bolder initiative from the United Kingdom and other European powers. They recognised the effort that had been made in Venice. But it was necessary to find a way to force the hand of the United States and of Israel. The Prime Minister

/commented that

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- 3 -

commented that the Arab/Israel dispute was one of a number of deeply intractable problems which did not seem to be getting nearer a solution.

Yours ever

Michael Alexander

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

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Prime Minister

Foreign and Commonwealth Office

The High Commissioner in Lagos
(Mr Brown) & Mr Day will be in
attendance. I gather that Prof.
Audu is good value but a rather
slow starter.

London SW1A 2AH

11 July 1980

And 14/7
Dear Michael,

Visit of the Nigerian Foreign Minister
Professor Ishaya Audu : 13 - 18 July

I attach a brief for Professor Audu's call on the Prime Minister at 4.30 p.m. on Tuesday, 15 July. Professor Audu will be accompanied by the Nigerian High Commissioner and by Ambassador J D O Sokoya, Head of the European Affairs Department in the Ministry of External Affairs in Lagos.

The visit arises from an invitation extended by Lord Carrington in Salisbury. This is the first official Ministerial visit since the civilian Government of President Shehu Shagari took office last October; it thus represents a major step in our efforts to improve bilateral relations in the favourable climate following Zimbabwe's independence. Professor Audu will have talks with Lord Carrington on 14 July, followed by lunch. Before the call on the Prime Minister, Professor Audu will have had lunch in the Houses of Parliament as guest of Lord Home. He will also have listened to the Prime Minister's question time.

The occasion might be taken to express our hope for warmer relations (the recent exchange of letters between the Prime Minister and President Shagari is annexed to the brief). The Nigerian achievement of return to civilian rule last year (both carefully planned and smoothly executed) might be a talking point, together with discussion of their new constitutional experiment (somewhat along the lines of the USA). A short exchange of views on African and other international issues might be appropriate if time permits. The first OAU Economic Summit was held in Lagos in April.

The Nigerians are, of course, extremely sensitive about Southern African questions and remain suspicious of our connections with South Africa.

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
Private Secretary
10 Downing Street
LONDON SW1

1986 JUL 11 11 21 AM

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11 JUL 1986

11 21 AM
JUL 11 1986

CALL ON PRIME MINISTER BY NIGERIAN FOREIGN MINISTER, PROFESSOR ISHAYA AUDU, AT 4.30.PM. ON TUESDAY, 15 JULY

POINTS TO MAKE

1. Met at Tito's funeral. First official Ministerial visit under President Shagari's civilian government.
2. Look forward to closer relationship. Rhodesian settlement removed potential obstacle. Exchange of letters with Shagari. Must not allow traditional links to be taken too much for granted.
3. Nigeria's considerable achievements. Leader in Africa. Exemplary process of return to civilian rule. Admire programme of economic development.

VISITS

4. Hope President Shagari can visit Britain in due course.

STATE VISITS [if raised]

5. Would welcome President on a State Visit (earliest possible date, given The Queen's commitments, November 1981).

[IF IT IS ARGUED THAT IT IS THE QUEEN'S TURN TO GO TO NIGERIA:]

Of course The Queen would accept in principle to visit Nigeria; but it is more usual for the new Head of State to make the first visit.

OTHER VISITS

6. John Nott visited Nigeria last week, showing our desire to contribute through investment/trade. Look forward to visit of President of Senate (Dr Wayas) in October.

OAU

7. Welcome briefing on OAU Summit. Congratulate Nigeria on achievements OAU Economic Summit.

NAMIBIA [if raised]

8. The Five support Waldheim's reply of 20 June. Have urged South Africa to respond positively.

SOUTH AFRICA [if raised]

9. We abhor apartheid. We deplore the payment of poverty wages. We have been consistent over sporting links with South Africa and Moscow Olympics. In both cases made our views clear to sporting organizations concerned.

CALL ON PRIME MINISTER BY NIGERIAN FOREIGN MINISTER: ESSENTIAL FACTS
PROFESSOR AUDU'S VISIT

1. Invitation extended by Lord Carrington in Salisbury. Audu will have had talks with him Monday and lunch afterwards at Lancaster House. Theatre Tuesday evening.

BILATERAL RELATIONS

2. Prospects good for warmer relations. Pays dividends to compliment Nigerians on recent achievements. Government essentially conservative, cautious and business-oriented.

3. Many close links all fields. British investment over £2 billion; UK largest supplier of goods and services (over 20% of market). 1980 exports will exceed £1 billion (so Nigeria most important single market outside Western Europe and North America; worth more to us than all Latin America together). British companies hope for contracts in big projects, eg steel. Over 6,000 Nigerian students in UK. Strong defence ties, eg British Army and RAF Advisory Teams.

TECHNICAL COOPERATION/EDUCATIONAL COOPERATION

4. No capital aid; instead jointly-funded technical cooperation agreement. Educational links affected by increased student fees in Britain and our phasing out of Supplementation Scheme for expatriate teachers etc in Nigeria.

VISITS

5. Lord Carrington may sound out Audu on question of inward visit by Shagari. For tactical reasons he may first convey invitation for State Visit by Shagari. But Nigerians may press for some indication that Queen will go at some future date (not yet to be defined). She postponed visit 1975 at Nigerian request and Nigerians may expect her to go there before Shagari visits Britain.

TEMPORARILY
 RETAINED
 S. Gray
 18/4/2017

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 OF THE PUBLIC RECORDS ACT.

BP NATIONALIZATION

6. BP anxious for overall settlement involving renewed access to crude. Working-level contacts continue: probably counter-productive for Prime Minister to raise subject.

/OAU

OAU ECONOMIC SUMMIT

7. First ever OAU Economic Summit April in Lagos, adopted 'Lagos Plan' for economic development of Africa and Protocol for establishment of African Economic Community by year 2000.

ZIMBABWE

8. Recent deterioration in relations between Mugabe and Nkomo is worrying, particularly given the numbers of ZIPRA and ZANLA still in assembly places.

SOUTH AFRICA AND NAMIBIA: NIGERIAN ATTITUDE

9. Nigerians extremely sensitive over our links with South Africa. On Namibia counts herself member of Front Line States, whose current attitude relatively constructive.

SOUTH AFRICA

10. Some press interest in Nigeria about decision not to publish the names of some companies thought to be paying poverty wages to black South Africans. Ministers thought it wrong to publish a subjective list of companies thought to be paying such wages.

SPORTING LINKS

11. Nigeria will go to Moscow Olympics. Felt West abandoned black Africa at Montreal Olympic Games 1976: Nigeria boycotted 1978 Commonwealth Games in Edmonton. African Commonwealth countries plan to table motion at Commonwealth Games Congress in Moscow calling for Britain's expulsion from 1982 Brisbane Games: this would unjustly penalize the British team for action of sportsmen (ie rugby) not represented at Brisbane.



OFFICE OF THE PRESIDENT
FEDERAL REPUBLIC OF NIGERIA
STATE HOUSE
LAGOS, NIGERIA

Ref. No. 1882/S.70

21st April, 1980

Dear Excellency,

ZIMBABWE INDEPENDENCE CELEBRATIONS

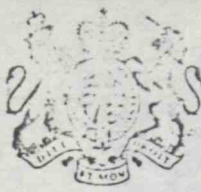
I have just returned from a visit to Salisbury, Zimbabwe where I had the pleasure and privilege to participate in their independence celebrations. It was a particularly happy and moving occasion and a truly great privilege to see the new nation launched into the world community as a fully accepted member, with so much international goodwill. The realisation of this great victory must be largely attributed to the political will of your goodself and your government and your sincere determination to see to a just and peaceful solution to the long drawn-out conflict. I would like on behalf of myself, my government and the entire people of my country to congratulate you most warmly and most sincerely for bringing about this peaceful solution in that troubled land through actively ensuring the conduct of free and fair elections. We on our part would like to assure you of our continuing support for the young nation in whatever way we possibly can to ensure that their onerous task of reconciliation, resettlement and rehabilitation succeeds in an atmosphere of peace and mutual trust and confidence. We believe that a successful multiracial society in Zimbabwe would be a great symbol of hope for mankind not only in Africa but throughout the world.

Meanwhile I ask you to accept, Your Excellency, the assurances of my highest consideration and esteem.

Yours Sincerely,

Shehu Shagari
(ALHAJI SHEHU SHAGARI)
PRESIDENT OF THE FEDERAL
REPUBLIC OF NIGERIA.

The Right Honourable
Mrs. Margaret Thatcher,
Prime Minister,
United Kingdom



10 DOWNING STREET

THE PRIME MINISTER

15 May 1980

Dear Mr. President

I was very glad to receive your message of 21 April following your return from the Salisbury independence celebrations. May I say, on behalf of myself and the British Government, how much we welcome your kind words on the successful outcome of the settlement process in Zimbabwe. I am sorry that I myself could not be present to meet you in Salisbury at the culmination of all our joint efforts. Lord Carrington told me how much he valued his meeting with you.

The achievement of independence in Zimbabwe in conditions of peace and stability - which only a few months ago seemed such a forlorn hope - has cast a ray of light on a troubled international scene. The road from Lusaka to Lancaster House, and from there to the elections, was at times very difficult. The British Government owes much to the important contribution which you and many of our other Commonwealth friends made to the positive outcome. Together we have brought an unhappy chapter to a happy ending. The creation of a democratic multi-racial society in Zimbabwe will reflect the principles on which the Commonwealth association itself is based. We can all, I think, be proud of what has been achieved.

I personally have never felt doubts that the Zimbabwe issue would be resolved to the mutual satisfaction of our two countries, for we have always been pursuing the same goal, even if at times there were some differences between us over the best means of achieving it.

/ Zimbabwean

Zimbabwean independence has removed what has for too long been an impediment to the development of close relations between Nigeria and Britain. My colleagues and I now look forward to working with your Government in a spirit of friendly co-operation to strengthen our relations to the mutual benefit of both our countries. We have great admiration and respect for Nigeria's achievements since independence, most recently the carefully implemented return to democratic civilian rule last year which was an example to the world. We look forward to continuing to play our part in your dynamic economic development and to contribute through trade and investment to your plans to make a better future for all the people of Nigeria. As you will know, Mr. John Nott, the Secretary of State for Trade, had hoped to visit Nigeria this week to discuss this aspect of our relations: I much regret that he had to postpone the visit because of problems at the airport.

I very much hope that we shall have the opportunity to meet personally before too long and I greatly look forward to that occasion.

Yours sincerely

Margaret Thatcher

President Alhaji Shehu Shagari



NIGERIA: FACT SHEET

1. Population between 80-100 million (last census 1963) = quarter of Africa. GNP per capita \$560 (1978); GNP 1977 \$39,839m (market prices). Growth 1975/76-1977/78 averaged 8%.
2. Fourth Development Plan will be introduced January 1981. 1980 budget generally helpful to business, should lead to modest growth 1980 and strong demand 1981. Inflation will increase (official figure 12% 1979).
3. Oil brings 92% of export earnings and receipts finance ambitious development plans; current production about 2.15m bd; current price \$37 per barrel, in line with African producers of similar quality.
4. Agriculture 23% GDP, employs 61% labour force. More emphasis under Shagari Government. (Nigeria has imported food over recent years.)
5. Gas reserves extensive but largely unexploited as yet. Major LNG and steel developments in prospect. Move to complete part of new capital Abuja by 1983.
6. Nigerianisation decree 1977 has brought at least 40% Nigerian ownership (60% and 100% in certain sectors) of all companies registered in Nigeria.

Internal Affairs

7. The Federal Military Government under General Obasanjo handed over power to President Shehu Shagari on 1 October as foreseen in the timetable laid down by the FMG in 1975. Modelled on the American pattern, Nigeria's new government consists of a strong Executive Presidency, 2 Federal Houses, a Governor and Assembly in each of the 19 States, and strict separation of powers between executive, legislature and judiciary.
8. National Party of Nigeria (NPN) of President Shehu Shagari most successful in last year's elections. Coalition with Nigeria People's Party (NPP) gives overall majority Senate and House of Representatives. NPN base in Northern establishment, mid-West, parts of East; NPP support in East (largely Ibo); main opposition party Unity Party of Nigeria (UPN) of Chief Awolowo with support of Yorubas in West.



PROFESSOR ISHAYA AUDU

NIGERIAN MINISTER FOR EXTERNAL AFFAIRS

A Christian Hausa. Born in 1928.


An impressive medical and academic background. Graduated from Kings College Hospital Medical School, London University 1954; studied further in Edinburgh and Rochester (USA); member of Royal College of Physicians (Edinburgh) 1959. Diploma in Child Health 1960. Various medical and academic appointments in Nigeria, including personal physician to Sir Ahmadu Bello, Premier of Northern Nigeria. First Nigerian Vice-Chancellor of Ahmadu Bello University (ABU), Zaria, in 1966-75 and ABU is said to have flourished under his firm leadership.

While at ABU showed little interest in politics, however he was (and probably remains) a close friend of Yakubu Gowon, to whom he is related by marriage. In 1975 when Gowon was ousted he elected to leave for Britain where he worked as a consultative pediatrician at Great Ormond Street and Kingston General Hospitals. Helped form the predominantly Eastern-based Nigerian People's Party and was Dr Azikiwe's Vice-Presidential running-mate in the Presidential elections 1979. When the NPP formed a coalition pact with President Shagari's NPN he was one of nine NPP Ministers appointed.

One of several academics in Cabinet. An impressive character. Well-travelled, intelligent, interesting with a dignified low-key personality. Medium height and slight build, always immaculately turned out in national dress. Gentle mannered, soft-spoken and articulate but behind this exterior lies a very sharp mind.

/ A long

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A long connection with Britain; he has many Nigerian and British friends in London and his family still live there. Basically well disposed and up to a point willing to give Britain the benefit of the doubt, but follows closely the 'dynamic' foreign policy of his military predecessors, with a softening of style. Still feeling his way somewhat as Foreign Minister but very much his own man. With President Shehu Shagari, met Lord Carrington at Salisbury Independence Celebrations. Met Prime Minister informally at President Tito's funeral.

MRS V A AUDU

She comes from the Middle-West of Nigeria.

Graduated from the University of Ibadan and trained as a nurse

She is described as sociable and vivacious and when

Professor Audu was Vice Chancellor of ABU university in

Zaria she was an energetic business woman, running a boutique and an arts and crafts centre.

She lived in London with her husband from 1975- 1978 and still seems to spend a lot of time there (some of the Audu's children still live in London where the Audus own a house.)



PERSONALITY NOTE

HE Shuaib Uthman Yolah

High Commissioner in London of the Federal Republic of Nigeria

Born 1930. Educated Shabuchi Elementary School, Kano; St Peter's Faji School and Christ's Church Cathedral School, Lagos; Holy Trinity School (CMS), Kano; Ansar-Ud-Deen Teachers Training College, Otta, and Fourth Bay College (University of Durham) (1956-60).

Nigerian Elementary Teachers Certificate; BA in Economics (University of Durham). Clerk in the Forestry Department of Kano N.A. (1948); Teacher in various Ansar-Ud-Deen Schools in Nigeria (1951-6); Administrative Officer in Northern Nigeria (1960-61); Assistant Secretary, Electricity Corporation of Nigeria (1961-2); Acting Secretary, Electricity Corporation of Nigeria (1962-63); Administrative Officer, Principal Grade Federal Government of Nigeria (1963); Deputy Head of Africa Department in the Ministry of External Affairs, Lagos (1963-5); Chargé d'Affaires of Nigeria in Japan (1965-6) and Assistant Secretary-General, OAU (1966-9). Deputy High Commissioner, London (1969-70); Director, Economic Department, Ministry of External Affairs, Lagos (1971-2); Director of Ad Hoc Duties in the Ministry of External Affairs, Lagos (1972-3). Ambassador to the Federal Republic of Germany (1973-77) and High Commissioner of Nigeria to Tanzania (1977-9). Appointed first High Commissioner to London under new civilian régime October 1979.

An experienced and able professional diplomat who is friendly and pleasant to meet socially. He reflects the new, more forthcoming approach of the civilian Government and is keen to boost relations and make a success of his assignment. Is fighting a rearguard battle to hold his post as many key Nigerian diplomatic posts are expected to go to politicians once the current Nigerian review of senior appointments has been completed.

Has two children at Malvern Girls' College and a boy of 8 at Malvern College's Preparatory School. He has divorced their mother. His current wife is a teacher by training who has worked in one of the State Assemblies and has been attached to the Hansard Office. She has paid periodic visits to London but awaits formal confirmation of the London posting by the President before coming to London permanently.

Nigeria HS

BSIF 11/7/80

12 June 1980

Visit of Nigerian Foreign Minister, Professor
Ishaya Audu

I am writing to confirm that the Prime Minister would be pleased to receive Professor Ishaya Audu at 1630 on Tuesday 15 July at 10 Downing Street.

Could your office please supply us with a full brief to reach us on Friday 11 July?

CAROLINE STEPHENS

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

KRB



Hlo
S.G.
informed

10 DOWNING STREET

MR. ALEXANDER

No. 1
Ph...

Visit of Nigerian Foreign Minister,
Professor Ishaya Adu: 14/16 July

I have arranged for the above gentleman to pay a call on the Prime Minister on Tuesday 15 July at 1630. The Foreign Office have been informed. Is this gentleman worthy of a proper tea?

e.s.

12 June 1980

for G.W.

- Banquet
- Arrival time
- Speech for Khruic.
- Message to Amelin
- Saudi contract.

Mendace at Feisban's briefing.

Energy -

DISC 7.

Why are we supplying arms
to Afghanistan.

Early lunch for Trudeau.

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① Prime Minister

Foreign and Commonwealth Office

30 minutes after questions
on 15 July?

London SW1A 2AH

② Mrs Stephens

Handwritten initials

Yes ms

11/6

11 June 1980

Dear Michael,

Visit of Nigerian Foreign Minister, Professor Ishaya Audu: 14/16 July

Our High Commission in Lagos have confirmed the dates of 14/16 July for the official visit of Professor Audu is to make to the UK following Lord Carrington's invitation conveyed to him at the Zimbabwe Independence celebrations.

Lord Carrington will be giving a lunch and holding talks with Professor Audu on Monday 14 July. He hopes that the Prime Minister will agree to meet Professor Audu during his visit, perhaps on the afternoon of Tuesday 15 July. This visit, coming shortly after that of Mr Nott to Nigeria (7 - 11 July) is an important step in our efforts to develop and consolidate the UK's relations with Nigeria following the Zimbabwe settlement. The Nigerian President warmly congratulated the Prime Minister following the success in Zimbabwe; and we wish to take advantage of the improved climate that the solution of the Rhodesian crisis has brought to our bilateral relations. British exports to Nigerian this year will probably exceed those to the whole of the rest of Black Africa as well as to South Africa. Indeed, Nigeria is our largest single market outside Western Europe and North America: our exports amounted to £348m in the first third of the year. Nigeria is also politically important to us, especially over Southern African questions. President Shehu Shagari's civilian government is well disposed to the West generally (and particularly to Britain). It is conservative and business-oriented in outlook. The Nigerians are touchy on protocol, however, and access to the President is strictly controlled: both the success of Professor Audu's visit and future access to the President by our High Commissioner and prominent British visitors will be greatly assisted by a call on the Prime Minister.

The Prime Minister will also recall that she met Professor Audu informally at President Tito's funeral. Audu reported very favourably on this to President Shehu Shagari, who referred to the meeting when he received Lord Chelwood on 16 May (Lagos telegram 416, copy enclosed).

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

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JWN 020/2		
RECEIVED IN INDUSTRY HQ		
19 MAY 1980		
DESK OFFICER	Bel	
INDEX	PA	SECRET

GRS 210
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 FROM LAGOS 161423Z
 TO ROUTINE FCO
 TELNO 416 OF 16 MAY 1980.
 VISIT OF LORD CHELWOOD.

1. I ACCOMPANIED LORD CHELWOOD, WHO WAS IN NIGERIA PRIMARILY ON BUSINESS, ON A CALL ON THE PRESIDENT. THE CALL HAD BEEN ARRANGED THROUGH PRIVATE CHANNELS.
2. LORD CHELWOOD WAS DELIGHTED THAT NIGERIA WOULD BE REJOINING THE COMMONWEALTH PARLIAMENTARY ASSOCIATION AND THE PRESIDENT SPOKE WARMLY OF CPA CONFERENCES WHICH HE HAD ATTENDED IN THE PAST. HE HAD BEEN AT SUCH A CONFERENCE IN WELLINGTON WHEN UDI HAD BEEN DECLARED. LORD CHELWOOD EXPLAINED THAT HE HAD ATTENDED THE RECENT ELECTIONS IN ZIMBABWE AS AN OBSERVER AND HAD VISITED NIGERIA ON VARIOUS PREVIOUS OCCASIONS, INCLUDING ONE OFFICIAL DELEGATION TO THE WESTERN HOUSE OF ASSEMBLY.
3. THE PRESIDENT SAID THAT HE WAS DELIGHTED WITH THE OUTCOME OF THE ELECTORAL PROCESS AND THE CONSTITUTIONAL SETTLEMENT IN ZIMBABWE. THE RESULT HAD BEEN QUITE MARVELLOUS AND HE HAD BEEN PRIVILEGED TO ATTEND THE CEREMONIES IN SALISBURY. I SAID THAT I KNOW THAT THE PRIME MINISTER HAD BEEN VERY PLEASED BY HIS MOST CORDIAL MESSAGE AND UNDERSTOOD THAT HE WOULD BE RECEIVING A REPLY. THE PRESIDENT SAID THAT HE WAS VERY GRATEFUL TO HEAR THIS AND ALSO THAT HE HAD BEEN GRATIFIED BY THE REPORT WHICH PROFESSOR AUDU HAD BROUGHT BACK FROM YUGOSLAVIA, WHERE HE HAD REPRESENTED HIM AT PRESIDENT TITO'S FUNERAL. THE PRESIDENT WAS DELIGHTED THAT THE PRIME MINISTER HAD BEEN ABLE TO HAVE SOME DISCUSSION WITH HIS MINISTER OF EXTERNAL AFFAIRS AND WAS MOST SATISFIED WITH HIS MINISTER'S REPORT OF THEIR CONVERSATION.
4. IN CONCLUSION, THE PRESIDENT REMARKED THAT WE NOW HAD TO TACKLE NAMIBIA, BUT THE TONE OF THE MEETING WAS THROUGHOUT MOST CORDIAL.

KENNEDY
 FILES
 WAD
 CCD
 ZIMBABWE UNIT
 CAD
 SAFD
 PS
 PSI/MRLUCE
 PSI/PUS
 MR DAY
 SIR-L. ALLINSON

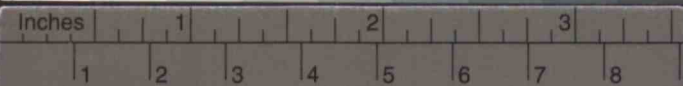
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Grey Scale #13



A 1 2 3 4 5 6 **M** 8 9 10 11 12 13 14 15 **B** 17 18 19



Colour Chart #13

Blue Cyan Green Yellow

