


SECRET

10 DOWNING STREET

THIS FILE MUST NOT GO OUTSIDE 10 DOWNING ST

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3007

FILE TITLE: STATE VISITS OF PRESIDENT MOI TO THE UK		SERIES KENYA
		PART: 2
PART BEGINS: 9 TH FEBRUARY 1987	PART ENDS: 12 TH MARCH 1992.	CAB ONE: 

~~_____~~
PART
CLOSED

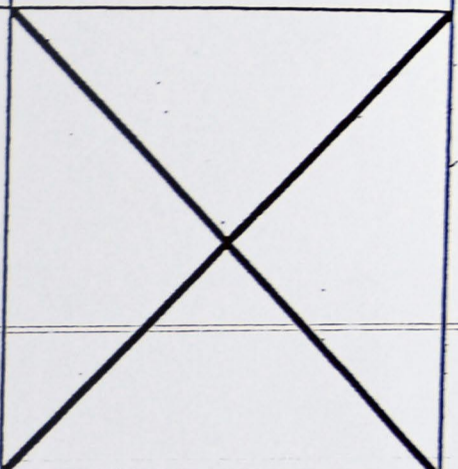
PREM 19 / 3838

SECRET

PART

CLOSED

A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>3838</i> (one piece/item number)	Date and sign
Extract details: <i>Letter from Gogney to Wall dated 9 March 1992</i>	
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~~Stephen~~
Wed 18 March
1030.



S 25/32

10 DOWNING STREET

~~Sandra~~

Can we find a time —
subject of course to
availability of an electrician
is called.

Stephen

file 2

25/2

Yes - if no election



ccc

CONFIDENTIAL

Foreign & Commonwealth Office

21 February 1992

Prime Minister ①

London SW1A 2AH

Dear Stephen,

Clearly one of the priorities of the election has been called. Otherwise, important that you should see him.

Possible Visit by President Moi

There is a chance that President Moi may visit Britain privately for a few days in March, probably from the 17th or 18th following an official visit to Vienna.

Stephen

The Foreign Secretary believes we should use this opportunity to pay Moi some attention. Given the extent of our interests in Kenya, the degree to which we have been responsible for pushing Moi towards political and economic reform, and his nervousness about prospects for stability as Kenya moves towards its first multi-party elections for many years, it will be very important to keep his hand steady and to reassure him of our continuing friendship.

4/12

The timing of the visit is far from ideal. The Foreign Secretary has offered President Moi lunch on Thursday 19 March and Mrs Chalker would also see him. We have made it clear that if an election has been announced before Moi arrives lunch, or even a call, would be impossible. We hope that the Prime Minister can agree to a meeting with Moi on the same basis. After CHOGM in Harare, the Prime Minister expressed a wish to begin a dialogue with President Moi. He wrote to the President twice at the end of the year; on 22 November, setting out in fairly robust terms the main areas of our concern, and again on 16 December to express his pleasure at the constitutional decisions Moi had taken so quickly. It would be helpful to continue this exchange as Kenya moves towards the multi-party election we have urged so strongly on them.

The only other call on the Prime Minister's time which we are making that week is for him to see Genscher on 17 March.

Signature of S L Gass
(S L Gass)
Private Secretary

J S Wall Esq
10 Downing Street

CONFIDENTIAL



a. / Foreign / Kosgei.

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

CFB
HO.
PC

25 January 1990

The Prime Minister has asked me to thank you for your letter of 23 January about the arrangements for President Moi's forthcoming transit visits to London. We are, of course, always delighted to see the President in Britain. We remember with great pleasure his visit for the Ozone Layer Conference last March. The Prime Minister is sorry that on this occasion she will not be in London during his visits.

We shall be able to provide a police motorcycle escort for the President when he travels from and to London airport in heavy traffic conditions.

On the question of armed security, there is, as you rightly point out, a considerable strain placed on our resources by the number of high-level visitors to London. We have reviewed the situation recently and concluded that, in the case of private visits by Heads of State and Government, we shall not be able to provide 24-hour armed protection unless there is evidence of a serious security threat. The publicity associated with an official visit would normally tend, of course, to heighten the threat.

An armed protection officer will be present at the airport on the President's arrival and will make periodic visits to his hotel to liaise with Kenyan security officers. I hope that you will find this arrangement satisfactory.

(C. D. POWELL)

Her Excellency Dr. Sally J. Kosgei



Foreign and Commonwealth Office

London SW1A 2AH

25 January 1990

Sea Charts.

President Moi's visit to London *flap.*

Thank you for your letter of 23 January enclosing a letter to the Prime Minister from the Kenyan High Commissioner about the arrangements for President Moi's forthcoming transit visits to London.

The Foreign Secretary sees no grounds for supplying round-the-clock armed protection for President Moi unless there is new evidence of a serious threat to his security. Dr Kosgei's letter does not provide this.

However, he is content to provide a motorcycle escort for President Moi from and to the airport when the traffic is / heavy. I enclose a draft reply to Dr Kosgei in this sense.

I am copying this letter to Colin Walters (Home Office) who, I understand, can accept this approach.

Jami;
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

Shu

a. / Corneil / Kasgel

DRAFT LETTER TO KENYAN HIGH COMMISSIONER

The Prime Minister has asked me to thank you for your letter of 23 January about the arrangements for President Moi's forthcoming transit visits to London. We are, of course, always delighted to see the President in Britain. We remember with great pleasure his visit for the Ozone Layer Conference last March. The Prime Minister is sorry that on this occasion she will not be in London during his visits.

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An armed protection officer will be present at the airport on the President's arrival and will make periodic visits to his hotel to liaise with Kenyan security officers. I hope that you will find this arrangement satisfactory.

CD

(C D POWELL)





10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

23 January 1990

KENYA

I enclose the expected letter from the Kenyan High Commissioner appealing for a motorcycle escort and security protection for President Moi during his forthcoming visits to London. I shall need to show it to the Prime Minister but would prefer to do so with a draft reply. I should be grateful if you and the Home Office, to whom I am copying this letter, could let me have a reply by 1600 on Thursday 25 January.

I am copying this letter to Colin Walters (Home Office).

Charles Powell

Richard Gozney Esq
Foreign and Commonwealth Office

OFFICE OF THE HIGH COMMISSIONER

Telephone: 01-636 2371/5

Telex: LONDON 262551



KENYA HIGH COMMISSION

45 Portland Place,

London, W1N 4AS

KHCL/17/3A/(177)

23rd January, 1990

The Prime Minister
10 Downing Street
LONDON SWIA 2AA

Dear Prime Minister,

I have the honour to inform you that my President His Excellency Hon. Daniel T. Arap Moi will make two transit visits to the United Kingdom of Great Britain and Northern Ireland from Saturday 27th January to Monday 29th January, 1990 and again from Friday 2nd February to Sunday 4th February 1990. The President will be travelling to the United States of America and back.

Prime Minister, I have been informed that due to constraints in allocation of resources and personnel, it will not be possible for your Government to provide President Moi with twenty four hour armed security and Police Motor cycle escort. I appreciate all the difficulties and expenses involved especially as London is such a popular transit point for so many Heads of State and Government and other important people but I am compelled to make a special appeal to you on behalf of my President in the hope that possible problems could be avoided.

In the last three years President Moi has travelled to London or transited through London five times. My experience during those visits has been that it is vital for the President to have twenty four hour armed protection. Travelling to and from Heathrow Airport is extremely difficult without motor cycle escort. On one occasion when it was difficult to get motor cycle escort on a busy afternoon, the President experienced terrible difficulties getting into London from the Airport. Those experiences together with fear of

.../2

The Prime Minister


- 2 -

23. 1.90

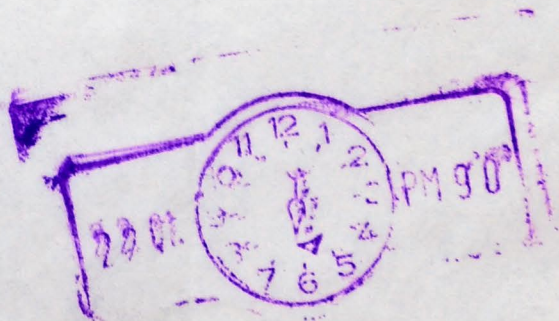
Security problems may cause President Moi to review any transit visits through London which would be sad as he likes to visit this country whenever he has an opportunity.

I am aware that the matter is one of Policy on the part of your Government but I hope that it is possible to consider this appeal.

Yours Respectfully,


SALLY J. KOSGEI
HIGH COMMISSIONER





CONFIDENTIAL

ccpe



Foreign and Commonwealth Office

London SW1A 2AH

22 January 1990

CD
24/1

Dear Charles,

Security Protection for President Moi

President Moi will be transitting London on 27-29 January and again on 2-3 February. On this occasion, he will be given Liaison Protection (which involves police contact with the visitor on first arrival and periodic police attention during his visit). This arrangement follows a decision by the Foreign Secretary and the Home Secretary last November to base our protection of VIPs primarily on security considerations rather than on status.

It is possible that the Kenyans organising the President's visit will protest that President Moi is not getting a full-time protection team, but we cannot allow police resources to be tied up unnecessarily for private visits where the threat assessment is low. We applied the new procedure to President Mugabe when he came here in December and it worked well and without problems.

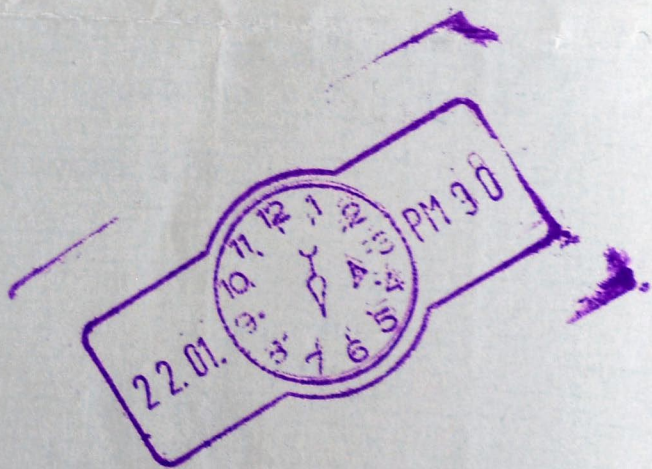
I am copying this letter to Colin Walters (Home Office).

Jans,
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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10 DOWNING STREET
LONDON SW1A 2AA

the hon
c:foreign/
moi

From the Private Secretary

31 October 1989 *alc*

PRESIDENT MOI

BN
Thank you for your letter of 30 October about President Moi's proposed visit to London. The Prime Minister could see him at 1445 on Wednesday 22 November. I should be grateful for briefing in due course.

C. D. POWELL

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

SW



Foreign and Commonwealth Office

London SW1A 2AH

30 October 1989

1445 on
Wed
22 Nov

①
CSP

Sean Charles

Yes not

Prime Minister

Agree to see him
fresh on 22

November? CSP

30/10

Request for a call on the Prime Minister by
President Moi of Kenya

President Daniel Arap Moi of Kenya has asked to call on the Prime Minister during a private visit he proposes to make to London from 21-23 November.

The Prime Minister last met President Moi in March on the occasion of the International Conference on Saving the Ozone Layer, where he delivered the keynote address at her personal invitation. We understand that Moi would particularly appreciate an opportunity to see the Prime Minister to learn her impressions on CHOGM, which he did not attend. He will also wish to discuss developments in Southern Africa and Mozambique, and probably wildlife conservation and environmental issues.

The Foreign Secretary hopes that it will be possible for the Prime Minister to see Moi. The President does not arrive in London until the evening of 21 November, so if a slot could be found in the Prime Minister's programme on 22 November, this would be most convenient.

Jans.
Steph

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street



Foreign and Commonwealth Office

London SW1A 2AH

26 April 1989

Dear Charles,

COB/26/4

Letter from President Moi

President Moi has written to thank the Prime Minister for the arrangements made for his visit to London in early March. I am enclosing the text (Nairobi telno 188), and will forward the signed original when received. We see no need for the Prime Minister to send any reply.

The Prime Minister wrote to Moi on 20 March, to follow up discussion of our aid programme. The High Commissioner, Sir John Johnson, delivered the letter personally to Moi on 29 March. Moi said that he had been greatly impressed by the organisation and successful outcome of the Ozone Layer Conference. By comparison, the environment conference which he went on to attend in The Hague had lacked a clear target.

There was no substantive discussion of our aid programme, but Moi said he wanted to read the letter and discuss it fully at another time. He said that his only serious worry was about delay in disbursement. But he recognised there were constraints within the Kenyan system, and said he was determined to get to the bottom of the difficulties.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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UNCLASSIFIED
FM NAIROBI
TO ROUTINE FCO
TELNO 188
OIF 210701Z APRIL 89

LETTER FROM PRESIDENT MOI TO MRS THATCHER

1. THE MFA HAVE ASKED US TO PASS A LETTER FROM PRESIDENT MOI TO THE PRIME MINISTER. TEXT IS AS FOLLOWS:

BEGINS

MADAM PRIME MINISTER

I WISH TO THANK YOU MOST SINCERELY FOR THE WARM WELCOME AND KIND HOSPITALITY ACCORDED TO ME DURING MY RECENT VISIT TO YOUR COUNTRY. I ALSO NOTE WITH APPRECIATION THE FRUITFUL DISCUSSIONS WE HELD ON BILATERAL AND INTERNATIONAL ISSUES.

I WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO THANK YOU FOR THE INITIATIVE YOU TOOK IN HOSTING THE CONFERENCE ON THE OZONE LAYER IN LONDON. I AM SINGULARLY HONOURED FOR YOUR INVITATION TO GIVE THE KEY NOTE ADDRESS TO THE CONFERENCE. AS YOU ARE AWARE MY COUNTRY IN ITS MODEST WAY HAS TAKEN SOME STEPS TO CONTROL THE POLLUTION OF THE ENVIRONMENT.

I APPRECIATE YOUR KEEN INTEREST ON THE PROBLEMS CURRENTLY FACING AFRICAN COUNTRIES AND PARTICULARLY THE SITUATION IN SOUTHERN AFRICA. YOUR CALL FOR THE RELEASE OF NELSON MANDELLA RAISES HOPE THAT THE SOUTH AFRICAN GOVERNMENT WILL HEED YOUR APPEAL.

PLEASE ACCEPT, MADAM PRIME MINISTER, THE ASSURANCES OF MY HIGHEST CONSIDERATION.

DANIEL T ARAP MOI
PRESIDENT OF THE REPUBLIC OF KENYA

ENDS.

2. ORIGINAL TO FOLLOW BY NEXT BAG.

JOHNSON

PAGE 1
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KENYA: Lists of Res
also Pt 2

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MOLIAN 4588

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DATE 08/11/2001
BY 60322/UC/STP



LETTER FROM PRESIDENT MOI TO MRS. TATCHELL
THE MRA HAVE ASKED US TO PASS A LETTER ON PRESIDENT MOI TO
THE PRIME MINISTER. TEXT IS AS FOLLOWS:
I WISH TO THANK YOU MOST SINCERELY FOR THE WARM WELCOME AND KIND
HOSPITALITY ACCORDED TO ME DURING MY RECENT VISIT TO YOUR COUNTRY.
I ALSO WISH TO EXPRESS MY APPRECIATION FOR THE FRUITFUL DISCUSSIONS WE HELD ON
BILATERAL AND INTERNATIONAL ISSUES.

WAGAH PRIME MINISTER

I WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO THANK YOU FOR THE
INITIATIVE YOU TOOK IN HOSTING THE CONFERENCE ON THE OZONE LAYER IN
LONDON. I AM PARTICULARLY HONORED FOR YOUR INVITATION TO GIVE THE
KEY NOTE ADDRESS TO THE CONFERENCE. AS YOU ARE AWARE MY COUNTRY IS
DOING EVERYTHING POSSIBLE TO CONTROL THE POLLUTION OF THE
ENVIRONMENT.

I APPRECIATE YOUR KEEN INTEREST ON THE PROBLEMS CURRENTLY FACING
AFRICAN COUNTRIES AND PARTICULARLY THE SITUATION IN SOUTHERN AFRICA.
YOUR CALL FOR THE RELEASE OF NELSON MANDELA RAISES HOPE THAT THE
SOUTH AFRICAN GOVERNMENT WILL HEED YOUR APPEAL.

PLEASE ACCEPT, WAGAH PRIME MINISTER, THE ASSURANCE OF MY HIGHEST
CONSIDERATION.

DANIEL T. ARAB MOI
PRESIDENT OF THE REPUBLIC OF KENYA

ENDS.

2. ORIGINAL TO FOLLOW BY NEXT BAG.

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PAGE 1
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PRIME MINISTER'S

PERSONAL MESSAGE

UNCLASSIFIED

SERIAL No. 186/89

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MDLIAN 5428

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TO ROUTINE FCO
TELNO 188
OIF 210701Z APRIL 89

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cc Mante
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LETTER FROM PRESIDENT MOI TO MRS THATCHER

1. THE MFA HAVE ASKED US TO PASS A LETTER FROM PRESIDENT MOI TO THE PRIME MINISTER. TEXT IS AS FOLLOWS:

BEGINS

MADAM PRIME MINISTER

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I APPRECIATE YOUR KEEN INTEREST ON THE PROBLEMS CURRENTLY FACING AFRICAN COUNTRIES AND PARTICULARLY THE SITUATION IN SOUTHERN AFRICA. YOUR CALL FOR THE RELEASE OF NELSON MANDELLA RAISES HOPE THAT THE SOUTH AFRICAN GOVERNMENT WILL HEED YOUR APPEAL.

PLEASE ACCEPT, MADAM PRIME MINISTER, THE ASSURANCES OF MY HIGHEST CONSIDERATION.

DANIEL T ARAP MOI
PRESIDENT OF THE REPUBLIC OF KENYA

ENDS.

2. ORIGINAL TO FOLLOW BY NEXT BAG.

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MR FAIRWEATHER

ADDITIONAL 4

MISS MCCONNELL, EPINT, DOE
MS ARCHBIOLD, EAFD/ODA

MR HUDSON ODA
NO 10 DOWNING ST

NNNN



EDJ
9/5
STATE HOUSE

P. O. BOX 40530

NAIROBI, KENYA

17TH APRIL, 1989

MADAM PRIME MINISTER,

I WISH TO THANK YOU MOST SINCERELY FOR THE WARM WELCOME AND KIND HOSPITALITY ACCORDED TO ME DURING MY RECENT VISIT TO YOUR COUNTRY. I ALSO NOTE WITH APPRECIATION THE FRUITFUL DISCUSSIONS WE HELD ON BILATERAL AND INTERNATIONAL ISSUES.

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I APPRECIATE YOUR KEEN INTEREST ON THE PROBLEMS CURRENTLY FACING AFRICAN COUNTRIES AND PARTICULARLY THE SITUATION IN SOUTHERN AFRICA. YOUR CALL FOR THE RELEASE OF NELSON MANDELA RAISES HOPE THAT SOUTH AFRICAN GOVERNMENT WILL HEED YOUR APPEAL.

PLEASE ACCEPT, MADAM PRIME MINISTER, THE ASSURANCES OF MY HIGHEST CONSIDERATION.

A handwritten signature in green ink, reading 'Daniel T. Arap Moi'.

DANIEL T. ARAP MOI
PRESIDENT OF THE REPUBLIC OF KENYA

THE RT. HON. MARGARET THATCHER,
PRIME MINISTER OF THE UNITED KINGDOM
AND NORTHERN IRELAND,
LONDON.



Cole M
cepc
T

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

20 March 1989

KENYA

I enclose the Prime Minister's letter to President Moi, in the form which she has agreed. Since it is changed in some respects from the draft, I should be grateful if you would check it carefully before despatch.

I am copying this letter and enclosure to Myles Wickstead (Overseas Development Administration).

C D POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office

PRIME MINISTER'S
PERSONAL MESSAGE

SERIAL NO. 157/89
SUBJECT cc MASTER
OPS



10 DOWNING STREET
LONDON SW1A 2AA

File JD
cc FLO
ODA
PC

THE PRIME MINISTER

20 March 1989

Dear Mr. President,

May I thank you once again for accepting my invitation to make the keynote speech at the Saving the Ozone Layer Conference and congratulate you on your splendid statement. Your contribution added greatly to the success of the meeting.

It was also a great pleasure to be able to have a talk at No.10. During this, you raised some points about British aid to Kenya. I promised to look into them and let you have a response.

First, let me be clear that I attach very great importance to the British aid programme to Kenya. It is very substantial, some £365 million over the last ten years. It is our firm intention that Kenya will remain our most prominent development partner in the region.

You mentioned your satisfaction with the Secondary School Science Laboratories. We too are well content with the way this project has been implemented. We have now decided to extend it, by building and equipping an additional twelve laboratories and by providing packages of equipment for forty-two laboratories built by local communities.

You expressed concern on two specific points: rates of interest on capital aid and the provision of local cost finance.

SM

As I mentioned to you at the lunch, all our bilateral aid to Kenya has been on grant terms since 1978. All repayments of previous loans were cancelled at that time, at a cost of £67 million. We continue to try to persuade other donors to follow our example.

When it comes to mixed credit arrangements, by definition only part of the package is grant and free of interest. But the balance between aid and commercial credit for individual projects can be varied in the light of the terms being offered by others. We are always ready to be flexible about this.

On local costs, it has long been our practice to help cover some of the local costs of projects. In Kenya's case, as much as 30% of our bilateral project aid over the past five years has been devoted to this. At the same time we believe that some contribution from the receiving country is valuable, in order to underline the concept of development as a partnership.

You mentioned delays in the disbursement of aid already pledged. Projects need to be carefully prepared if they are to produce the results we both want. But we have taken quite a number of steps over the last year or so to reduce the time involved. We need your Government to join us in these efforts. Experience in a number of recent cases shows that delays can occur in Nairobi. One example is the balance of payments support that I pledged when I visited Nairobi last year. Difficulties over the issue of import licences have delayed expenditure. I hope that this has now been resolved, and we can move ahead quickly.

You referred also to the Lister engines which were included in the first instalment of the balance of payments finance. The company tell us that they received the order for six hundred engines in August last year and delivered, according to the required schedule, over the period to October.

Might I suggest that officials from our High Commission and the Development Division at Nairobi should get together with your senior officials to identify what causes delays on particular projects and how these can be best tackled.

I have been into this thoroughly, and I hope that my reply will reassure you. I am asking Sir John Johnson to give you this letter personally. He will be able to add any further information.

With warm regards,

Yours sincerely

Najant Dhalten

His Excellency The Honourable Daniel T. Arap Moi,
CGH, EBS, MP.



Foreign and Commonwealth Office

London SW1A 2AH

CONFIDENTIAL

17 March 1989

ceffc
Dear Charles,

Prime Minister's Meeting with President Moi of Kenya

As requested in your letter of 6 March, I enclose a draft letter from the Prime Minister to President Moi to deal with his misconceptions about British aid to Kenya. *at leaf*

We have subsequently learned that President Moi's remarks were based on a briefing given to him by his Finance Minister, Professor Saitoti. This may have been deliberately misleading to cover up inefficiencies and personal interests on the Kenyan side. We also believe that Mr Tiny Rowland of Lonrho has been sowing doubts in Moi's mind about British aid.

We have taken a number of steps already to improve our procedures for disbursing aid, and the major difficulties now rest with the Kenyans' own system. In the draft letter to President Moi, we have quoted only one example; more could be provided.

President Moi mentioned the case of Lister engines. We talked to the Company about this, rather than to Mr Angus, whose connection is only indirect. (The Lister distributors in Kenya are owned by the United Africa Company, which is itself owned by Unilever.) It is clear that Lister acted promptly once they received instructions from Kenya.

On the question of the terms of aid, it seems probable that President Moi had been briefed on the balance between aid and ECGD-backed commercial credit in mixed credit packages. We can be, and have been, flexible in this regard, paying careful attention to the terms being offered by our competitors. There is little more to say on this except to confirm our intention to remain flexible in the light of circumstances.

/The

CONFIDENTIAL



CONFIDENTIAL

The Prime Minister's letter will provide the opportunity to put the record straight on these matters in a firm but friendly fashion.

The Foreign Secretary suggests that Sir John Johnson hand over the letter to President Moi personally, and if appropriate take him through the points made.

Yours ever,
Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

CONFIDENTIAL

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1 +

FROM:

Reference

DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

PRIVACY MARKING

..... In Confidence

CAVEAT

TO:

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ADD

SUBJECT:

It was a great pleasure to have you in London earlier this month.

May I thank you once again for
 I should like to reiterate my warmest gratitude for accepting my invitation to make the keynote speech at the Saving the Ozone Layer Conference and to congratulate you again on your splendid statement. Your contribution added greatly to the success of this important meeting. *It was also a great pleasure to be able to have a talk during this.*
 During the useful working lunch we had at No 10 on 6 March, you raised some points about British aid to Kenya. I promised to look into them and let you have *a response* our further comments.

at No. 10

British aid (no longer programme) is very substantial

Enclosures flag(s)

some £365 million over the last 10 years.

From let me be clear that I attach of very great importance to the
 Let me say how useful I found the discussion on the British aid programme in Kenya. We both attach great importance to it. Over the period 1978-88 our bilateral aid to Kenya was over £365 million. *It is our of my firm intention that Kenya will remain* I can assure you that we intend Kenya to remain our most prominent development partner in the region.

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In Confidence

mentioned in letter
 You picked out for particular mention your satisfaction with the Secondary School Science Laboratories. We too are ~~pleas~~ *well content* with the way this project has been implemented. We have ~~therefore~~ *now* decided to extend ~~the~~ *it* project by building and equipping an additional 12 laboratories, ~~as~~ *and* by providing packages of equipment for 42 laboratories built by local communities.

expressed concern over
 You raised two specific points ~~about our aid programme:~~ rates of interest on capital aid ~~provided~~ and the provision of local cost finance.

As I mentioned to you at the lunch, all our bilateral aid to Kenya has been on grant terms since 1978. ~~In recognition of the balance of payments difficulties faced by poorer developing countries, we agreed in principle to write off aid loans for a number of countries. In Kenya's case, we cancelled all repayments of loans to ODA in July 1978 at a cost of £67 million. We have been trying to persuade other donors to follow our example.~~
All repayments of previous loans were cancelled at that time, at a cost of £67 million.

~~The aid element of mixed credit arrangements has also been on grant terms, although the overall grant element in mixed credit packages is of course lower than for aid alone. Nevertheless, the balance between aid and commercial credit can be changed in the light of the terms being offered by others. We are always ready to be flexible in considering proposals.~~
But for individual projects varied about 10%.

When it comes to mixed credit arrangements, only part of the package by definition only part of the package is grant & free of interest

SECURITY CLASSIFICATION

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PRIVACY MARKING

.....

In Confidence

On local costs, we have long recognised that it is appropriate ^{it has long been our practice} for the aid donor to go further than the provision of capital and equipment from external sources and to help cover some of the local costs of projects. In Kenya's case ^{we} ~~our~~ normal practice ^{is} ~~is~~ to provide a proportion of these local costs. Over the last five years as much as 30% of our bilateral project aid ^{are to} ~~as a~~ whole ^{part five years devoted to this} has been in this form. At the same time we believe that some contribution from the recipient ^{receiving country} authorities is ^{valuable} ~~important~~ in order to underline the concept of development as a partnership.

You also mentioned delays in the disbursement of aid already pledged. ^{projects need to be carefully prepared} ~~Complex projects naturally need careful~~ design if they are to produce the results intended. ^{we both want} We share your strong desire to reduce the time involved, ^{but we have taken quite a number of steps} and to this end we have taken a number of steps over the ^{over the last year or so} last year or so. We shall, nevertheless, continue to look carefully and closely at our procedures.

I ^{to} hope your Government will ~~also~~ join us in these efforts. Experience in a number of recent cases shows that delays can also occur in Nairobi, ^{is} One example being the balance of payments support that I pledged when I visited Nairobi last year. ^{Difficulties} Complications over the issue of import licences have delayed disbursement. ^{explains} We very much share your wish to make rapid use of the outstanding balance. ^{I hope} Now that arrangements for the allocation of this finance have been agreed, I hope it will be possible to move ahead quickly.

11 Van referred also to
~~mentioned possibility in~~

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

PRIVACY MARKING

.....
In Confidence

I understand ~~that~~ Lister engines to a value of around ~~£900,000~~ ^{what} were included in the first ~~tranche~~ ^{instalment} of the balance of payments finance, and ~~they of course remain~~ eligible goods. We have spoken to ~~the~~ company who tell us that they received the order for six hundred engines in August last year and delivered, according to the required schedule, over the period to October.

Right I suggest

I think it would be useful if officials from our High Commission and the Development Division at Nairobi ~~were~~ ^{should} to get together with your senior officials to identify ~~exactly~~ ^{what causes delays} the nature of delays on particular projects and to ~~agree~~ ^{then} how they can be best tackled.

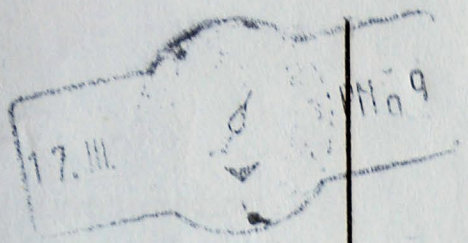
my reply will

I hope that ~~this~~ ^{my reply will} reassures you. I am asking ~~our High Commissioner,~~ Sir John Johnson, ~~to~~ give you this letter personally. He will be able to add any further information.

*I have
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Kenya : Uiside f Pres Mai

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FILE KKIARZ
cc PC



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

6 March 1989

SUBJECT CC MASTER

PRIME MINISTER'S MEETING WITH PRESIDENT MOI OF KENYA

The Prime Minister had a meeting and working lunch with President Moi of Kenya today. The President was accompanied by Dr Ouko, the Kenyan Foreign Minister, Mr Kiplagat, the Permanent Secretary of the MFA, and the Kenyan High Commissioner. Mrs Chalker and Sir John Johnston were also present.

The discussion was rather general, not to say discursive. The other main feature was the continued, almost abject flattery of the President by Dr Ouko. This letter simply summarises the main points of the meeting.

Saving the Ozone Layer Conference

The Prime Minister congratulated President Moi on his speech at the opening of the "Saving the Ozone Layer" Conference. It had been an outstanding contribution to the success of the Conference.

The Prime Minister went on to explain why the United Kingdom would not be attending the conference being organised in The Hague on 11 March to discuss the French Prime Minister's environment initiative. The proposals before that meeting had not been properly thought out: we did not believe there was a need for a new international authority: and we could not support the concepts of sanctions and compensation. Four of the five Permanent Members of the United Nations Security Council would not be represented. Mr Kiplagat doubted whether the draft declaration which had been circulated would go through. Nor did he expect the meeting to detract from the tremendous success of the London conference.

Regional issues

President Moi spoke of Kenya being an island in a sea of problems. Virtually all neighbouring countries were affected.

The Prime Minister explained that she had decided to postpone her visit to The Sudan because of the uncertain political situation there. President Moi was pessimistic about any change for the better and fulminated against

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attempts to spread Islam.

The Prime Minister spoke of the problems being experienced by the Ethiopian government. They had suffered serious set-backs at the hands of the rebels in Tigre and Eritrea. President Moi commented that he had no great worry about Soviet activities. They were now much more pre-occupied with developments at home than with extending their influence in Africa.

President Moi spoke of the continuing divisions and problems in Somalia.

Southern Africa

The Prime Minister informed President Moi of her forthcoming visit to South Africa during which she would visit Zimbabwe and Malawi and meet President Chissano in Zimbabwe. President Moi commented that Chissano controlled only the southern part of Mozambique. There was complete disorder further north. A number of Christians from Mozambique and journalists who had visited the country, had told him that a Renamo was not as brutal as the FRELIMO forces. He found it hard to see a solution, but had suggested that the regional powers ought to get together to discuss one.

The Prime Minister spoke of the slightly more encouraging developments in South Africa itself and stressed the importance of free and fair elections in Namibia. There was a brief exchange on Angola, to which President Moi contributed rather little.

Bilateral relations

The Prime Minister praised Kenya as the best run and most politically stable country in Africa.

President Moi complained about the obligation on Kenya to meet local costs of aid projects. It would be better if all the costs of a project could be met by the donors. He expressed concern at the size of interest payments which Kenya had to make on aid given as loans, and about delays in disbursing some aid. (It was evident from all this that he was either ill-informed or had been deliberately misinformed.) Sir John Johnston took the President through details, explaining that delays were often caused by the Kenyans themselves. All our aid to Kenya had been in the form of grants for some ten years now and there was no question of interest payments except on commercial loans. The Prime Minister said that we would nonetheless consider what we could do to diminish delays.

Turning to specific projects, the President mentioned that he had agreed to a sugar rehabilitation scheme by Bookers in the south of the country. He was also anxious to make rapid use of the outstanding balance of the £20 million balance of payments aid which the Prime Minister had agreed on her visit to Kenya. This would be used for Lister engines and

caterpillar tractors. But there seemed to be some delays in obtaining the former, even though they were required urgently. The Prime Minister said we would follow up this point with Mr Angus, the Chairman of Unilever. President Moi said that Kenya had been very content with the provision by the United Kingdom of purpose built school laboratories. But local communities were now doing more school building themselves and the basic need was for laboratory equipment.

The Prime Minister wishes to write to President Moi, setting out clearly the position on our aid and dealing with the points which had clearly been planted in President Moi's mind, as well as with the alleged delays in disbursement. I should be grateful for a draft.

I am copying this letter to Alex Allan (HM Treasury), Brian Hawtin (Ministry of Defence), Neil Thornton (Department of Trade and Industry) and to Myles Wickstead (Overseas Development Administration).

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

RESTRICTED

6 March 1989

Dear Charles,

Prime Minister's Lunch for President Moi, 6 March

Kenya expelled the Sudanese Chargé d'Affaires in Nairobi over the weekend. This seems to have happened because the Chargé d'Affaires had been too active in arguing publicly the Sudanese case on a territorial dispute between Kenya and Sudan, over the so-called Ilemi Triangle. President Moi may raise this dispute with the Prime Minister.

If President Moi raises the subject we recommend that the Prime Minister should take the line that the boundary is a matter for Kenya and Sudan to settle between themselves: and that we hope their efforts through the Joint Border Commission (which already exists) will result in a mutually acceptable solution.

The Ilemi Triangle (map attached) is an area of about 150 x 200 miles at the junction between Kenya, Sudan and Ethiopia. The only legal definition of the boundary dates from the colonial period, and is ambiguous. It states that the boundary between the mountains Jebel Mogila and Mt Lubur should "follow a straight line, or such a line as would leave to Uganda the customary grazing grounds of the Turkhana tribe". A straight line between the two points would have passed through the grazing areas. By the late 1930s there existed three alternative boundary lines.

Britain no longer has any standing in this dispute. At the time of Sudanese independence (1956) and Kenyan independence (1963) the legal boundary was the southernmost but with Sudanese permission Kenya has maintained a number of police posts further north.

We believe Kenyan interest in the Ilemi Triangle has revived because of potential oil reserves there. Any redesignation of the boundary would seem to fall foul of the 1964 OAU Resolution on African boundaries, which

/commits

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commits OAU member states to accept the boundaries set at the time of their independence. This was co-sponsored by Kenya and Ethiopia (and was intended primarily to limit Somali claims to Kenyan and Ethiopian territory).

Yours ever,
Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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qf?

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

3 March, 1989.

Thank you for sending me the note about Booker Tate's activities in Nairobi. It was helpful to have this before President Moi's visit.

(C.D. Powell)

The Rt. Hon. Lord Jellicoe, KBE, DSO, MC.

dg

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OF THE PUBLIC RECORDS ACT

PRIME MINISTER

MEETING WITH PRESIDENT MOI

You will be seeing President Moi on Sunday and have a meeting and working lunch with him on Monday. The latter will be attended by Mrs. Chalker and our High Commissioner in Nairobi.

There is a note by the FCO in the folder.

By all accounts, Moi is in good form. The Kenyan economy is doing well with commodity prices high, tourism up and a good harvest in store. Moi's international stature has, if anything, grown. He is carrying out a number of foreign visits to major countries. He has developed relations with Israel and tried to play a helpful role over the Western hostages in Lebanon. He is involved in attempts at internal reconciliation in Angola and Mozambique. He remains acutely sensitive to criticism about Kenya's human rights record. By African standards it is not bad, although far from perfect.

He is also constantly on the look-out to see if we are favouring others more than Kenya when it comes to aid. He is particularly suspicious in the case of Uganda. In fact we have committed and spent £110 million in Uganda since 1986 and £175 million in Kenya. We do not have any new aid to offer him on this occasion. You will remember that you signed a £50 million agreement in 1987 and a further £20 million last year. We must not lead him to believe that new aid will be forthcoming every time you meet. The next major pledge would be due at the end of this year.

There are a number of points which you might like to cover in discussion:

- you will want to tell him about your visit to Africa explaining your decision to postpone a visit to Sudan (but not mentioning the possible inclusion of Namibia);

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- you could ask whether he has any advice for you about your talks in Nigeria, Zimbabwe and Malawi;
- this could lead on to a more general discussion of the situation in Southern Africa covering Namibia, Angola and Mozambique. You might ask his views on the prospects for internal peace settlements in both Angola and Mozambique. He will value your assessment of the prospects in South Africa post-Botha. You might mention to him in strict confidence that you intend to meet some of those who are likely to lead South Africa in the period immediately ahead, in the belief that breaking down their isolation is the best way to convince them of the need for change;
- you might ask him to give an account of economic developments in Kenya, taking the opportunity to congratulate him on the recent good performance of the Kenyan economy. If he has any complaints about the disbursement of our aid, you should ask our High Commissioner to follow these up (though almost invariably these turn out to be the result of poor Kenyan administration). If he complains about lack of British investment, you could urge him to conclude an investment Promotion and Protection Agreement;
- you will want to thank him for Kenya's help with defence training and say that we are ready to contribute another £100,000 towards the cost of Kenyan on military training courses in Britain this year. We are also hoping to sell the Kenyans the Hawk (but the prospects are not very bright: Lonhro are offering him inducements to buy Mirage);
- you might seek his views about the Commonwealth Heads of Government Meeting in October and how the South African problem can be handled so that it does not dominate the meeting as much as usual.

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- 3 -

I would very strongly advise you - contrary to the Foreign Office - not to raise the human rights issue. It won't do any good and will only serve to make him less helpful on other issues. Dr. Ouko, his Foreign Minister, is to meet an All-Party Committee on Monday to put over Kenya's case. The right way to treat criticism is to go on the offensive.

C.D.P

(C. D. POWELL)

3 March 1989

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

CONFIDENTIAL

3 March 1989

Jean Charles,

The Prime Minister is giving a working lunch on Monday 6 March for President Moi of Kenya. Moi will be accompanied by his Foreign Minister, Dr Ouko; the MFA Permanent Secretary, Mr Kiplagat; and the Kenyan High Commissioner, Dr Kosgei. Mrs Chalker and Sir John Johnson, our High Commissioner in Nairobi, will attend from our side. The Prime Minister last met Moi during his private visit to London in April 1988.

At the Prime Minister's invitation, President Moi will deliver the opening address at the International Conference on Saving the Ozone Layer on 5 March. The Prime Minister could congratulate him on his speech that morning. We need Moi's support in encouraging more developing countries to sign the 1987 Montreal Protocol on substances that deplete the ozone layer. The Prime Minister might welcome anything Moi could do to achieve wider adherence.

Moi is in the middle of a cycle of foreign visits which have taken him to Germany, France, Japan and Brunei. After Britain he will be visiting Belgium and the Netherlands. The Prime Minister will find him in a confident mood and in firm political control. Economically, the picture has brightened somewhat for Kenya. Moi will wish to build on his personal friendship with the Prime Minister, which he values greatly, and to project his role as a world statesman. There are no current problems on the bilateral front. Aid and the development of Kenya is always a major concern to him.

Our objectives are:

- (a) to confirm to Moi the importance we attach to Kenya and to express our appreciation for Kenya's sensible policies in the region, on South Africa, and in providing defence facilities;

/(b)

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- (b) to reassure him on the UK aid commitment;
- (c) to encourage Moi's pursuit of a sound and consistent economic strategy;
- (d) to urge Moi to improve investment opportunities for British business;
- (e) to highlight the case for the purchase of Hawks for the Kenyan Air Force;
- (f) to encourage Moi to live up to his undertakings on human rights and democratic safety valves.

On Southern Africa, Moi understands our position, and is disinclined to make empty political gestures. The Prime Minister could stress our commitment to the fulfilment of the UN Plan to Namibian independence. All those involved must now keep to the letter of the relevant agreements. Nothing should be done to give anyone a pretext for back-tracking. The successful and peaceful achievement of an independent Namibia will have a crucial bearing on the future of South Africa and the region. Both Kenya (a large battalion) and Britain are participating directly in UNTAG, which is on course for deployment by 1 April. In South Africa itself, the political scene is uncertain. But we will continue to press the urgent need for fundamental reform.

On Angola the Prime Minister could emphasise the need to build on the momentum created by the success of the Namibia negotiations to promote internal peace. We believe that a ceasefire without pre-conditions would help create a better environment for the search for peace. The Prime Minister could ask how Moi sees the situation in Mozambique (in which he has a strong interest). A peaceful settlement is necessary. The Prime Minister will be seeing Chissano during her African trip.

In view of Moi's close interest, the Prime Minister may want to raise Sudan. The situation there is confused and changing rapidly. Moi sympathises with the southerners, and is angry about Sadiq's claim that Kenya provides military support to Garang's Sudanese People's Liberation Army (SPLA).

/On

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On Iran (which Moi visited last November) the Prime Minister will wish to thank him for his efforts on behalf of the British hostages, and to seek support for our position on the Rushdie affair.

The Prime Minister can assure Moi that Kenya will remain our largest aid recipient in the region. The Kenyans have asked us about pledges of new aid to Uganda made during Mr Patten's recent visit. The figure quoted for aid committed and spent in Uganda since 1986 was £110m. the equivalent figure for Kenya is £175m. We expect to spend about £45m on bilateral aid this financial year, mainly in the priority sectors of agriculture, transport and communications, education and energy. Moi usually expresses gratitude at the size of our aid programme, but has been critical of delays in disbursement. When the Kenyans have given specific examples these are generally attributable to delays in their own system.

The Foreign Secretary does not recommend making a further pledge of aid during Moi's visit. During his visit to London in 1987 the Prime Minister signed a £50m project aid agreement. She pledged £20m programme aid when she visited Kenya in January 1988. There is a risk of encouraging Moi to believe that each time he visits London he will receive a new pledge. As existing pledges cover all funds available for spending until March 1990, a new one now may encourage Moi to expect more money than we have available. We would normally make a new pledge at the end of this calendar year, to begin spending in 1990/91. We are working on the possibility of an official visit by Moi next year. A new pledge might best be made then.

Moi could be thanked for the valuable defence training and other facilities (staging flights, ship visits) which he allows us. The Prime Minister could reiterate our willingness to consider Kenyan bids for training or military assistance and remind Moi of the help we give (more than £1 million in the last two years). She could tell Moi that we are ready to put another £100,000 towards the cost of Kenyans on courses in Britain this financial year.

On defence sales, the Prime Minister could ask Moi whether the Kenyan Air Force (KAF) have yet given advice on purchase of 24 Hawk jets since Mrs Chalker raised the issue with him on 26 January. We believe the KAF want

/Hawk

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Hawk to replace their F-5 fighters. But we know confidentially that Mr Rowlands (Lonrho) has been lobbying Moi to buy Mirage jets, with a sweetener of two private Presidential aircraft. Hawk is cheaper, and would have benefits of standardisation. Eleven are already in service with the KAF.

On the economy, Moi could be encouraged to maintain progress under a 3-year IMF structural adjustment facility (signed in February 1988). There were signs of slippage last year. The key areas are reduction of the budget deficit, continuation of tight monetary policy, and liberalisation of import licensing. After nearly two years of foreign exchange shortage, Kenyan prospects are improving. There were good rains last year and food reserves are high. During the last few months commodity prices and tourism revenue have been strong. The IMF are considering an enhanced structural adjustment facility of about \$150 million.

Kenya is Britain's third largest market in Africa, after South Africa and Nigeria. Our exports in 1988 were £202 million (£199 million in 1987), and our market share has been increasing (17.1% in 1987). We have countered pressure from Japan, the FRG and France by increased use of the Aid and Trade Provision (ATP). Our export success has reduced the medium/long term ECGD cover available within the present £350 million market ceiling to only £40 million. (These figures should not be revealed to the Kenyans.) Potential business amounts to nearly £280 million. We are considering a review of the ceiling when the latest IMF report on the Kenyan economy is available. Britain is the largest foreign investor in Kenya (approx £1 billion). There are some problems. While Kenya recognises that it must attract new investment, it has taken little effective action. British businessmen are gloomy about Kenyan performance on remittances and because of uncertainties on Kenyanisation policy. A UK/Kenya Investment Promotion and Protection Agreement could help, but the Kenyans have shown little interest since this was raised by officials in January 1988.

The Prime Minister should be aware of some concern over standards of democracy and human rights in Kenya. Specific examples include the constitutional amendment of August 1988 which gave the President new powers to dismiss judges and allowed police to detain suspects without charge for up to 14 days; an increase in the number of detentions without trial (contrary to the

/Constitution

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Constitution); public, rather than secret, voting in primary elections; blatant rigging of some secret ballot election results; and moves against MPs, churchmen, journalists and lawyers who have voiced criticism. By African standards it would be wrong to paint too negative a picture of the human rights situation in Kenya. And Moi is extremely sensitive to criticism, especially from friendly countries. However, shutting off political safety valves could affect Kenya's stability and the Prime Minister could ask him how he sees Kenyan politics in the medium term. Moi needs to be encouraged to be less defensive about criticism inside and outside Kenya, and more vigorous in dealing with abuses, particularly corruption. At our suggestion, Dr Ouko will have the chance to put Kenya's case at an all-party meeting of MPs later on 6 March.

/ I am attaching President Moi's programme in so far as the Prime Minister is involved.

Yours ever,
Richard Gozney
(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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PROGRAMME FOR PRESIDENT MOI ON 5-6 MARCH

Sunday 5 March

0945 Depart hotel by car, accompanied by:

Hon Dr R J Ouko
Minister for Foreign Affairs

Hon K N K Biwott
Minister for Energy

Hon J M Nyagah
Minister for Environment

Hon Prof S K Onger
Minister for Technical Training and Applied
Technology

HE Dr Sally J Kosgei
Kenyan High Commissioner in London

0950 Arrive at Queen Elizabeth II Conference Centre, Broad
Sanctuary, SW1. Welcomed by the Prime Minister, the Rt
Hon Margaret Thatcher, MP, with Sir John Johnson in
attendance. Photocall at entrance.

Introduced to:

The Rt Hon Nicholas Ridley, MP
Secretary of State for the Environment

The Earl of Caithness
Minister of State for Housing, Environment
and Countryside

The Lord Glenarthur
Minister of State for Foreign and Commonwealth
Affairs

Mrs Virginia Bottomley, MP
Parliamentary Under-Secretary of State,
Department of the Environment

Dr M K Tolba
Executive Director, UN Environment Programme

Sir Terry Heiser
Permanent Under-Secretary of State, Department
of the Environment

1000-1030 Attend opening ceremony of the International Conference on Saving the Ozone Layer, and deliver keynote opening address, in the Churchill Auditorium (ground floor).

Speakers: Mr Ridley
The Prime Minister
President Moi
Mr Ridley

1030-1100 Coffee break in the Benjamin Britten Lounge (third floor). Meet delegates informally, assisted by Sir John Johnson.

1100-1145 Attend beginning of first plenary session, in Fleming/Whittle Room (third floor).

Introduction by Mr Ridley to welcome session Chairman, Dr Istvan Lang (Director-General of the Hungarian Academy of Sciences)

Video on ozone layer protection

Dr M Verhille (Atochem, France), to speak on the industrial/scientific background of CFC/halons

Dr F S Rowland (University of California), to speak on the first hypothesis of ozone layer destruction

Mr J Farman (British Antarctic Survey) to speak on the discovery of the hole in the ozone layer

1145 (approx) Leave with the Prime Minister to tour an industry exhibition on the 5th floor of the Conference Centre, with Mrs Bottomley. Photocall.

1200 (approx) Depart for hotel by car.

Monday 6 March

1230 Arrive 10 Downing Street by car. Photocall.

1300 Working lunch hosted by the Prime Minister for:

HE The Hon Daniel T Arap Moi
HE The Hon Dr Robert Ouko
HE Dr Sally J Kosgei
Mr Bethwel Kiplagat
The Rt Hon Lynda Chalker
HE Sir John Johnson
Mr Charles Powell

Later Depart 10 Downing Street by car

RJ1AEN



1000-1030

Attend opening ceremony of the International Conference on Saving the ozone layer, and deliver keynote speech at address in the Churchill Auditorium (ground floor)

Speakers: Mr Ridley
The Prime Minister
President Moi
Mr Ridley

1030-1100

Coffee break in the Benjamin Britten Lounge (third floor). Meet delegates informally, assisted by Sir John Johnson.

1100-1145

Attend beginning of first plenary session, in Fleming Whistle Room (third floor).

Introduction by Mr Ridley to welcome session Chair Dr Istvan Lang (Director-General of the Hungarian Academy of Sciences)

Video on ozone layer protection

Dr M Verhille (Aachen, France), to speak on the industrial/scientific background of CFC/halons

BOOKER/TATE

R3/3

The Rt. Hon. Earl Jellicoe KBE DSO MC
Chairman

2nd March 1989

Charles D Powell Esq
10 Downing Street,
London SW1A 2AA

Dear Charles,

I am writing to you in my capacity as Chairman of Booker Tate, which, as you may know, was formed last Summer as a joint venture between Booker and Tate & Lyle in order to handle all their agribusiness management and consultancy abroad. I enclose a little brochure about the company which you may care to glance at. I took on the Chairmanship because of a long standing personal interest in this aspect of the North-South relationship.

I was recently in Mauritius and Kenya on behalf of Booker Tate, visiting the sugar projects in South Nyanza and Mumias which they are managing. I had a number of constructive talks with Kenyan Ministers and senior officials including President Moi. The President referred with pleasure to the visit which he and the Prime Minister had made to Mumias and was, I am glad to say, very complimentary about Booker Tate's involvement in his country.

As you will see from the note which I enclose the auguries for Booker Tate's continuing involvement in the Kenyan sugar industry look good.

I thought that you might like to have this up-date on our position in Kenya in view of President Moi's forthcoming visit to London.

All good wishes.

Yours ever

Goye

JELlicoe
Booker Tate Limited

Masters Court, Church Road, Thame, Oxon OX9 3FA

Telephone (084421) 4600 Facsimile (084421) 6773 Telex 83515 Bookag

Cables: Plowshare Thame Registered in England at the above address No. 2263352

Encl.

BOOKER TATE AND KENYA

1. When the Prime Minister was in Kenya in January 1988, she visited, together with President Moi, the Mumias Sugar Company in Western Province. By any standards this is one of the most successful development projects in Africa, producing 220,000 tons of sugar annually from cane supplied by 35,000 individual outgrowers. Since its inception in 1968 Mumias has owed its success to UK support in the form of grant aid from ODA, from loans and equity investment by CDC, and from equity and management by Booker Tate Limited.
2. In recognition of the company's proven capability in development, management and training, the Government of Kenya has very recently agreed that Booker Tate should be awarded the following contracts:
 - a) an extension of the management contract for Mumias by a further three years from 1st January 1990;
 - b) responsibility for the financial reconstruction and rehabilitation, together with a major expansion, of the South Nyanza Sugar Company, and the renewal of the management agreement for three years from 1st January 1990;
 - c) the planning of the development of a new and important 90,000 tons per annum sugar project at Busia, adjacent to the Mumias scheme.
3. In addition to the benefits which will accrue directly in the form of fees, it is hoped that with the assistance of further support from ODA and CDC, the Booker Tate management control will bring further export earnings to the UK through sales of sugar machinery, agricultural equipment and other construction plant. To secure this the full support of ECGD/ATP will be required.
4. Booker Tate are also increasingly involved, through their engineering subsidiary, in office development and in the Kenyan hotel and tourist industries.

2nd March 1989

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ce PL.



2 MARSHAM STREET
LONDON SW1P 3EB
01-276 3000

C D Powell Esq
10 Downing Street
LONDON
SW1A 2AA

My ref:

Your ref:

18 January 1989

*CDD
10/1*

Dear Charles,

VISIT OF PRESIDENT MOI

afflat

Thank you for copying to me your letter of 10 January to Lyn Parker at the Foreign and Commonwealth Office.

I can indeed confirm that there are no events at the Ozone Layer Conference on Monday 6 March which would clash with the Prime Minister's proposed lunch for President Moi.

I am copying to this Lyn Parker.

*Yours,
Deborah.*

DEBORAH LAMB
Private Secretary



KENYA: state bank of President Moi Pt 2

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bc: PC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

10 January 1989

Dear Lynn,

VISIT OF PRESIDENT MOI

BN
The Prime Minister would certainly wish to see President Moi for a talk during his visit to London for the Conference on the Ozone Layer. The best arrangement might be for them to have a small working lunch at Number 10 on Monday 6 March, if this does not clash with any event at the Conference itself. I should be grateful if the Department of the Environment, to whom I am copying this letter, could confirm this. The Prime Minister would have in mind a maximum of three a side.

I am copying this letter to Roger Bright (Department of the Environment).

Yours sincerely,
C. D. Powell

C. D. POWELL

Lyn Parker, Esq.
Foreign and Commonwealth Office

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19. R.

MRS. GAISMAN

President Moi will be in London from 5-7 March to open the conference on the ozone layer. The Prime Minister will certainly have to see him for a talk. Arguably, she ought to give him a meal. Is there time in the diary for either of these?

C.D.P.

C. D. POWELL

9 January 1989

working lunch
1230 on Monday
6th March.

T.G.
10/1



Foreign and Commonwealth Office

London SW1A 2AH

23 October 1988

cc/c
(2)

Die Minister

ODD
24/10

[Handwritten mark]

Dear Charles,

President Moi's visit to the UK in April:
Assistance with Employment Creation in Kenya

In your letter to me of 5 April you asked to be kept in the picture on our response to the request made to the Prime Minister by President Moi during her visit to Kenya in January and again when he was in London in April for assistance with the creation of employment opportunities outside Nairobi.

For the past several months we have been discussing with the Kenyans at official level how best to take this forward. We have jointly identified as a priority area financial and technical support to small-scale enterprises. A British consultant is now in Kenya under aid arrangements charged with identifying and developing projects and programmes under which British aid can be provided for the creation of such enterprises, especially in rural areas. He will have particular regard to studies which the International Labour Organisation has already carried out on behalf of the Government of Kenya.

I am copying this letter to Myles Wickstead in the ODA.

Jane,
[Signature]

(J S Wall)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

KENTA: State visit
by Res Moi pr 2



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SWAER
etc

SUBJECT CC MASTER.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

5 April 1988

Dear Lynn,

PRIME MINISTER'S MEETING WITH PRESIDENT MOI

The Prime Minister had a talk this afternoon with President Moi lasting about one hour. The President was accompanied by his Foreign Minister Dr. Ouko, and by the Kenyan High Commissioner.

Bilateral matters

The Prime Minister recalled how much she had enjoyed her visit. Kenya was a really well-run country whose people were obviously happy and thriving. President Moi thanked the Prime Minister for paying the visit which had been excellent for relations between Britain and Kenya.

The Prime Minister congratulated President Moi on the outcome of the elections. The President commented that they had passed off very peacefully.

The Prime Minister said she understood the BBC were now reporting Kenyan affairs more accurately. The President rather grudgingly admitted this to be the case while adding they seemed to get most of their information from bars in Nairobi.

The Prime Minister said that she understood that the CBI investment seminar on Kenya had gone well. The President confirmed this and said that he hoped we would continue to encourage British business to invest in Kenya.

The President said that he recognised how very generous the United Kingdom had been in its aid to Kenya. Even so he might have to approach us for some more help, particularly in alleviating unemployment among young school leavers. It was difficult for people starting small businesses to obtain sufficient funds to launch themselves. He was thinking in terms of some sort of revolving fund to provide credit. He would be happy to provide the High Commissioner in Nairobi with details. The Prime Minister said that we had provided substantial capital aid to Kenya under the agreement which she and the President had signed in 1987 and had subsequently

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given additional balance of payments support. She wondered whether some of these funds could be switched to the purposes identified by the President. He might also investigate the possibility of securing help from the European Investment Bank, which made funds available under the Lomé Convention. Dr. Ouko commented that the terms were too stiff.

The Prime Minister said that we had been very upset that GEC had not been awarded the Nairobi Bulk Electricity Supply contract even though we had provided consultancy services and GEC's bid had been as good as any other. We could not understand why the contract had been given to the Finns. President Moi, who was obviously rather taken aback by the the vigour of the Prime Minister's assault, said that overall GEC had got a very substantial amount of business in this field, far more than the Finns. But he would find out exactly what had happened and let the Prime Minister know.

International

Much of the rest of the talk dealt with various international issues and does not warrant reporting in full.

President Moi gave a brief account of his visit to Egypt which he had found interesting. On the Arab/Israel problem, he opined that Shamir should accept the Shultz proposals because to do so would put the ball firmly in the Arabs' court. They would never be able to agree and everyone would then blame the Arabs. The Prime Minister explained the intricacies of the situation.

On Ethiopia, President Moi spoke very much along the same lines as he had with Mrs. Chalker although he appeared to say that the three generals had been executed for having suggested that the Russians should be thrown out of Ethiopia. Overall he seemed to think Mengistu's position was insecure. There was no doubt that the Russians were increasingly unpopular.

On Sudan, President Moi lamented the fact that Nimeiri had ever introduced Shari'a law which had made it impossible to reconcile the north and south of the country. He thought that partition was now more or less inevitable.

President Moi was dismissive about Uganda. Kenya had done what it could.

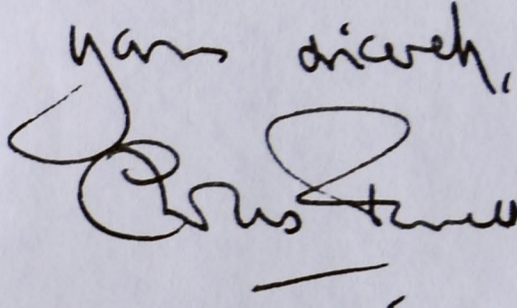
The President agreed with the Prime Minister that the results of the by-elections in South Africa were worrying. On Angola he commented only that both Dos Santos and Savimbi had asked to see him.

Follow-up

The Prime Minister said after the meeting that we had better have a look and see if there is anything more we can do for Kenya. She thought that money allocated to Kenya was better spent than in many other places. You may want to see

what the Kenyans propose to our High Commissioner and then let me have a note setting out the possibilities for additional help.

I am copying this letter to Alex Allan (HM Treasury), Alison Brimelow (Department of Trade and Industry), Brian Hawtin (Ministry of Defence) and Myles Wickstead (Overseas Development Administration).

Yours sincerely,


(C. D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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cc Mr Powell, No 10

FROM: PS/Mrs Chalker

DATE: 5 April 1988

CC: Private Secretary
Mr Munro
Mr Fairweather
Mr Goulty, NENAD
Mr Cullimore, CAFD
Mr Prendergast, SAfD
Protocol Department

EMO 17/8

Mr Marsden, EAD

PRESIDENT MOI OF KENYA

1. Mrs Chalker met President Moi at Heathrow last night on his arrival for a three day private visit to Britain. She had a 15 minute conversation with him at the airport and a further 20 minutes at the Hilton Hotel. The Kenyan Foreign Minister (Dr Ouko) and High Commissioner (Sally Kosgei) were present on both occasions.

Kenyan Economy

2. President Moi said that Dr Ouko had reported back on his attendance at the successful Investment in Kenya Conference in February. He believed that the economic climate was now very favourable for foreign investment. He hoped businessmen would come and see for themselves. He planned to consolidate the progress made at that Conference during his present visit. Mrs Chalker took the opportunity to ask about the problems of repatriating dividends and profits. President Moi replied that some frozen funds had already been paid, but he would ensure that the process was speeded up. The problem had been exacerbated by the larger than expected balance of payments deficit. Now that this was being tackled, payments should be made. Dr Ouko added that the Government had "declared war on delay". He would check the latest position with the Minister of Finance in Nairobi during the visit.

Ethiopia

3. President Moi said that he was worried about the situation in Ethiopia. Mengistu had enormous problems. Army morale was low, and he had recently had three Generals executed for having unsuccessfully sent young conscripts into the front line against the rebels in Tigre. He thought that the Russians position in Ethiopia had become more precarious. They were supplying Mengistu with weapons, whilst their agents, the Syrians, were arming the rebels in Eritrea. He thought that both the Americans and the Russians tended to see Ethiopia as an arena for East/West Conflict rather than a regional African issue.

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4. President Moi said that he was actively encouraging Mengistu to talk to Said Barre, but historical hostilities were hard to overcome. Both leaders did not realise that the realities of 20 years ago no longer applied. The need today was for regional development, not regional conflict.

Sudan

5. President Moi said that Mengistu's internal problems meant that he did not interfere much in Sudan (though he certainly supplied the Government with weapons). But General Garang also had a ready supply of weapons, and had recently prevented the main Juba Bridge being blown up. A peaceful solution to the conflict would only be found when the Arabs accepted that they had to live together with the blacks as one nation.

Tanzania

6. Mrs Chalker asked about Kenyan relations with Tanzania. President Moi said that he planned to make a two day visit to Tanzania in early May (an earlier visit had been cancelled because of the Kenyan elections). He believed that President Mwinyi was generally trying to improve the economy, but the fact that the Tanzanian Government could not guarantee foreign investors that their profits could be repatriated was undoubtedly deterring outside investment. Mwinyi was also hampered by the split between the Government and the Party. Mrs Chalker agreed that Mwinyi was trying to bring the economy onto a sound footing. She said that she hoped President Nyerere would use his influence to assist rather than thwart Mwinyi.

Education

7. President Moi contrasted the relative lack of an educational structure in Tanzania with the situation in Kenya. He claimed that there were now 18,000 students at University in Kenya (40% of them women) and a further 10,000 Kenyans studying in Universities abroad. This manpower resource would be invaluable for the future growth of the country. Mrs Chalker said that she understood that some British aid would go towards funding a library at Nairobi University. Dr Ouko said that the Government was also trying to establish Moi University (which the Prime Minister had visited in January) as the Technical nerve centre of the country. He hoped that it too would receive British aid support.

Uganda

8. Mrs Chalker had a separate exchange with Dr Ouko on relations with Uganda. Dr Ouko agreed that these were now back on a more stable footing. He asked whether the British Government had taken President Museveni to task over his recent high profile visit to Cuba. Mrs Chalker said that we had not made any specific approach, but that Museveni was well aware of our views on this issue.

Mark Lyall Grant

Mark Lyall Grant
Private Secretary to
Mrs Lynda Chalker

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Foreign and Commonwealth Office

London SW1A 2AH

31 March 1988

ccPC
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Dear Charles,

Private visit by President Moi to London: Call on the Prime Minister

Thank you for your letter of 11 March confirming that the Prime Minister will see Moi at 1630 on 5 April.

He would like to be accompanied by Mr Robert Ouko (now Minister of Foreign Affairs) and the Kenyan High Commissioner. As both the Foreign Secretary and Mrs Chalker will be away, Patrick Fairweather would be available to attend on our behalf (perhaps you would let me know if you would like him to do so).

You might find it useful to have the following brief note on current issues.

Kenyan Elections

The General Election was held on 21 March after an earlier round of preliminaries. Of those who had to stand at the General Election some 70 sitting MPs, including a number of Ministers, lost their seats. Moi was returned unopposed as President on 22 February. About 33% of all those returned were unopposed as a result of the new "queuing" arrangements for the preliminaries, a proportion rather too high to be healthy.

There have also been complaints that results in certain constituencies were rigged. There may be some substance in this, especially where certain of Moi's more vocal opponents were involved (one of whom has already sought legal redress). Also worrying, as an indication of declining popular respect for Kenyan democratic institutions, is the low level of voter turnout in the preliminaries. In the Nairobi preliminaries this was as low as 14% of registered voters. Turnout at the General Election itself was about 60%.

Human Rights

The Kenyans released all but 3 political detainees before the elections. The remaining 3 all have appeals outstanding. There are clear signs that the President is determined to reassert police discipline. Amnesty International have welcomed these steps. The Prime Minister might like to make it clear that they have helped to enhance Kenya's reputation abroad.

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Investment/Trade/Employment

We have had a report that Moi would like to make this a theme of his discussion with the Prime Minister. This would be welcome. The considerable success of the CBI's February conference on Investment Opportunities in Kenya needs to be followed up. At the conference Robert Ouko stressed the wish of the Kenyan authorities for more British investment. The CBI would welcome early signs of a commitment by the new Kenyan government to address such long standing problems as the repatriation of dividends and profits, indigenisation policy, access to local borrowing etc. The Prime Minister might say that she sees this process as a means of stimulating employment in Kenya, with the help of Kenya's friends.

The 1987 balance of payments deficit was about \$20M rising to around \$150M this year, due mainly to the dramatic fall in coffee and tea prices and the recovery of the oil price. The UK is contributing £20M fast spending balance of payments support, announced by the Prime Minister during her visit to Kenya.

The IMF on 1 February approved the use of resources totalling \$240M in the form of an 18 month standby and a three-year structural adjustment facility. The programme will limit the 1987/88 budget deficit, allow a continuing reform of the financial system and limit external borrowing.

Aid

Apart from balance of payments support, the UK aid programme will also help Kenya with investment/employment opportunities. Projects to be funded from the £50 million aid agreement signed by President Moi and the Prime Minister in March 1987, and from other agreements, continue to be identified and implemented. Major projects recently agreed include aid to Kenya Railways (£9.65M), refurbishment of cranes for Kenya Ports Authority (£3.244M), Landrover rehabilitation (£3.25M) and additional Secondary School Science Laboratories. Mr Patten has approved a UK contribution of £7M to a major World Bank-led agricultural research project. Preliminary studies proceed on the Molo-Litein road and are about to start on a University Libraries project, on architectural advice for Kenyatta University and on a major multi-donor hydro-power project at Sondu-Miriu in Western Kenya.

Electricity Supply Contract

The Prime Minister might say that we were disappointed that the contract for the £8.75M Nairobi Bulk Electricity Supply reinforcement appears not to have been awarded to GEC in spite of earlier indications that they would win the

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contract. We were asked by Professor Saitoti, the Kenyan Minister of Finance, in July 1986, to support this. ODA provided consultancy services, and an emergency transformer for the project (£600,000). The GEC bid for the contract, which we supported under generous mixed credit arrangements, was assessed as technically the best, had the best delivery dates and was at least as financially attractive as the other bids. We understand that the contract has now been awarded to a Finnish company. We are particularly concerned at the unsatisfactory manner in which the negotiations were conducted, with repeated requests to increase our financial support. We have reminded the Kenyans that our earlier offer to fund the contract for supervision of the project was conditional upon GEC winning the construction contract.

Relations with Uganda

The Ugandans will have been pleased with Moi's removal in January of Ole Tipis from his post as Minister of State responsible for security matters: he was seen by many as an influential source of support for Nairobi-based groups of Ugandan dissidents and a purveyor of slanted intelligence to the President (he has since also lost his seat in the National Assembly). Trade seems to be flowing more freely (although the Ugandans continue to explore the possibility of using Dar es Salaam). But underlying tension, especially in the personal relationship between the two Presidents, remains.

Other African issues

Moi continues to be concerned about the succession in Somalia and the situation in the Sudan. The Sudanese armed forces seem to be seeking to shift the blame for their recent reverses in Equatoria on to Kenya and Uganda, who they allege have given military assistance to the SPLA. We have no evidence for this, and both countries have strongly denied these allegations. Moi will visit Cairo after London. The Kenyans and Egyptians have an obvious common interest in maintaining a frank dialogue on the problem.

On South Africa Moi remains cautious. His instinctive private distaste for sanctions is, if anything, becoming more pronounced. He would be unlikely to resist any OAU consensus on the issue but he believes this remote. However continuing repressive policies by the SAG can only make his position more difficult to sustain.

Since the Prime Minister's visit, the Kenyans have continued to interest themselves in a low-key way in national reconciliation in Angola. The Prime Minister may wish to ask President Moi how he sees the way forward.

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BBC

There have been no recent squalls. The BBC are aware of Kenyan sensitivities. The World Service Editor, Anthony Rendell, visited Nairobi in March and had constructive discussions with a number of senior Kenyans (including the PS at the Ministry of Information and Nicholas Biwott, the Minister of Energy and a confidant of Moi). John Tusa is expected to visit Nairobi in the early autumn. This will provide another useful opportunity to take the dialogue further.

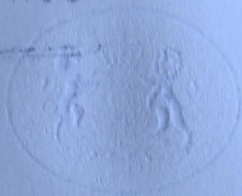
I am sending a copy of this letter to Trevor Woolley (Cabinet Office).

However

(L Parker)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

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PRIME MINISTER

MEETING WITH PRESIDENT MOI

You are to see President Moi on Tuesday afternoon. He will be accompanied by Dr. Ouko (now Minister of Foreign Affairs) and by the Kenyan High Commissioner.

Our High Commissioner has recently seen Moi (telegram in folder) and reports him in good form. The main new development since your visit has been the elections and the formation of the new Government. There are no items of business to discuss. But Moi may try to touch you for some more aid, and obviously values the opportunity to keep up his contact with you.

Points which you might make are:

- you will always remember your visit to Kenya as exceptionally happy and friendly;
- we were pleased to see Dr. Ouko for the successful investment seminar;
- you congratulate him on the election outcome and formation of the new Government. How does he see the political prospects?
- you understand that the BBC are behaving rather better, following the representations which you made on your return;
- his decision to release almost all political detainees was very well received abroad;
- we are keen to see results from the investment seminar. But if we are to get British firms to put in new investment, then the new Kenyan government needs to deal with long-standing problems like repatriation of dividends and profits and access to local borrowing;

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- (If he raises additional aid to help create jobs). You well understand the need for more jobs in the rural areas. The £50 million aid package which you and he signed last year is designed to help in this. So will new investment, if the Kenyans take the necessary steps to encourage it. But you cannot at present promise any more aid;

- we were disappointed that contract for Nairobi Bulk Electricity Supply was taken away from GEC at the last minute and given to the Finns. This was pretty hard when we agreed to pay for supervision of the project, and GEC's bid was technically the best, and the financial terms were as attractive as any other bidders. (You really need to make him feel bad on this one, or the Kenyans will believe that we are an easy touch.);

- you will want to seek his views on developments in Southern Africa, Uganda and Sudan. He is going to Cairo after London.

There is a brief in the folder.

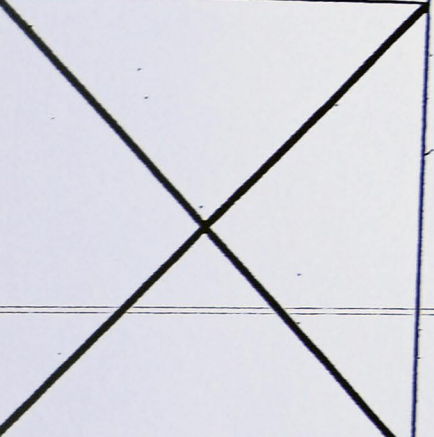
C.D.P.

(C. D. POWELL)

31 March 1988

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A The National Archives

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AND TO IMMEDIATE ODA

INFO ROUTINE KAMPALA, DAR ES SALAAM, MOGADISHU, ADDIS ABABA

INFO ROUTINE KHARTOUM, CAIRO, PRETORIA

MIPT

MEETING WITH PRESIDENT MOI

1. I SAW THE PRESIDENT ALONE AT STATE HOUSE THIS MORNING (30TH). HE WAS EBULLIENT AND DID NOT SHOW ANY SIGNS OF THE VARIOUS ILLNESSES WHICH THE NAIROBI RUMOURMONGERS HAVE ATTRIBUTED TO HIM. HE IS LOOKING FORWARD TO HIS MEETING WITH THE PRIME MINISTER ON 5 FEBRUARY AND TO SEEING MRS CHALKER ON ARRIVAL.

2. THE FOLLOWING MATTERS ARE ON MOI'S MIND AND MIGHT WELL COME UP DURING HIS TALK AT NO 10:

- I. THE RECENT ELECTIONS AND THEIR OUTCOME.
- II. HIS FORTHCOMING TALKS IN CAIRO, WITH A SPECIAL EMPHASIS ON SUDAN.
- III. SOVIET INFLUENCE IN AFRICA AND THE USE OF SURROGATES EG CUBANS AND LIBYANS.
- IV. A PROPOSAL THAT BRITISH AID SHOULD BE USED TO CREATE EMPLOYMENT OPPORTUNITIES.
- V. THE RECENT CBI CONFERENCE ON INVESTMENT IN KENYA.

3. I CONGRATULATED MOI ON HIS INSTALLATION FOR A FOURTH TERM. HE SAID THAT HE HAD BEEN PLEASED GENERALLY BY THE RESULT OF THE ELECTIONS WHICH HAD GONE AS SMOOTHLY AS COULD BE EXPECTED. I ASKED WHETHER HE HAD ANY RESERVATIONS ABOUT THE 70% RULE AS A RESULT OF WHICH SO MANY CANDIDATES WERE UNOPPOSED AT THE 21 MARCH ELECTION. HE SAID THAT IN MOST CASES THE VERDICT AT THE QUEUING ELECTION HAD BEEN RATIFIED AT THE SUBSEQUENT BALLOT. ONE EXCEPTION TO THIS WAS IN KANGUNDO, BUT THAT WAS BECAUSE "PEOPLE" HAD THOUGHT THAT HE, MOI, FAVOURED EX-GENERAL MULINGE. HE WAS GLAD THAT THE OLD POLITICIAN NGEI HAD BEEN RETURNED AND THAT HE DID NOT HAVE TO COPE WITH A POLITICAL GENERAL. THE QUEUING ELECTION HAD BEEN A SUCCESS IN THE RURAL AREAS AND PEOPLE WERE ABLE TO SEE THE RESULTS CLEARLY.

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4. MOI IS DESPONDENT ABOUT THE PORSPECTS IN SUDAN. WE DISCUSSED THE SITUATION AT SOME LENGTH AND I WAS GRATEFUL FOR THE DETAILED ANALYSES RECEIVED RECENTLY FROM KHARTOUM AND CAIRO. MOI SEES INCREASING POLARISATION OF ARAB VERSUS BLACK INTERESTS AND BELIEVES THAT THERE CAN BE NO VIABLE NEGOTIATION BETWEEN SADIQ AND GARANG UNTIL ONE OR THE OTHER HAS STRENGTHENED HIS POSITION. MOI DISCOUNTS ETHIOPIAN CONTROL OVER GARANG WHOM HE BELIEVES TO BE HIS OWN MASTER. GARANG HAD WANTED TO MOVE HIS BASE TO KENYA, BUT HE REFUSED. MOI DID NOT WANT TO GET INTO THE POSITION OF BEING SEEN TO FAVOUR THE SPLA TO THE DETRIMENT OF HIS LINKS WITH KHARTOUM. IN THE LONGER TERM, KENYA HOPES TO DERIVE BENEFIT FROM TRADING LINKS TO THE SOUTH.

5. MOI REMAINS CONCERNED ABOUT THE SOVIET INFLUENCE IN AFRICA. HE DID NOT THIS TIME BRING UP SOMALIA BUT CONCENTRATED ON SOUTHERN AFRICA. HIS MEETINGS WITH CHINGUNGI OF UNITA AND KITO RODRIGUEZ IN JANUARY HAVE NOT DISPELLED HIS PESSIMISM ABOUT AN IMMINENT SOLUTION TO THE ANGOLAN PROBLEM. HE FOUND CHINGUNGI ENGAGING, AND HE THOUGHT THAT KITO AND THE MPLA GOVERNMENT IN LUANDA WERE UNREALISTIC IN LOOKING FOR A SOLUTION WHICH EXLUDED SAVIMBI. HE HAS NO ILLUSIONS ABOUT SOUTH AFRICAN POWER AND THE SAG'S DETERMINATION TO HOLD ON TO NAMIBIA. HE BELIEVES THAT THE INSTABILITY IN ANGOLA AND MOZAMBIQUE WILL CONTINUE TO SET BACK ANY CHANCES OF GETTING RID OF APARTHEID FOR MANY YEARS. HE IS CONVINCED THAT SOVIET-TRAINED IDEOLOGUES AND CUBAN ADVISERS ARE SABOTAGING FAVOURABLE DEVELOPMENTS IN MOZAMBIQUE AND ANGOLA. MOI'S ONLY MENTION OF UGANDA WAS IN THIS CONTEXT: HE THINKS THAT CUBAN MILITARY ADVISERS ARE ENTERING UGANDA IN THE GUISE OF AGRICULTURALISTS.

6. MOI, WHILST EXPRESSING RELUCTANCE ABOUT PROPOSING FURTHER BRITISH AID IN THE FACE OF OUR GENEROUS PROGRAMME, WOULD LIKE US TO THINK ABOUT CREATING EMPLOYMENT OPPORTUNITIES, PARTICULARLY IN THE RURAL AREAS. HE BELIEVES THAT WITH THE HIGH BIRTHRATE, THIS MUST BE A PRIORITY. HE IS LOOKING FOR SOME FORM OF REVOLVING FUND WHICH WOULD PROVIDE SMALL AMOUNTS OF CAPITAL FOR LOCAL ENTERPRISE. I SAID THAT WE WOULD LOOK AT PROPOSALS WHICH THE KENYANS MAY WISH TO FORMULATE.

7. MOI WAS INTERESTED TO HEAR MY REPORT ON THE CBI INVESTMENT CONFERENCE WHICH TOOK PLACE IN LONDON ON 26 FEBRUARY. HE SAID THAT HE HAD INSISTED THAT OUKO SHOULD GO DESPITE ELECTION WORRIES AND WAS PLEASED THAT THE KENYAN TEAM HAD DONE SO WELL. HE LOOKED FORWARD TO POSITIVE RESULTS.

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8. I TOLD MOI ABOUT MY TALK WITH JOHN TUSA AT BUSH HOUSE AND SAID THAT TUSA HOPED TO COME OUT TO KENYA LATER THIS YEAR AT THE TIME OF THE OPENING OF THE NEW SEYCHELLES TRANSMITTER. I EXPRESSED THE HOPE THAT MOI SHOULD SEE HIM AND HE AGREED. MOI SAID THAT HE WAS CURRENTLY LESS WORRIED ABOUT THE BBC, AND EVEN "THAT LADY" (LINDSEY HILSUM) APPEARED TO BE PRODUCING MORE BALANCED REPORTS.

JOHNSON

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TO IMMEDIATE FCO

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INFO ROUTINE KAMPALA, DAR ES SALAAM, MOGADISHU, ADDIS ABABA,
INFO ROUTINE KHARTOUM

PRIME MINISTER'S MEETING WITH PRESIDENT MOI: THE POLITICAL SCENE

SUMMARY

1. MOI IN CONFIDENT MOOD, WITH A NEW VICE-PRESIDENT AND CABINET TO HIS LIKING AND A NATIONAL ASSEMBLY THAT HAS LOST SOME NOTABLE CRITICS OF GOVERNMENT. KIBAKI'S DEMOTION IS THE MOST IMPORTANT POLITICAL DEVELOPMENT IN KENYA SINCE THE FALL OF NJONJO. IN THE SHORT-TERM THE KIKUYU WILL ADAPT TO THE NEW ORDER: IN THE LONGER-TERM, THEY ARE LIKELY TO BE UNSETTLED BY THEIR LOOSENING GRASP ON THE SUCCESSION. MOI IS REINFORCING HIS POWER, BUT AT THE COST OF ENHANCING AUTHORITARIAN TRENDS.

DETAIL

2. I AM RECORDING SEPARATELY MY TODAY (30TH MARCH WITH THE PRESIDENT) SEE MIFT AND THE SUBJECTS LIKELY TO ARISE IN DISCUSSION WITH THE PRIME MINISTER. THIS TELEGRAM DISCUSSES THE CURRENT POLITICAL SCENE AFTER THE ELECTION.

3. THE PRIME MINISTER WILL FIND MOI IN SELF-ASSURED MOOD, WITH THE MEMORY OF HER SUCCESSFUL VISIT STILL FRESH IN KENYAN MINDS. THE ELECTIONS HAVE PASSED OFF SMOOTHLY. MOI NOW HAS A CABINET OF HIS OWN CHOOSING, AND A NATIONAL ASSEMBLY WHICH HAS LOST SOME NOTABLE CRITICS OF GOVERNMENT. HIS DEPARTURE FOR CAIRO AND LONDON SO SOON AFTER THIS EXERCISE IS A MARK OF HIS RENEWED POLITICAL CONFIDENCE.

4. IN SOME WAYS, THIS IS A PARADOX. THERE ARE INGREDIENTS IN THE CURRENT POLITICAL MIX FOR A PERIOD OF INSTABILITY. THE ELECTIONS, THOUGH ON THE WHOLE ABLY AND PEACEFULLY ADMINISTERED, WERE CONTROVERSIAL IN METHOD AND MANIFESTLY LESS THAN FAIR IN EXECUTION. WE HAVE REPORTED IN MY TELNO 145 AND IN WARREN'S TELELETTERS OF 25 FEBRUARY AND 18 MARCH, BUT IT IS WORTH REITERATING, THAT GERRYMANDERING IN THE COMBINED ELECTORAL PROCESS HAS BEEN WORSE THAN USUAL. MOI FOLLOWED UP WITH A CABINET RESHUFFLE THAT REMOVED AND DEMOTED HIS VICE-PRESIDENT AND INTRODUCED AN UNPRECEDENTED NUMBER OF NEW PLACEMEN AND PRESIDENTIAL APPOINTEES (IN MANY CASES, ONLY RECENTLY- ELECTED MPS) TO HIGH OFFICE. A YEAR AGO, IT WOULD HAVE

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BEEN SAID THAT THE PRESIDENT WOULD NOT HAVE DARED TO FLEX HIS POLITICAL MUSCLES SO OPENLY. BUT HE HAS, AND LIFE IN NAIROBI (WITH THE EXCEPTION OF THE USUAL FLURRY OF ILL-FOUNDED RUMOURS THAT ALWAYS ACCOMPANY ANY POLITICAL ACTIVITY) GOES ON MUCH AS BEFORE.

5. NEVERTHELESS, FOR ALL THE DEFTNESS WITH WHICH MOI HAS REORGANISED HIS CABINET, MAINTAINING BOTH MANAGERIAL EXPERTISE AND TRIBAL BALANCE (ALBEIT AT THE EXPENSE OF A MUCH MORE UNWIELDY GOVERNMENT), THE SHIFT IS DECISIVE. KIBAKI'S DEMOTION IS THE MOST IMPORTANT POLITICAL DEVELOPMENT IN KENYA SINCE THE FALL OF NJONJO. WHILE IN THE SHORT-TERM THE KIKUYU WILL PROBABLY ADAPT TO THE CHANGED CIRCUMSTANCES AS LONG AS THE ECONOMIC LEVERS ARE NOT PRISED FROM THEIR GRASP, IN THE LONGER TERM THEY ARE LIKELY TO BE UNSETTLED BY THE SENSE OF THE POLITICAL GROUND MOVING UNDER THEIR FEET.

6. BY REPLACING KIBAKI WITH KARANJA, MOI HAS INDICATED TO THE KIKUYU THAT NOTHING IS PERMANENT, AND THAT HIS PATRONAGE IS NOT TO BE TAKEN FOR GRANTED. HE RECOGNISES THE NEED NOT TO ALIENATE THEM, AND SO HAS RETAINED THEIR CONSTITUTIONAL LINE OF SUCCESSION TO THE PRESIDENCY - FOR THE TIME BEING. BUT KARANJA IS A LIGHT-WEIGHT IN COMPARISON WITH KIBAKI, WHO FOR ALL HIS UNASSERTIVENESS WAS REGARDED AS AN INTELLIGENT AND INDEPENDENT POLITICAL FORCE. MOREOVER, KARANJA (LIKE MOST OF MOI'S NEW CABINET) IS THE PRESIDENT'S CREATURE. AND IT IS WIDELY ASSUMED THAT HIS APPOINTMENT IS INTENDED ONLY AS A TRANSITION BETWEEN KIBAKI AND THE APPOINTMENT OF A NON-KIKUYU VICE-PRESIDENT IN A FEW YEARS' TIME.

7. I CANNOT SAY WHAT IS IN MOI'S MIND. BUT IT APPEARS TO BE TURNING TO THE EVENTUAL SUCCESSION. AS KAUNDA HAS DONE FOR SOME TIME IN ZAMBIA, MOI IS RINGING THE CHANGES TO TEST APTITUDE FOR THE HIGHEST OFFICE. BUT HE WANTS A LEADER WHO WILL FOLLOW IN HIS FOOTSTEPS ('NYAYO'), AND HE FEARS A KIKUYU SUCCESSOR WOULD FAVOUR CENTRAL PROVINCE TO THE DETRIMENT OF THE REST OF THE COUNTRY. THE REPLACEMENT OF AN INDEPENDENT KIKUYU VICE-PRESIDENT WITH A TAME KIKUYU CAN BE SEEN AS THE FIRST HARBINGER OF THIS. BUT IT MUST BE REMEMBERED THAT KIBAKI, FOR ALL HIS ABILITY, DID NOT EXERT POLITICAL INFLUENCE. IT IS NONSENSE TO TALK OF THE KIKUYU BEING EXCLUDED FROM THE CORRIDORS OF KENYAN POWER: THEY HAVE A QUARTER OF THE CABINET MINISTERS (8) AND NUMEROUS SENIOR APPOINTMENTS IN PARASTATALS. BUT AS THE REALISATION SINKS IN THAT THEY MAY HAVE NO ASSURED INVESTMENT IN FUTURE OF THE PRESIDENCY, THEY ARE LIKELY TO BECOME INCREASINGLY DISSATISFIED. MOI'S POLITICAL SKILLS MAY BE EQUAL TO THE PROBLEM OF DIVIDING AND RULING THE KIKUYU, WHILE APPEARING TO SATISFY THEIR ASPIRATIONS. BUT IT IS A PROBLEM OF HIS OWN CREATION.

8. IT IS A SIGN OF MOI'S POWER AND ASTUTENESS THAT HE HAS MANAGED TO TAKE SO RADICAL A STEP WITH SO LITTLE IMMEDIATE POLITICAL UPHEAVAL. THIS IS ENCOURAGING. BUT IN THAT MOI'S INSISTENCE ON

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MDHIAN 4110

FILLING HIS CABINET WITH MEN (SOME OF PROVEN ABILITY) WHO OWE THEIR POSITION SOLELY TO HIS PATRONAGE BETRAYS HIS DOUBTS ABOUT THE LIMITATIONS ON HIS POWER AND INFLUENCE, THIS RESHUFFLE IS UNSETTLING. THE SIGNIFICANT FACT IS THAT MOI HAS REINFORCED HIS OWN POWER BUT AT THE COST OF ENHANCING AUTHORITARIAN TRENDS. THERE IS A DANGER THAT THE VOICE OF HEALTHY CRITICISM IN KENYA MAY BE INCREASINGLY MUTED. THAT CANNOT BE GOOD FOR THE COUNTRY IN THE LONGER TERM.

JOHNSON

YYYY

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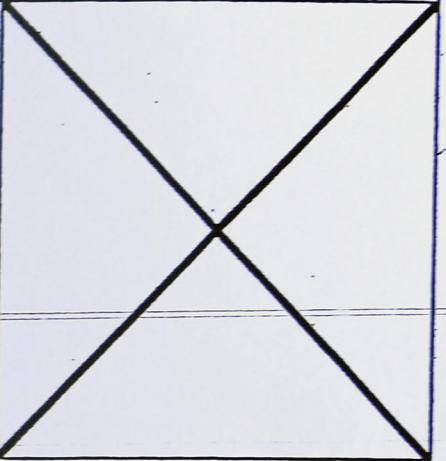
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DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>3838</i> (one piece/item number)	Date and sign
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Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.
This should be an indication of what the extract is,
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
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40 VC

PRIME MINISTER

Following our conversation this morning, you are due to leave Heathrow at 1520 on Wednesday 6 April. That will mean leaving here at about 1450. I have therefore offered President Moi 1630 on Tuesday 5 April.

Lady Price will come here at 1900 on Tuesday evening and Wednesday morning will then be free for your hair appointment and packing.

TESSA GAISMAN

16 March 1988

SECRET - UK EYES ALPHA 2 eeh



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

16 March 1988

VISIT OF PRESIDENT MOI TO LONDON

Thank you for your letter of 11 March about President Moi's forthcoming visit to London.

The Prime Minister will be happy to see President Moi at 1630 on Tuesday 5 April for half an hour.

(CHARLES POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

SECRET - UK EYES ALPHA

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cc PC



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Foreign and Commonwealth Office

London SW1A 2AH

11 March 1988

Dear Charles,

Visit of President Moi to London, 4-6 April:
Possible call on the Prime Minister

President Moi has told our Post in Nairobi that he would very much like to call on the Prime Minister, if she were free, during an otherwise private visit he is making to London from 4-6 April.

The immediately preceding weekend is, of course, Easter and the Prime Minister leaves for Turkey on 6 April. But the Secretary of State nevertheless believes that it would be very helpful if the Prime Minister could spare the time to see Moi on, say, 5 April.

Moi greatly values his relationship with the Prime Minister. The success of her visit to Kenya in January has been an undoubted factor in helping to reinforce his self-confidence and his political equilibrium over the past two months. This has already had beneficial results for both Kenya and ourselves: Moi has released all but 3 detainees, recommitted himself to cleaning up the police force, shown a renewed commitment to creating a positive atmosphere for UK investment in Kenya and called general elections which he is determined to see publicly conducted in as open and democratic a manner as possible. Western press comment has been rather more favourable towards Kenya as a result.

A further meeting in London would present a useful opportunity for the Prime Minister to have further discussions with Moi on a number of important topics, including investment policy, Uganda and South Africa

She might also raise the question of the contract for the £9 million Nairobi Bulk Electricity Supply Reinforcement project. This was promised to GEC by Moi just before the Prime Minister's January visit. We have, however, learned from the Post that the Kenyans are likely now to award it instead to the Finns (who are offering softer financial terms). This would be very disappointing, in view of the

/great



great effort that GEC, the DTI and the Post have put into securing the contract. The DTI are urgently looking at what can be done to retrieve the situation. A meeting in April would offer the Prime Minister a chance to reinforce any action we take before then.

Yours ever,

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

(L Parker)
Private Secretary

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COMMENT

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PRESIDENT MOI'S VISIT TO LONDON

1. KIPTANUI, CONTROLLER, STATE HOUSE, HAS NOW CONFIRMED THAT MOI WILL BE FLYING ON TO LONDON AFTER HIS VISIT TO EGYPT, ARRIVING LATE ON 4 APRIL (EASTER MONDAY) AND STAYING THROUGH-OUT 5 AND 6 APRIL LEAVING EARLY ON 7 APRIL.

2. MOI WOULD VERY MUCH LIKE TO SEE THE PRIME MINISTER WHILE HE IS IN LONDON. I HOPE THAT THIS CAN BE ARRANGED. AN INVITATION TO LUNCH WOULD, OF COURSE, DELIGHT HIM. BUT IF THAT WERE NOT POSSIBLE A MEETING AT NO 10 WOULD CERTAINLY SUFFICE.

JOHNSON

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MR MUNRO	1
MR FAIRWEATHER	1
[HENRY/177000]	

Prime Minister

Not very convenient:
you leave for Turkey
on the Wednesday
afternoon. But a
brief meeting at No
10 on Wednesday
morning may
be possible.

can

Tuesday would
be better

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Prime Minister
COP 2073
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PS/Mrs Chalker

From: A Reeve
Date: 17 March 1987
cc: Mr Marsden, EAD
Mr Munro
Mr Johnson, Nairobi

VISIT OF PRESIDENT MOI

1. Mrs Chalker may like to know that Mr Johnson and I saw President Moi at the Hilton Hotel last night and subsequently saw him off at the airport. We spent about three quarters of an hour with him, together with one or two Kenyan Ministers and advisers.
2. President Moi was in excellent humour, having just been visited by Mr Duke Hussey (Mr Powell having invited Mr Hussey to make contact). Whether or not this meeting will achieve anything remains to be seen but at least President Moi felt that the BBC had responded quickly to his complaint and at the highest level.
3. President Moi was pleased with all aspects of his visit, particularly his talk with the Prime Minister. He spent much of the time complaining about the way the Americans had handled the issue of human rights. He alleged that they had scarcely touched on the subject with him but that the State Department had had the affrontery to issue a long, critical statement even before he had left Washington, claiming that the matter had been raised with him in forceful terms. Mr Johnson gently pointed out that, human rights aside, the US Administration attached great importance to relations with Kenya and that the visit had been a great success. President Moi accepted this.
4. The visit seems to me to have provided exactly the right boost to our relations. Although short, all the essential ingredients were included. President Moi thanked us all most warmly at the airport, and seemed to mean it.

A REEVE

17 March 1987

Cy M. Powell, No 10

Mr Stitt

Mr Jenkins

LM 19/3

ms



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bc FC



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

17 March 1987

Dear Tony,

VISIT OF PRESIDENT MOI: BBC

Mr. Hussey telephoned me this morning to confirm that he had been to call on President Moi yesterday and that they had had a good discussion of the President's concerns about coverage of Kenya by the BBC African Service. He had confirmed the BBC's wish to be impartial. If they had been giving a biased or one-sided view they were in error. The BBC's role was to cover events and that must naturally include coverage of opposition to the Government in Kenya. But it must be balanced coverage giving both sides of the picture. He would try to ensure that this was observed in practice. Mr. Hussey added that he had spoken to the Kenyan High Commissioner in similar terms.

yours sincerely,
C. D. Powell

C. D. POWELL

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office

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10 DOWNING STREET
LONDON SW1A 2AA

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From the Private Secretary

16 March 1987

PRIME MINISTER'S MEETING WITH THE PRESIDENT OF KENYA

The Prime Minister received the President of Kenya this morning for the signature of an aid agreement followed by talks. President Moi was accompanied by his Foreign Minister, the Kenyan High Commissioner in London and the Permanent Secretary of the Ministry of Foreign Affairs. Our High Commissioner in Nairobi was also present.

United Kingdom/Kenya relations and developments in Kenya

The Prime Minister said that President Moi was a particularly welcome visitor. We valued enormously his great sense of calm and moderation, and the positive and constructive approach which he took to international problems. We also admired the way in which he had guided the Kenyan economy despite difficulties with falling commodity prices. We were particularly grateful for Kenya's co-operation in defence matters and the training facilities which they provided.

President Moi thanked the Prime Minister for her remarks. He very much agreed with her about the importance of strengthening friendship and understanding. On the whole he was satisfied with the development of the Kenyan economy. Britain had been a great help in the years immediately following independence. Since the early 1970s the picture had changed somewhat and Kenya had found herself more on her own and having to deal with the World Bank and the IMF. The steep rise in oil prices had been a particularly severe blow. Nonetheless they had followed World Bank advice. As a result the Kenyan currency was fairly stable and inflation had recently been brought down from some 20 per cent to 5 per cent. The education system functioned well and for the time being Kenya was able to absorb the well qualified people coming on to the job market. But the economy would need to continue to expand in the future if this record was to be maintained. There would shortly need to be a further round of discussions with the World Bank. Particular areas in which

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JB

he would welcome help were with the development of tea plantations and housing in urban areas. The Commonwealth Development Corporation would be well placed to assist. His plan was to have tea plantations round the fringes of Kenya's forests to discourage deafforestation.

The Prime Minister said that we welcomed the rise in the standard of living in Kenya and the peace and stability which prevailed within the country. We would do our best to play a helpful role with the World Bank. She noted the familiar problem of rising expectations which became increasingly difficult to fulfil.

Regional Problems

The Prime Minister said that she would welcome the President's assessment of developments in East Africa. She had seen President Museveni of Uganda some months ago and found him surprisingly optimistic about the prospects in his country. However recent information suggested a sharp deterioration, especially in the north. Uganda was inherently a wealthy country and it was a tragedy that it had been so grossly misruled. We had offered assistance to President Museveni, both aid and military training, but he seemed to lack clear ideas about what he wanted to do and was increasingly on the defensive.

President Moi said that the situation in Uganda was indeed unstable, particularly in the north east. A number of the main tribes were increasingly alienated from the Government and there was growing apprehension among the Baganda. There was a real problem of indiscipline in the Army and the exclusion of certain tribes from any share in power was producing chaos in the Civil Service. The introduction of commissars and local committees, on the Libyan model, ran clearly counter to African traditions. President Museveni had no economic policy. He was becoming increasingly dependent upon Libyan help. He was also giving support to Kenyan dissidents. The Foreign Minister added that Kenya had offered Museveni help but this had been rejected.

The Prime Minister asked President Moi about developments in Tanzania. The President said that although Mwinzi would probably like to introduce changes, he had little real power. Nyerere remained Chairman of the Party and the main arbiter of policy.

The President continued that the wider picture in East Africa was worrying from Kenya's point of view. Kenya was increasingly surrounded by countries with openly hostile or unstable regimes - Ethiopia, Sudan, Uganda - with Libyan influence growing. Although relations with Tanzania and Somalia were both reasonable at present, they too could deteriorate. Kenya felt itself increasingly isolated and encircled. The Prime Minister said that Kenya was the main hope in East Africa for all people of moderation.

BBC Overseas Service

President Moi said that he found it hard to understand, against this background, why the BBC gave such prominence to critics and opponents of Kenya. Kenya was a law abiding country and had a far better record in dealing with the opponents of the regime than did any neighbouring countries. But constant attacks by critics over the BBC African Service only helped to strengthen opponents of Kenya's stability. Well known critics and opponents of the Kenyan Government, including some such as Yusof Hassan who was not even Kenyan, were constantly being invited to comment. Kenya did not want her friends to support her enemies. A point on which critics focussed was the need to get rid of Western troops and bases from Kenya. That was surely not in our interest.

The Prime Minister said that she sympathised with President Moi. She would encourage the Chairman of the BBC to contact him directly to discuss the problem. The Kenyan Government should insist that both sides of the case should always be given and should maintain a constant and steady pressure on the BBC to ensure that this happened. The Kenyan High Commissioner should have a team of people ready to be interviewed to rebut unfair criticism. She asked Mr. Johnson to ensure that this was properly followed up and that all necessary help was given to the Kenyan High Commissioner. She also suggested the Kenyan Government should invite the BBC to send people to Kenya to see the developments in the country for themselves.

President Moi also regretted the fact that Kenyan dissidents were able to reside and organise themselves in London. The Prime Minister said that there was little that we could do about this unless they broke the law. But we would keep a careful eye on their activities.

Soviet Role in Africa

President Moi expressed concern about Soviet activities in Africa and more generally in the third world. The Soviet Union was constantly searching out new ways, through development banks and OPEC for example, to divert funds for development, which it could not supply itself, to its clients and friends. He believed that the worldwide spread of communism remained the aim of Soviet policy and disagreed with those who believed that the Soviet role in Africa would decline. He welcomed the effort which the United Kingdom was making to counter Soviet influence in Mozambique.

The Prime Minister said that she broadly shared the President's assessment.

South Africa

The Prime Minister said that there was a number of interesting developments in South Africa, particularly the signs that Afrikaner opinion was no longer monolithic in

support of the National Party. She did not see any prospect of being able to influence the South Africans before elections but we would resume our efforts to persuade them of the need for change thereafter. She took the view that many white South Africans now actively wanted change. The West's task was to help create the situation in which negotiations could take place between the white Government and the other racial groups. Such negotiations could only succeed against a background of a suspension of violence. We continued to believe that sanctions would be counter productive. President Moi agreed that the way forward lay in getting various groups together to discuss the future. It would be helpful if the West could dissuade South Africa from attempts to destabilise neighbouring African countries.

I should record that I have subsequently spoken to Dukey Hussey at the BBC and urged him to call on the President to hear his views at first hand. He undertook to try to contact the President's party at the Hilton to arrange an appointment.

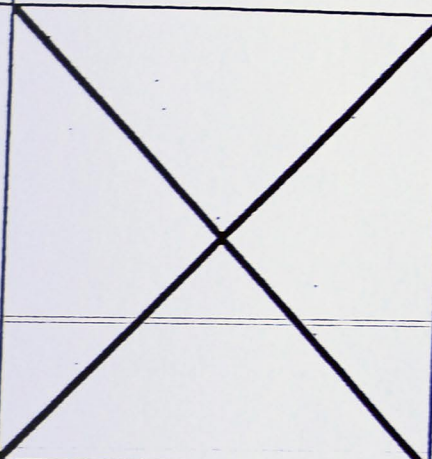
I should also record that the Prime Minister commented that she had been very favourably impressed by President Moi, who had developed considerably over the last two or three years in his understanding of international affairs. Kenya would be high on her list of priorities for a visit in due course.

I am copying this letter to John Howe (Ministry of Defence) and Alex Allan (H.M. Treasury).

(CHARLES POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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DEPARTMENT/SERIES <u>PREM 19</u> PIECE/ITEM <u>3838</u> (one piece/item number)	Date and sign
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WOODLEY'S LETTER OF 20 FEBRUARY TO JENKINS (EAD): US/KENYA:
VISIT OF PRESIDENT MOI

SUMMARY

1. MOI'S VISIT MARRED BY PRESS DENUNCIATION OF KENYAN HUMAN RIGHTS SHORTCOMINGS.

DETAIL

2. PARA 5 OF LUR REPORTED STATE'S CONCERN LEST THE WASHINGTON POST MARK MOI'S 11-14 MARCH VISIT WITH CRITICISM OF KENYAN HUMAN RIGHTS SHORTCOMINGS. LINKED TO A BRIEF REPORT ON MOI'S CALL ON THE PRESIDENT ON 12 MARCH, THE EXPECTED ARTICLE (COPY BY BAG) DULY APPEARED ON THE FRONT PAGE ON 13 MARCH: IT IS A LENGTHY AND DETAILED DENUNCIATION OF INCREASING INTOLERANCE, REPEATED USE OF TORTURE, AND CONCENTRATION OF POWER IN MOI'S HANDS, WHICH IS SAID TO BELIE KENYA'S REPUTATION AS A PRO-WESTERN PARLIAMENTARY DEMOCRACY.

A SECOND ARTICLE DESCRIBES, BY WAY OF ILLUSTRATION, THE UNEXPLAINED DEATH IN DETENTION OF AN INDIVIDUAL KENYAN. (CF NAIROBI TELNO 153).

3. THE CASUAL READER COULD BE FORGIVEN FOR CONCLUDING FROM THE ARTICLE THAT SHULTZ PROBABLY SIDE-STEPPED THE HUMAN RIGHTS ISSUE DURING HIS JANUARY VISIT TO NAIROBI. ATTENTION IS DRAWN, HOWEVER, TO WOLPE'S ATTEMPTS TO FOCUS ON HUMAN RIGHTS AND TO MOI'S SUBSEQUENT ACCUSATIONS THAT THE CONGRESSMAN FINANCED DISSIDENTS, CROOKS AND SWINDLERS IN KENYA.

4. SPEAKING UNATTRIBUTABLY TO THE PRESS ON 12 MARCH, CROCKER SAID THAT THE PRESIDENT HAD MADE CLEAR AT HIS MEETING WITH MOI THE VITAL IMPORTANCE OF KENYA MAINTAINING ITS REPUTATION AS A MODEL IN EAST AFRICA IN TERMS OF ITS POLITICAL SYSTEM, ITS OPEN-NESS, AND ITS ACCEPTANCE OF A DIVERSITY OF VIEWS. CROCKER CONFIRMED THAT THE AMERICANS WERE TALKING TO THE KENYANS ABOUT HUMAN RIGHTS PROBLEMS AND THAT THE KENYANS HAD INDICATED THAT THEY REMAINED COMMITTED TO THE RULE OF LAW. IN CROCKER'S VIEW, THE KENYANS WERE NOT QUOTE GOING OFF THE WAGON UNQUOTE. MWAKENYA WAS NOT A SIGNIFICANT THREAT TO KENYA'S STABILITY AND A SIGNIFICANT NUMBER OF THOSE DETAINED HAD BEEN TREATED PROPERLY UNDER KENYAN LAW. BUT THERE REMAINED A SMALL NUMBER WHO HAD BEEN NEITHER CHARGED NOR RELEASED.

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5. OTHER TOPICS COVERED DURING MOI'S TALKS AT THE WHITE HOUSE INCLUDED SUDAN, SOUTH AFRICA (MOI HAS CALLED PUBLICLY HERE FOR GREATER US COMMITMENT TO ENDING APARTHEID), US HUMANITARIAN AND ECONOMIC AID, KENYA'S INTERNAL PROSPECTS, AND THE NEED FOR MORE US INVESTMENT. ACCORDING TO CROCKER, MOI FOR HIS PART SOUGHT TO ENSURE THAT THE AMERICANS DID NOT TAKE KENYA FOR GRANTED, AND WERE AWARE OF HIS CONCERNS ABOUT DECLINING US AID.

6. MOI'S PROGRAMME HAS ALSO INCLUDED MEETINGS WITH EUSH, SHULTZ, WEINBERGER AND AID DIRECTOR MCPHERSON. FORTUNATELY, GIVEN THE WASHINGTON POST ARTICLE, MOST OF THESE MEETINGS, AS WELL AS MOI'S CONGRESSIONAL CONTACTS, TOOK PLACE ON 12 MARCH. MOI SHOULD THEREFORE BE ABLE TO DISTINGUISH BETWEEN THE ADMINISTRATION'S EFFORTS TO ENSURE A SUCCESSFUL VISIT AND THIS NOT-UNEXPECTED PRESS CRITICISM. WHAT LASTING IMPACT THAT CRITICISM MAY HAVE ON THE HILL REMAINS TO BE SEEN: THE ARTICLE'S TIMING, PRIMONENCE, AND DISPROPORTIONATE LENGTH MAY BE COUNTER-PRODUCTIVE. THE CONSERVATIVE WASHINGTON TIMES, MEANWHILE, HAS DONE NOTHING TO FIRE UP RIGHT-WING OPINION IN ITS OWN MODEST COVERAGE OF THE MOI VISIT.

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PS / MR EGGAR

PS / PS

MR MUNRO

MR FEARN

MR REEVE

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Mr. President, Ladies and Gentlemen,

I am very pleased indeed that we have been able to take advantage of President Moi's brief visit to London to sign this new grant aid agreement for £50 million.

an
It is ~~s~~earnest of our intention to maintain a substantial and technical assistance programme to Kenya.

But, more importantly, the President's visit is an opportunity to reaffirm publicly our friendship and support for Kenya / and our tremendous admiration for the President himself and all that he has done for his country.

Kenya's economic development has been outstanding under his leadership.

Britain and Kenya cooperate closely over a very
wide area, and I am very much looking
forward to my talks with the President and
to hearing his views on a number of
African and wider international problems.

May I ask you all to drink a toast to the
President of Kenya, to Kenya's success,
and to the warm and continuing friendship
between our two countries.

10. 12.

Mr. President, Ladies & Gentlemen,

I am very pleased indeed that we have been able to take advantage of President Moi's brief visit to London to sign this new grant aid agreement for £50 million.

It is earnest of our intention to maintain a substantial and technical assistance programme to Kenya.

But, more importantly, the President's visit is an opportunity to reaffirm publicly our friendship and support for Kenya and our tremendous admiration for the President himself and all that he has done for his country. Kenya's economic development has been outstanding under his leadership.

Britain and Kenya cooperate closely over a very wide area, and I am very much looking forward to my talks with the President and to hearing his views on a number of African and wider international problems.

May I ask you all to drink a toast to the President of Kenya, to Kenya's success and to the warm and continuing friendship between our two countries.

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PRIME MINISTER

MEETING WITH PRESIDENT MOI

President Moi is to call on you on Monday morning. We have set aside one hour.

The President is on his way back from an official visit to the US (which may have been difficult on human rights questions). He has a large entourage of Ministers, although only the Foreign Minister is likely to take part in the talks.

Immediately on his arrival, the intention is that the two of you should sign an Aid Agreement in the Pillared Room. This will follow the usual pattern, and press will be present. You will want to make a toast at the end. Some speaking notes are just inside the briefing folder. Chris Patten will also be present.

You will then want to lead the President off for talks in the White Room.

The main issues are covered in the attached briefs. Kenya is important to us for its moderate and sensible policies (particularly on South Africa); for its military training and exercise facilities; as our third largest market in Africa; and as the recipient of £1 billion of investment. Problems have arisen on two counts: publicity for our use of the military training facilities, and the claims about AIDS: and the activities of Kenyan opposition groups in London. More generally there are problems within Kenya stemming from Moi's increasingly authoritarian rule, human rights' abuses and corruption.

I suggest that you have a general talk making the following points:

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- 2 -

- your hope that his visit to Washington was a success. You might ask how he found President Reagan.
- our regret over the unfortunate publicity about use of the military training facilities and our determination to avoid similar problems in the future.
- his views on developments in neighbouring countries particularly Sudan and Uganda, about both of which he is very concerned.
- your appreciation of his pragmatic approach to the problem of South Africa and his helpful line on air services. You may want to reassure him of your determination to keep up pressure on the South African Government for further reforms once the elections are over;
- your hope that Britain can sell more in the Kenyan market. We have a particular interest in securing orders for modernisation of the Kenya Airways fleet, particularly with the BAe146.

If the President raises Kenyan dissidents in London, you will have to say that while their activities remain within the law, there is nothing we can do. If he has any evidence of offences, he should let us know.

We want him to go away with a nice warm feeling that we regard Kenya as our most reliable friend in Africa, and will be ready to continue our substantial support.

CDP

CDP

13 March, 1987.

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Foreign and Commonwealth Office

London SW1A 2AH

13 March 1987

Dear Charles,

Visit of President Moi of Kenya to the UK, 15-16 March

Call on the Prime Minister, 11.00, 16 March

I enclose briefing for the Prime Minister's meeting with President Moi of Kenya at 1100 on Monday 16 March.

The President is passing through London on his return to Kenya from an official visit to the US at President Reagan's invitation (he passed through London on 9-11 March on his way to Washington: Mrs Chalker called on him on 10 March). He is accompanied by 5 Ministers.

The visits to the US and the UK come at a very significant moment for Moi and for Kenya. He has succeeded for the time being in neutralising domestic opposition (particularly from the secret nationalist and leftist Mwakenya movement) but long-term problems remain. An increasing trend towards authoritarianism and centralisation of power is likely to provoke domestic and international media criticism: and Moi's apparent bias against the traditionally predominant Kikuyu tribe may lead to political problems, particularly if the buoyant Kenyan economy declines over the next year or so (more likely now, with the recent fall in world coffee prices). Over the past year arrests and detentions in connection with Mwakenya have led to growing concern over human rights in Kenya (most recently voiced by Congressman Howard Wolpe, Chairman of the House African sub-committee). President Moi's Washington visit is likely to be tense at times.

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Our interests in Kenya, however, remain very substantial: it is our 3rd largest market in sub-Saharan Africa, the recipient of an estimated £1 billion of UK investment and provides us with invaluable military training and exercise facilities, and staging and port rights for the RAF and the Royal Navy respectively. Politically Moi has been a good and moderate friend to the UK (exerting a particularly helpful influence, for example, with fellow African Heads of State over air links to South Africa). There have been some strains generated by publicity over AIDS and UK soldiers, the presence of Kenyan dissidents in London and BBC reporting of Kenya, but the underlying confidence in the bilateral relationship has enabled these problems to be surmounted (Moi was especially grateful for the Prime Minister's message to him in January on the question of AIDS linked publicity).

In the Foreign Secretary's view our main objective from the visit should be to ensure that Moi leaves London feeling that the UK is reliable, friendly and committed to substantial support of Kenya (especially now that the US plan to reduce their levels of assistance). For this reason it has been agreed, subject to final clearance of technical aspects at the Kenyan end, that the Prime Minister and President Moi should sign the agreement for £50 million of UK aid announced during Mr Patten's recent visit. A second major objective is to reinforce his generally pragmatic attitude to South African issues, particularly over air links. We should seek to confirm that the awkwardness over AIDS and military training is behind us. We should make clear our expectations of a share in the Kenyan market commensurate with our economic and developmental support and our hope that Kenya will take further steps to encourage inward investment. We should also aim to make Moi aware of the growing public and parliamentary interest in the UK in the human rights issue in Kenya. (Moi, however, is very sensitive about this and, given that it will probably be a major theme of his US visit, a low-key approach here is likely to be more effective in getting our message across).

The President is likely to wish to reassure himself of the importance we attach to Kenya and the opportunities which we enjoy there, and to look for an understanding of his problems. Apart from his sensitivity about the publicity over AIDS and British military training, and about

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the criticism of Kenya on human rights grounds, he also raised with Mrs Chalker the question of the balance of the BBC External Services comment on Kenyan affairs. (The briefing reflects the latest position on this: it would, however, create a dangerous precedent for HMG to appear to interfere with the External Services editorial independence and would damage their international credibility). We do not however expect him to pursue any particular bilateral points with the Prime Minister (with the possible exception of an expression of concern about dissident activity in London), but rather to wish to exchange views on regional and international problems, and in particular to be ready to discuss South Africa. As we agreed John Johnson, our High Commissioner in Nairobi will accompany the President and Mr Mwangale (the Foreign Minister) to No 10.

You should also be aware that at the last moment the Kenyans have asked to have the social elements in the programme removed. These were a lunch to be hosted by the Home Secretary, and a reception. This is unfortunate, but may reflect President Moi's desire to stick to essential business following his heavy programme in Washington.

Yours ever,

A handwritten signature in blue ink that reads 'L Parker' with a flourish underneath.

(L Parker)
Private Secretary

C D Powell Esq
No 10 Downing St

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PRIME MINISTER'S MEETING WITH PRESIDENT MOI: 16 MARCH

SPEAKING NOTE

- Economic development in Kenya has been impressive over the years.
- My colleague Mr Patten has just returned from a visit to the country. He was able to see at first hand something of the progress that has been made. I know he found his visit most rewarding.
- We are pleased to have contributed to the country's economic and social progress. We intend to maintain a substantial capital and technical assistance programme to Kenya.
- Delighted to have this opportunity to underline our commitment by signing this new grant agreement for £50 million.
- Our joint task now is to identify projects in Kenya's priority sectors and bring benefits to the people as soon as possible.

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VISIT BY PRESIDENT MOI OF KENYA TO THE UK: CALL ON THE PRIME MINISTER, 1100, 16 MARCH

1. OUR OBJECTIVES

- a) to confirm strength of relationship after recent strains, underlining our support for Kenyan economic development and our commercial contribution and interests;
- b) to reinforce Kenya's generally pragmatic stance on South Africa (see separate briefing);
- c) to exchange views on regional problems, particularly Uganda;
- d) to explore Kenyan assessment of current US policy, especially on human rights and development assistance;
- e) to support British Aerospace manufacturers' efforts to supply replacements for Kenyan Airways' regional fleet.

2. ARGUMENTS TO USE

- UK-Kenyan cooperation is substantial and in many fields. Largest recipient of UK aid in Africa: pleased to be able to sign the new grant agreement for £50m.

- UK investment in Kenya about £1 billion. Believe UK industry ready to do more, but need reassurance over investment climate and prospects. For pursuit in Nairobi through Mr Johnson?

- Kenya also a major UK trading partner, and we greatly value military training facilities, and can provide military and police training and assistance in return.

- important to maintain close personal contact. Pleased that Mrs Chalker, Mr Stanley, Mr Patten and other ministers are regular visitors to Kenya. Dr Kosgei (new Kenyan High Commissioner) settling in well.



3. Regional Political

- we welcomed Museveni's commitment to reconciliation and rehabilitation in Uganda. But outlook now uncertain: security situation in north and massive economic problems. Welcome Kenyan assessment as transit neighbour. What more can Uganda's friends do to help? Also concerned about Libyan role.
- encouraged by changes in Tanzania in Mwinzi's first year.
- no sign of solution in Sudan. Can Kenya see the way forward?

4. US Policy/Human Rights

- Interested in account of visit to Washington. Appreciate Kenyan concern over human rights allegations (Congressman Wolpe). But Kenyan commitment to legality and constitutionality, and high reputation in West inevitably attracts publicity to cases of detention and allegations of mistreatment. Important for Kenyan Government to argue its own case.

5. Trade

- believe that British manufacturers can provide ideal replacements for Kenyan Airways DC9s and F27s. Both British Aerospace (BA146) and Rolls Royce (engines for Fokker F100s) have our support. Hope for an early decision in their favour.

6. HIS OBJECTIVES

- a) to be reassured about the importance we attach to Kenya;
- b) to secure the PM's understanding of Kenya's hard line on dissidents, and the difficulties caused over military training;
- c) to register concern over BBC reporting of Kenyan politics and use of anti-Government exile spokesman.



7. YOUR RESPONSE

- Kenya our most important partner in the region, economically and politically.
- appreciate Kenyan concern over secret extremist political movements like Mwakenya. But presence of international press in Nairobi best channel for Kenya to explain its approach to international public opinion.
- aware of concern over anti-Government Kenyan groups in London and West Europe. Ready to consider any evidence Kenyans may have of offences which they may be committing under British law, but difficult to take action while their activities are legal.
- regret any embarrassment caused to President Moi by British press treatment of AIDS and British military training in Kenya. Strenuous steps taken to prevent further publicity.
- BBC independent of Government in its choice of programme content. Important the Kenyan High Commission should keep in close contact with Bush House, be ready to take up complaints directly with them, and respond to requests to interview Kenyan Government spokesmen to assist in presenting a balanced picture.
- In particular case of Yusuf Hassan, not presented as an independent commentator but as a political spokesman.

8. Press Line

The Prime Minister and the President had a wide-ranging discussion of regional and bilateral political questions and signed the agreement covering a further £50m of British aid to Kenya.

VISIT OF PRESIDENT MOI OF KENYA TO THE UK, 9-11 and 15-16 MARCH:
CALL ON THE PRIME MINISTER, 1100, 16 MARCH

ESSENTIAL FACTS

UK Interests in Kenya

1. The UK has substantial interests in Kenya. It is our 3rd largest market in sub-Saharan Africa (behind South Africa and Nigeria) with UK exports in 1986 of £170.24 million (0.23% of total UK exports). There is an estimated £1 billion of fixed UK investment in Kenya. Kenya is important to us (and the US) as a country strategically located for the Horn, the Red Sea, the Gulf and the Indian Ocean. The Kenyan government allows us invaluable military training/exercise facilities (3 battalion exercises and 2 minor unit exercises a year plus facilities for adventurous training), over-flying and staging rights for the RAF and the use of Mombasa port by RN ships (the Armilla patrol). The UK is a major supplier of defence equipment (£1.77 million in the first 9 months of 1986/87) to Kenya and provides training for the police and the GSU (the paramilitary police). The UK is Kenya's largest overseas market and the largest supplier of invisibles such as banking, insurance, accounting and shipping. There are some 20,000 British nationals in Kenya.

2. Although Moi undoubtedly holds strong views on apartheid (Kenya was one of the first countries to pull out of the Commonwealth Games last year), he is in general politically moderate and pro-Western and has been helpful to the UK over such issues as air routes to South Africa (where he has resisted considerable pressure from more radical African heads of state).

MOI'S POSITION

3. Moi remains in unchallenged control but there are some disquieting cross currents around him. His base of political support is being weakened by discrimination against the Kikuyu tribe (until Kenyatta's death in 1979 the dominant group) But while Moi is content not to interfere with the economic role of the urban Kikuyu

(the most important entrepreneurial group), they appear to pose no serious threat to internal stability. The appearance of an apparently largely Kikuyu Nationalist/Marxist secret society, Mwakenya, has also raised the political temperature. This has given rise to an increasing number of detentions without trial over the past 6 months and has brought allegations of torture by the Kenyan Special Branch from Amnesty International. Moi appears confident that he has Mwakenya under control.

4. Another source of recent controversy has been the proposal to change the electoral procedures for primary elections. Electors (in primaries, KANU members only) will queue in public behind their preferred candidate. The procedures have attracted criticism as divisive and likely to encourage malpractice. Any candidate getting more than 70% of the vote at primary elections becomes an unopposed candidate at the general election. This potentially disenfranchises non-KANU members.

5. In a move which will consolidate further the position of the President, Parliament has amended the Constitution to abolish the powerful position of Chief Secretary and to give the President the power of instant dismissal over two important and constitutionally protected "watchdog" posts - those of Attorney General and Controller and Auditor General. Together with Moi's regular assertions in recent months that the Party, not Parliament, is constitutionally "supreme" these moves are likely to provoke further criticism.

BILATERAL RELATIONS

General

6. Overall, bilateral relations remain good and Mr Johnson has developed a good working relationship with the President. But there are a number of sensitivities, notably over criticism in the UK press. An article last year in "Africa Confidential" which accurately reported political in-fighting in Kenya and outlined the extent of Moi's business interests, greatly upset the President and a number of other leading Kenyans. Publicity over AIDS/UK troops in

Kenya and the presence of Kenyan dissidents in London are other sore points (see below).

Investment

7. The UK is the largest foreign investor in Kenya. Because of Kenya's past economic problems, direct inward investment from Britain has been stagnant in recent years. However, Kenya is still keen to attract foreign investment and new measures to encourage this were projected (but, in the event, because of Cabinet indecision, not announced) in the 1986 budget.

8. In speeches last year, Moi revived the issue of Kenyanisation, calling for further indigenisation of local business and a reduction in the numbers of expatriates. Although this has yet to give rise to specific problems for British interests, the continuing absence of a clear policy on indigenisation, together with other official restraints on profitability (eg time-consuming bureaucratic procedures, inadequate investment protection and limits on foreign companies' borrowing powers) will act as a disincentive to new investment in Kenya.

AIDS/UK Servicemen in Kenya

9. Moi is very sensitive to possible domestic criticism about UK use of military facilities. He reacted angrily to the recent wide press coverage of the decision to put coastal recreation facilities out of bounds to UK troops in Kenya, which gave unwelcome publicity not only to the use of Kenyan training facilities by UK troops but also to the incidence of AIDS in Kenya. The Prime Minister on the High Commissioner's recommendation sent a message (text attached) regretting the publicity and reaffirming the value we attach to our relationship with Kenya. The message was well received. Mr Stanley also offered the Kenyans reciprocal training facilities in the UK (which they had sought). They have said that they will be unable to take this offer up this year. Even after the spotlight has been taken off the military links it is likely that the Kenyans will continue to read into articles on AIDS the implication that the country is unsafe, and that AIDS is an "African disease".



10. A further incident has kept British military training in the press. On February 14 two British soldiers (Walker and Hughes) were charged with assaulting a Kenyan outside a night club in Nairobi. One soldier allegedly used a knife in the assault. They have since been sentenced to one year and three months' imprisonment respectively. Press interest has focussed largely on the additional sentence of three strokes of the cane for Walker. A third soldier (a RE Lance Corporal) is to appear in court on 11 March accused of assault arising out of another night club incident.

11. On February 4, a British soldier (Sapper Mayer) died of anthrax while training in northern Kenya. The cause of death has been picked up by the press.

12. Public critics of UK press coverage of AIDS in Kenya, have included Health Minister Niakyamo and Foreign Minister Mwangale. We continue to reply that AIDS is a problem in UK and world-wide. In addition to domestic AIDS publicity, DHSS advice is available to travellers overseas as on other diseases. No specific precautions against HIV infection are advised for Kenya or for any other individual country.

Dissidents

13. Moi has in the past complained about the activities of Kenyan dissidents in the UK. He is particularly concerned about Ngugi Wa Thiong'o, a well known writer and outspoken critic of the Kenyan Government, who has been based in Britain since 1982. The Kenyans have also recently been disturbed by the appearance of a new London-based dissident movement, Ukenya (Movement of Unity and Democracy in Kenya). Ukenya claims to be in touch with Mwakenya and calls for the removal of foreign bases from Kenya, the abolition of the Public Security Act and the adoption of Swahili as Kenya's official language. Its first public meeting on 18 February in London was attended by Ngugi and by the wife of Wanyiri Kihoro, a former employee of the Africa Centre in London, recently detained by the Kenyan authorities on suspicion Mwakenya activities. Wanyiri's son is a British citizen and there has been considerable public and parliamentary interest in his case (we have received letters from

Sir Keith Joseph and Mr Denis Healey among others). Other such cases which have aroused similar interest in the UK over the past year are those of Maina wa Kinyatti and Atieno Odhiambo, a prominent Kenyan academic (who was eventually released).

14. Several items on the BBC World Service highlighting dissident views have given rise to Kenyan objections in the past year. The Kenyans particularly object to the BBC's use of Yusuf Hassan, a dissident Kenyan journalist and a founder of UKenya, as a commentator. Moi raised this with Mrs Chalker on 10 March. The BBC have said they will not use Hassan as a commentator (but will seek his views on occasions as a political spokesman). In spite of a number of invitations the BBC have had great difficulty getting the Kenya High Commission to put official Kenyan views across in their programmes.

Tanzania/Uganda/Somalia/Ethiopia

15. Kenya's relations with her neighbours have been cool in the past. Relations with Uganda, following Museveni's succession, remain distant. Mwinyi's replacement of Nyerere, however, has led to a substantial improvement in relations with Tanzania. The implications for Kenya of regional disturbances elsewhere (eg in Ethiopian/Somali friction and in the prospect of becoming involved in front line states (FLS) sanctions against South Africa) are of increasing concern to Moi. Kenyan suspicions of Somali's long-term intentions persist, and are compounded by signs of internal instability there, exacerbated by Siad Barre's failing health and border disputes with Ethiopia (there were armed border clashes recently).

Sudan

16. Moi is worried about the Sudan. His instinctive sympathies lie with the South and the SPLA against the Arab North. The extent of Kenyan support for the SPLA is not clear (they claim not to be providing direct military aid): but Kenya is certainly facilitating the provision of humanitarian aid to the rebels and has provided medical facilities for the wounded on both sides of the war. Moi is not optimistic about the prospects for reconciliation and has been

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critical of Sadiq el Mahdi's political judgement. The prospects for outside mediation seem slim. Moi has made several half-hearted attempts (usually through Bethuel Kiplagat) at mediation but they have come to nothing.

Kenya/South Africa

17. Generally Kenya has not been an outspoken critic of UK policy towards Southern Africa (although Kenya was one of the first countries to withdraw from the Commonwealth Games in 1986). Moi undoubtedly has strong feelings on the subject, but is unlikely to do anything which will damage Kenyan interests (there is good evidence, for instance, that Moi is opposed to cutting Kenya's profitable air links with South Africa).

EAST AFRICAN DEPARTMENT
FOREIGN AND COMMONWEALTH OFFICE
MARCH 1987



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KNOW YOU WILL UNDERSTAND WHY WE THINK IT IMPORTANT TO SHIELD OUR SERVICEMEN FROM THIS RISK WHEREVER THEY MAY HAPPEN TO BE. IT WAS CERTAINLY NOT OUR INTENTION TO SINGLE OUT KENYA IN ANY WAY, STILL LESS TO CAUSE ANY DAMAGE TO KENYA'S HIGH REPUTATION AS A TOURIST DESTINATION.

WE SHALL DO WHAT WE CAN TO ENSURE THAT PUBLICITY OVER THIS EPISODE DIES AWAY RAPIDLY. MEANWHILE I VERY MUCH HOPE THAT WE CAN CONTINUE TO CO-OPERATE CLOSELY AT ALL LEVELS.

I SEND YOU MY WARM BEST WISHES FOR THE COMING YEAR.
ENDS.

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PS/MRS CHALKER
PS/MR EGGAR
PS/PUS
MR FERGUSSON
MR REEVE
MR SLATER
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PRESIDENT MOI'S CALL ON THE PRIME MINISTER: 16 MARCH 1987

AID PROGRAMME

ESSENTIAL FACTS

Mr Patten's visit to Kenya

1. Mr Patten had a constructive meeting with President Moi and his senior ministers. A copy of the reporting telegram is attached at Annex I. This indicates that the offer of a new grant agreement for £50 million was warmly received. The President should appreciate the ratification by the Prime Minister of this offer at a time when relations between the two countries have been strained by the publicity over AIDS and the British troops in Kenya.

Aid levels

2. The Kenyans have been told that we will maintain a substantial aid programme. Over the past few years bilateral aid spending has fallen below planned allocations because of Kenyan difficulties but total British aid including Commonwealth Development Corporation finance and mixed credits amounts to about £35 million a year. The new pledge, plus unallocated sums from earlier grants, our large continuing technical cooperation and supplementation programme and sums allocated through the Commonwealth Development Corporation and mixed credits should help to ensure a continued aid flow of about that level.

Aid priorities

3. Our capital aid is concentrated on the priority sectors of agriculture, transport and energy. Most aid donors in Kenya have been affected from time to time by delay and indecision on the part of the Kenya authorities, and the implementation of certain initiatives (eg a large prospective investment in Kenya Railways)

/has



has been held up. But we hope to make faster progress this year, in particular on a programme of road maintenance and upgrading: this includes the Molo-Kapkonos-Olemgurone road in which the President is particularly interested.

Defensive

Programme Aid

4. There has been no case for the provision of balance of payments support (programme aid) to Kenya over the last year or so given the rapid improvement in Kenya's external account. But the recent fall in coffee prices and the hardening of oil prices will have an adverse effect on Kenya. We are keeping the position under review and will consider the case for programme aid later in the year as part of a programme agreed between Kenya and the IMF and IBRD.

AIDS

5. AIDS is becoming a severe problem in Kenya although the Government has been slow to recognise it officially. Our policy is to channel the bulk of our assistance to help combat the disease through the World Health Organisation. But we are prepared to help to some extent through the bilateral programme in support of programmes agreed with the World Health Organisation. In this context we are considering the provision under bilateral assistance of blood scanning machines and other equipment.

Emergency Transformer

6. In September 1986 we agreed to meet a Kenyan request for the provision of a transformer as an advance part of the Nairobi Bulk Electricity Supply enhancement project. This transformer will provide an increased supply to an industrial area of Nairobi and also for the African games which are to be held in Nairobi in

/July.

July. Delays by the Kenyans meant that the Exchange of Letters covering the project only took place in the last week. However, GEC, who are to supply the transformer, commenced construction (normally a 9-month operation) in advance of the formal contract and they are confident that they will meet the time-scale.

Background

- .. 7. A background note on the aid programme to Kenya is at Annex II.



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MR PATTEN'S MEETING WITH PRESIDENT MOI: 11AM, 3 MARCH.

SUMMARY

A GOOD MEETING CONCENTRATING ON ECONOMIC ISSUES. MOI'S COMPLAINTS ABOUT THE BRITISH MEDIA RELATIVELY MUTED. MR PATTEN'S OFFER OF NEW £50M GRANT WARMLY RECEIVED. AIDS AND MILITARY TRAINING NOT RAISED. MOI HAPPY WITH THE STATE OF ANGLO/KENYAN RELATIONS.

DETAIL

1. MOI, ACCOMPANIED BY THE MINISTERS OF FOREIGN AFFAIRS, FINANCE, PLANNING AND ENERGY AND THE CABINET SECRETARY AND SPEAKING TO A WELL-PREPARED BRIEF, THANKED HMG FOR THE £600M OF ASSISTANCE PROVIDED TO KENYA SINCE INDEPENDENCE. HE MENTIONED IN PARTICULAR THE WRITING OFF OF DEBTS ON PAST LOANS, THE THUCHI/NKUBU ROAD, THE TRAINING PROGRAMME AND ISIOLO HOSPITAL. MOI OUTLINED KENYA'S RECENT ECONOMIC PROGRESS AND PRESENT SITUATION AND SAID THAT KENYA WOULD FACE A BALANCE OF PAYMENTS DEFICIT IN 1988 AND WOULD BE LOOKING TO BRITAIN FOR PROGRAMME AID. HE ALSO ASKED FOR MORE SECONDARY SCHOOL SCIENCE LABORATORIES AND FOR BRITAIN TO TAKE ON THE UPGRADING OF THE MOLO-OLENGURUONE-KAPKOROS ROAD. MOI REFERRED TO THE TRADE BALANCE (WHICH HE CLAIMED WAS KSHS 1 BILLION IN THE UK'S FAVOUR) AND ASKED FOR MORE BRITISH PRIVATE INVESTMENT.

2. AS EXPECTED, HE THEN RAISED THE TREATMENT OF KENYA IN THE BRITISH MEDIA. HE ASKED WHY THEY WERE AGAINST KENYA AND DID NOT TREAT EG. UGANDA OR SOMALIA IN THE SAME WAY. HE BELIEVED THE BRITISH MEDIA, ESPECIALLY THE BBC, WERE INFILTRATED BY THE RUSSIANS, MENTIONING IN PASSING THAT CONGRESSMAN WOLPE HAD A MARXIST ADVISER. CHAOS IN KENYA WOULD NOT HELP THE WEST AND HE ASKED MR PATTEN TO TELL THE BRITISH MEDIA THAT KENYA WAS A PEACEFUL, DEMOCRATIC COUNTRY FRIENDLY TO THE WEST AND WITH A FLOURISHING ECONOMY.

3. IN RESPONSE, MR PATTEN STRESSED THE IMPORTANCE OF KENYA TO BRITAIN BOTH POLITICALLY AND ECONOMICALLY AND POINTED OUT THAT KENYA'S EXCELLENT ECONOMIC MANAGEMENT OVER RECENT YEARS WAS GREATLY ADMIRABLE BY BRITAIN. HE THEN OFFERED A FURTHER £50M GRANT FOR PROJECTS TO BE AGREED BETWEEN THE 2 GOVERNMENTS (MOI WAS CLEARLY PLEASED). MR PATTEN HIGHLIGHTED SOME OF THE MAIN ELEMENTS OF OUR CURRENT PROGRAMME. HE STRESSED THAT BOTH YOU AND HE ATTACHED GREAT PRIORITY TO THE RAPID IMPLEMENTATION OF THE ISIOLO HOSPITAL PROJECT AFTER SOME OF THE DELAYS OF THE PAST. HE SAID HE WAS PLEASED TO ADVISE THE PRESIDENT THAT THE PHYSICAL CONSTRUCTION PHASE WOULD BEGIN WITHIN A FEW WEEKS. MR PATTEN THEN RAISED THE QUESTION OF UNDERSPENDING. WE WISHED TO DISCUSS WITH THE KENYAN GOVERNMENT HOW TO OVERCOME THIS: ONE WAY WOULD BE TO PUT TOGETHER A LARGER PORTFOLIO OF POTENTIAL PROJECTS.

4. IN RESPONSE TO THE SPECIFIC REQUESTS MADE BY PRESIDENT MOI, MR PATTEN AGREED THAT WE COULD PROVIDE 12 MORE SCIENCE LABORATORIES FROM SAVINGS WITHIN THE EXISTING PROGRAMME AND WHEN THIS WAS COMPLETED WOULD CONSIDER THE POSSIBILITY OF A SECOND PHASE. WE WOULD BE UNDERTAKING AN URGENT FEASIBILITY STUDY OF THE MOLO-OLENGURUONE-KAPKOROS ROAD TO ASSESS THE OPTIMUM DESIGN REQUIRED. MR PATTEN COMMENTED THAT WE WOULD WAIT TO RECEIVE ANY PROPOSALS FROM THE KENYAN GOVERNMENT ON PROGRAMME AID, ADDING THAT IT WAS OUR NORMAL POLICY TO PROVIDE SUCH ASSISTANCE IN THE CONTEXT OF AN AGREED IMF PROGRAMME.

5. ON THE QUESTION OF THE BRITISH PRESS, MR PATTEN SAID THAT HE COULD UNDERSTAND THE PRESIDENT'S CONCERN AND ANNOYANCE: GOOD NEWS SELDOM GOT INTO NEWSPAPERS. OCCASIONAL ILL-INFORMED ARTICLES, READ BY A RELATIVELY FEW PEOPLE SHOULD NOT AFFECT THE EXCELLENT REGARD IN WHICH KENYA WAS HELD IN BRITAIN. KENYA WAS A GOOD ALLY AND A CIVILISED COUNTRY WITH WHICH BRITAIN HAD A MATURE RELATIONSHIP.

6. IN CONCLUSION, MOI WARMLY THANKED MR PATTEN FOR THE OFFER OF NEW AID AND SAID THAT HE WOULD GET ON TO HIS MINISTERS ABOUT UNDERSPENDING. RELATIONS WITH BRITAIN WERE AS GOOD AS THEY SHOULD BE AND WOULD NOT BE AFFECTED THE "TRIVIALITIES OF IRRITATION" CAUSED BY THE BRITISH MEDIA. THE PROBLEM WAS THAT THERE WERE NO LESS THAN 150 FOREIGN JOURNALISTS BASED IN NAIROBI. HE ASKED MR PATTEN TO THANK THE PRIME MINISTER FOR HIS RECENT MESSAGE AND TO SAY THAT HE LOOKED FORWARD VERY MUCH TO SEEING HER IN LONDON.

JOHNSON

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1. In 1985 the British aid programme in Kenya was our second largest in Africa after Sudan and we are one of Kenya's largest bilateral donors. Expenditure in 1985/86 exclusive of Aid Trade Provision and Commonwealth Development Corporation allocations was approximately £21 million and we expect to spend about £20m in 1986/87. About half of this is capital aid and half technical co-operation. Of the capital aid allocated in 1985/86, £5.6m was conventional project aid and the balance was for packages of various types of assistance to specific priority sectors (sector aid).


SECTOR AID

2. The emphasis in our aid programme to Kenya is shifting increasingly towards concentration on the priority sectors of agriculture, transport (railways, roads and ports), energy and population projects. Our aim is to provide coherent packages of capital aid and technical co-operation in support of policy and institutional reform. A grant of £10 million for Sector Aid announced in 1983 has been allocated to Kenya Railways (£3m for spares and locomotive rehabilitation), bailey bridging (£1m), Kenya Ports Authority (£0.55m for spares for Mombasa port), and agriculture (£4m for private sector agriculture and 0.65 for the Agricultural Development Corporation.)

3. A further £10m Sector Aid grant was announced in 1984, of which £6.5m was allocated for the private agricultural sector and £2.12m for the Agricultural Development Corporation. These capital aid grants have been supported by extensive technical co-operation, particularly consultancies. Further sector aid to Kenya Railways, the Kenya Ports Authority and for road maintenance is now being considered.

ROADS

4. Our largest single project in Kenya was the Thuchi-Nkubu road, opened in 1985, which provides a major new transport link through the rich coffee-growing areas to the East of Mount Kenya. It cost £21.37m. We are now considering how we can assist with road maintenance. £1.15m has been allocated for rehabilitation of Government Landrovers. We have in addition made clear to the Kenyans our interests in expanding our involvement with the Roads Sector. This is likely to include work on resealing key stretches of main road, and the construction and maintenance of up country 'Tea' roads (a project that meets with the preference of the President).



RAILWAYS

5. We are awaiting decisions on the Corporate Plan for Kenya Railways before considering further Sector Aid.

PORTS

6. The Kenya Ports Authority has been helped to introduce containerisation services at Mombasa and the first two phases of an important study on the reorganisation of the port have been provided. Studies on supplies and the future of the dockyard are underway. A crane refurbishment programme has been drawn up and should commence by mid-1987.

ENERGY

7. At present our largest single aid project is the Kiambere Dam and Hydro-Electric project on the Tana River. This is part of a major multi-donor project led by the World Bank and expected to cost a total of £224m. Our contribution is £12.3m, for purchase and installation of general electrical works, switch-gear equipment and transmission equipment from the UK.

8. We are also providing a transformer for the Nairobi electricity distribution system at a cost of about £.6m, and engaging consultants to design a bulk transmission system for Nairobi. We are also funding a team exploring geothermal energy sources.

AGRICULTURE

9. This will continue to be a high priority and we are keen to associate ourselves with a major World Bank agricultural development programme now in preparation. We are appraising a programme of assistance to agricultural research.

10. Kenya was less seriously affected by the 1984 drought than other African countries, largely because the Kenyan Government acted promptly to organise relief. The UK provided balance of payments relief for grain imports. However the long term prospects for agriculture are not encouraging. Only about 20% of the land area is suitable for crop production and there is severe pressure on land and natural resources with a population growth rate of 4% a year. As a result there is increasingly intensive use of arid and marginal land, with the consequent dangers of deforestation and desertification.



11. Our present assistance is concerned with the Embu, Meru and Isiolo provinces North-East of Nairobi, where we are funding soil and water conservation, forestry and livestock projects.

12. We have granted £6.7m for the construction of feeder roads and outgrowers' credit for the Mumias sugar estate. We are also funding an extension to the Agricultural Information Centre in Nairobi.

13. In the research field we are providing £1.27m for continued support for a research project into East Coast Fever, a costly livestock disease, at the Kenya Agricultural Research Institute (KARI). We are providing personnel, vehicles and equipment. Also at KARI, we are supporting two experts carrying out research into Rinderpest, another livestock disease. We have allocated a further £716,000 for this from funds set aside for regional projects in the former East African Community, to support research, training and dissemination of information, but as yet the project has not been formally agreed by the Governments concerned.


14. In May 1986 we agreed to provide £824,000 to supply personnel, vehicles and equipment for a research project at the Kenya Trypanosomiasis Institute (KETRI) to reduce morbidity and mortality from animal trypanosomiasis (sleeping sickness) and open up for livestock production land which is at present tsetse fly infested.

HEALTH AND POPULATION

15. Our main involvement in the sector is the construction of a district hospital at Isiolo, for which we have allocated £3m. Construction is expected to begin soon. In addition we have allocated £.896m as our contribution to the World Bank's Integrated Rural Health and Family Planning Programme. We have offered the Government of Kenya assistance in combatting AIDS, which is becoming a very serious problem.

EDUCATION

16. We provided a new library for Kenyatta University College at a cost of about £.9m and we are supporting three University and Polytechnic links. We are providing £3.49m for 56 Secondary school science laboratories throughout Kenya. We have a substantial technical co-operation programme in education.



PUBLIC SERVICE

17. We have provided 90 specially adapted police landrovers at a cost of £1.5m, and police radio equipment at a cost of £.9m. In addition we have provided fire-fighting equipment to the value of £0.5m.

TECHNICAL CO-OPERATION

18. We have traditionally had a large technical co-operation programme, now running at about £10m a year, including about 35 technical co-operation staff in post and 100 supplemented staff, working in the fields of education, public works, agriculture, transport, legal/judiciary, financial management and public administration and other minor sectors. We also finance consultancies in management, finance and various other fields. The training programme is our largest in Africa, with 800 Kenyans being trained in the UK, and other technical co-operation includes books, seminars, and assistance through VSO.

AID AND TRADE PROVISION (ATP)

19. Kenya has been a major recipient of ATP assistance. Over £12m has been allocated from the Aid and Trade provision since 1981, for assistance to the Kenya Posts and Telecommunications Corporation, Kenya Railways Corporation and Mombasa Port. Recent projects include supply of sugar milling equipment (£.24m) and supply of a gas turbine to the Kipevu Power Station (£1.955m). ATP offers in connection with Plesseys' bid for System X telephone exchanges (£2.62m) and Babcocks' bid for distribution transformers (£.525m) are still on the table.

COMMONWEALTH DEVELOPMENT CORPORATION

20. The Commonwealth Development Corporation (CDC) operates widely in Kenya and is currently associated with over 20 projects involving a total commitment of £65.7 million. In the non-agricultural sector major developments being funded include Bamburi Portland Cement Company (committed £2.4 million); Development Finance Company of Kenya (committed £4.3 million); Kenya Power and Lighting Company (committed £14.8 million). CDC also has an involvement in Housing Finance Company of Kenya Ltd (in which it has 0.5 million shares of KSh 20/- and to which it has made five loans totalling £12.166 million) and the associated Buru Buru middle income housing project (to which it has made a



loan of £1.6 million.) In the agricultural sector major projects include Kenya Tea Development authority (committed £9.0 million); Mumias Sugar Company (committed £3.7 million), Smallholder Coffee Improvement Project (committed £6.8 million) and a loan of £7.5 million, plus an additional £1.7 million in equity, to Oil Crop Development Ltd.

EUROPEAN COMMUNITY AID

21. Through the EC food aid programme, 11,000 tonnes of cereals worth £0.9 million were provided under the 1985 programme and a further allocation of 11,000 tonnes worth £1.1 million was approved from the 1986 programme.

22. The Second Lome Convention established the Fifth European Development Fund under which 114 million ecu (about £80 million) has been committed to Kenya since 1981. The United Kingdom contribution to EDFV is 17.76 per cent.

Major items include:

Machakos Integrated Rural Development Project	18	million ecu (£12.6m)
Road Projects	16.5	million ecu (£11.5m)
Assistance to NCPB	4.6	million ecu (£ 3.2m)
Kisii Valley Bottom Development	4.8	million ecu (£ 3.4m)
Stabex transfers	26.5	million ecu (£21m)
Emergency aid (mainly for drought victims)	2.4	million ecu (£ 1.7m)

Commitments of finance under EDFV are now virtually complete.

23. Kenya's national allocation under the Sixth European Development Fund (established by the Third Lome Convention for commitment up to 1990) is 122 million ecu (about £85 million) which will be spent mainly on projects in the agriculture and rural development sectors. Kenya will also be eligible under EDF VI for Stabex transfers, emergency aid, concessional loans from the European Investment Bank and participation in regional projects. Britain's contribution to EDF VI is 16.57 per cent.



PRIME MINISTER'S MEETING WITH PRESIDENT MOI: 16 MARCH 1987

SOUTH AFRICA

OUR OBJECTIVES

- a) To express appreciation for and to encourage President Moi's pragmatic attitude towards South Africa and sanctions.
- b) To seek Kenyan support for a positive, realistic debate on South Africa at the Vancouver CHOGM.

Arguments

- Totally opposed to apartheid. Remain committed to Nassau goal of trying to promote dialogue in South Africa. Greatly appreciate your reasoned, constructive approach.
- Frankly, see no prospect for further political reform at least until after 6 May white election. Before taking further steps we shall need to assess carefully outcome of the election and SAG actions. Encouraging signs that more liberal Afrikaners in National Party are beginning to make their voices heard.
- African countries such as Kenya and FLS will have an important role when the right time comes in bringing the liberation movements to the table. The Afrikaners, being African themselves, will pay attention to constructive African views.
- Remain convinced that punitive economic sanctions are not the answer. Would be politically ineffective. US measures have only made the SAG more obdurate and defiant.
- International Community should not press FLS, especially Zimbabwe and Zambia, to take action against South Africa which would have disastrous consequences for their economies.



- Vancouver CHOGM should concentrate on areas in which we can agree on constructive cooperation - aid to FLS, Mozambique, SADCC - rather than on further economic measures, on which agreement will not be possible.
- Public divisions on South Africa seriously damage image of Commonwealth in Britain, and achieve nothing.

His Objectives

- a) To sound out UK thinking on South Africa and the CHOGM.
- b) To reassure us privately about Kenya's realistic attitude on sanctions against South Africa, especially airlinks.
- c) But to explain that Kenya cannot afford to be isolated in the OAU or black Africa.

Our Response

- Frustration of NAM, OAU, black South Africans well understood. But need to build bridges in South Africa and work to bring both sides to accept need for dialogue.
- This requires constructive action. Committed to helping FLS reduce economic dependency on South Africa. UK a major donor. In the last five years we have provided over \$1 billion to SADCC countries in bilateral and multilateral aid. Additional £10 million pledged in February.
- Attach particular importance to support for President Chissano. Have recently doubled military training at Nyanga, Zimbabwe; and announced new aid for Zimbabwe (£10 million) and Mozambique (£6.5 million).
- This work will be undone by sanctions. UK not able to provide additional aid to cushion FLS from the effect of sanctions they may ill-advisedly impose.



PRIME MINISTER'S MEETING WITH PRESIDENT MOI : 16 MARCH 1987

SOUTH AFRICA

ESSENTIAL FACTS

Kenya/South Africa

1. The reality - as opposed to the occasional rhetoric - of Kenyan attitudes to South Africa and sanctions depends very much on the views of President Moi. He takes a balanced and realistic view of the South African problem. He is as personally committed as any of his fellow Heads of State to the abolition of apartheid, but recognises that this will not come overnight and that comprehensive sanctions are unlikely to be an effective tool. He also appreciates the damage which the Front Line States, particularly Zimbabwe and Zambia, could do to themselves by taking precipitate action.

Airlinks

2. The Kenyan position on a possible ban on airlinks with South Africa - a measure agreed by all except the UK at CRM and to which Prime Minister Mugabe is still wedded in principle - is of particular importance. BA flights to South Africa stage at Nairobi, and it is highly desirable for the service that they should continue to be able to do so. President Moi is opposed to action to prevent overflights and staging in Nairobi by aircraft en route to and from South Africa because of the domestic economic implications for Kenya (potential losses of as much as £100 million per annum). In addition to royalties/landing fees, the frequency of these flights is an essential factor in maintaining the level of tourism in Kenya, and in ensuring adequate cargo space for Kenya's increasing horticultural exports. But President Moi has told the High Commissioner that if an African band wagon started to roll he would find it difficult not to be on board.



Southern African Development Coordination Conference (SADCC)

3. At the SADCC annual meeting in Gaborone, 5-6 February, Mr Patten's announcement of a further £10 million allocation for SADCC projects (bringing total UK pledges to £35 million) was warmly received. Our main commitments are to the rehabilitation of FLS transport routes, which will help to reduce these states' economic dependence on South Africa.

Military Assistance

4. Training of Mozambican officers/NCOs by BMATT at Nyanga, Zimbabwe, was started in February 1986. Courses run for 12 weeks and have a complement of 60 students. Originally planned for one year the programme has been extended until the end of 1988 and number of students on each course doubled to 120. This is greatly appreciated by both Mozambique and the other Front Line States as a demonstration of HMG's commitment to help the restoration of peace and stability in the region.

Vancouver CHOGM

5. The next CHOGM will take place on 13-17 October in Vancouver. We are seeking to convince "moderate" black African states such as Kenya of the undesirability of further divisions over South Africa in the Commonwealth.

SOUTHERN AFRICAN DEPARTMENT
MARCH 1987

CONFIDENTIAL



MOI, HIS EXCELLENCY HON DANIEL TOROITICH ARAP CGH MP

The President and Commander in Chief of the Armed Forces of the Republic of Kenya.

Born 1924, Baringo District. Tugen (of the Kalenjin-speaking group).

Educated at African Inland Mission School, Kapsabet. Qualified as a teacher, 1945; Headmaster, Government African School, Kabarnet, 1948-49; Assistant Principal. Tambak Teacher Training School, Kabarnet, 1955.

First elected to Legislative Council as Rift Valley African Representative, 1955. Elected Chairman of KADU, 1961; Parliamentary Secretary to the Ministry of Education in KADU Government, 1961; Minister for Education, 1962; Minister for Local Government in Coalition Government, 1962. Elected unopposed for Baringo North, 1963; President of Rift Valley Regional Assembly, June 1963. Crossed the floor with rest of KADU, 1964. Minister for Home Affairs, 1964; internal security added to portfolio, 1965. KANU Vice President for Rift Valley, 1966. Appointed Vice President in succession to Joseph Murumbi, January 1967. Re-elected unopposed MP for Baringo Central in 1969 and 1974 general elections and re-appointed Vice President and Minister for Home Affairs in the new governments.

In August 1978 he was sworn in as Acting President after Kenyatta's death and, in October 1978, was elected unopposed as the President of KANU and the second President of the Republic of Kenya. Re-elected unopposed as MP for Baringo Central, 1979 and 1983 general elections. Re-elected President of KANU, July 1985. He was Chairman of the OAU from June 1981 to November 1982. Rapidly and firmly re-established his authority after the coup attempt of 1 August 1982.

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Lately has played a more active role in regional affairs as an intermediary between South and North in Sudan and in chairing the peace talks between the rival Ugandan factions after the coup in July 1985.

A tall and rather imposing man who looks a national leader. He is an instinctive politician and often fails to think his ideas through. Not really at ease when speaking English, and happier in Swahili. He is far more industrious than most of his Ministers. His aim and style is popular, and increasingly autocratic.

In the early years of his Presidency, he leant heavily on the advice of Charles Njonjo (qv) and, to a lesser extent, Vice President Kibaki (qv). However, even before the August 1982 coup attempt, which shook him badly, he was beginning to distance himself and turned instead to a mediocre set of Ministers he had installed in the office of the President (particularly Biwott and Tipis). There is a danger that he now looks for loyalty in his Ministers regardless of ability, though some of his Ministerial appointments show common sense.

His spell as Chairman of the OAU has inclined him to improve relations with Kenya's neighbours and generally to strike a more pan-African note. On South Africa, he adopts the OAU line in public while accepting the need for compromise in private. He took Kenya out of the Edinburgh Commonwealth Games in 1986 over South Africa. He continues well disposed to Britain. He has been helpful in foreign affairs, sending a Kenyan contingent as part of the Rhodesia monitoring force, vetoing Kenyan participation in the Moscow Olympics, and giving whole-hearted support to us over the Falkland Islands dispute. But ultra-sensitive to criticism by British press or politicians.

A devout Christian. Fair English. Divorced in 1976 (two sons, five daughters).



MWANGALE, HON ELIJAH WASKIKE EGH MP

Minister for Foreign Affairs.

Born 1938, Bungoma District. Luhya.

Educated in West Province; University of West Virginia, USA (Dip Agric, B Sq, M Sc).

Lecturer at Egerton Agricultural College, Njoro. Elected KANU MP for Bungoma East, 1969 general election; re-elected 1974 elections; Chairman of the Select Committee to investigate murder of J M Kariuki, 1975; elected KANU Chairman for Bungoma District, 1976; re-elected MP for Bungoma East, 1979 general election. Appointed Minister for Tourism and Wildlife, 1980. Re-elected MP in 1983 general election and appointed to present post.

As a young MP he was an outspoken and articulate backbencher, often discreetly critical of Kenyatta's Government. Attempted to set up a Commission of Enquiry into Tom Mboya's murder in 1969 but was sternly warned off by Kenyatta. This did not deter him from again taking a provocative stand when Chairman of Select Committee to investigate the murder of J M Kariuki, which led to him being arrested for a few days. Heavily involved in ivory smuggling in the 1970's. As Minister for Tourism he was a disappointment, doing little homework and failing to establish good relations with the tour operators, both within and outside Kenya. Particularly hostile to British Airways over their request for an air charter licence. He led, with his fellow Luhya Shikuku (qv) the attack on Njonjo (qv), in June 1983 which led to the latter's final downfall.

Considered by many of his colleagues to be incompetent and too prone to make embarrassing, unconsidered public statements.



Foreign and Commonwealth Office

London SW1A 2AH

13 March 1987

CCPC
BJP
EWB 13/3

Dear Charles,

Visit of President Moi: New Grant Aid Agreement
for Kenya

Thank you for your letter of 9 March.

I attach a short speaking note for the Prime Minister's use at the signing, together with background material on our aid programme to Kenya.

Mr Patten will be in attendance, as will a representative of our Nationality & Treaty Department (with whom we are in close touch about arrangements).

The draft agreement is now with the Ministry of Finance in Nairobi and we are pressing them to arrange the necessary clearance before the weekend. We shall let you know at once if any delays are likely to occur on that account.

Yours ever,

L Parker

(L Parker)
Private Secretary

C D Powell Esq
PS/10 Downing Street

10. R.
MR HORNE ✓ noted gja

MRS GOODCHILD ✓ SC

MR TAYLOR ✓

VISIT TO PRESIDENT MOI

When President Moi of Kenya comes to see the Prime Minister at 1100 on Monday 16 March they will sign a new Aid Agreement.

I would be very grateful if Mr Taylor could make arrangements for this in the Pillared Room, following the usual pattern - a table at which the Prime Minister and the President could sign with Ministers and officials standing in a semi-circle round them. It would be nice to have champagne served as soon as the signing has taken place.

I should be grateful if Mr Horne could arrange for press coverage of the signing.

Immediately following the signing the Prime Minister and the President will withdraw to conduct their talks.

CDP

Charles Powell

9 March 1987



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

9 March 1987

VISIT OF PRESIDENT MOI: NEW GRANT AID AGREEMENT FOR KENYA

Thank you for your letter of 6 March proposing that the agreement for new Grant Aid for Kenya should be signed by the Prime Minister and President Moi when the latter comes to No.10 for talks on Monday 16 March. The Prime Minister is ready to do this. We shall make the necessary arrangements here. I should be grateful if members of Nationality and Treaty Department could prepare the necessary documents and be on hand to help with the signing. It would clearly be appropriate for Mr Patten to be present if he is available.

BF // I should be grateful for a short speaking note for the Prime Minister's use at the signing.

I am copying this letter to Martin Dinham (Overseas Development Administration).

Charles Powell

Lyn Parker Esq
Foreign and Commonwealth Office.

MSQATR

Five

MR HORNE

MRS GOODCHILD

MR TAYLOR

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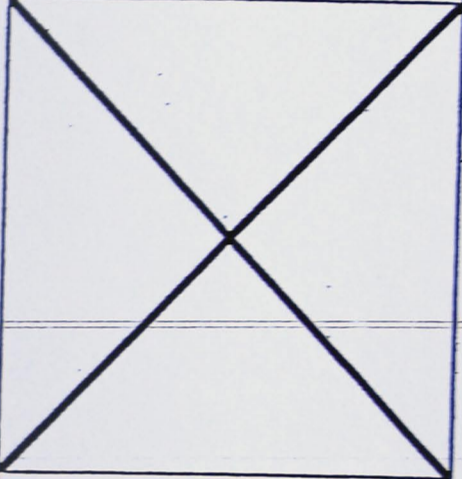
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Charles Powell

9 March 1987

A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>3838</i> (one piece/item number)	
Extract details: <i>Minute from Cradock to Powell dated 6 March 1987</i>	
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Instructions for completion of Dummy Card

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.

This should be an indication of what the extract is,

eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.

Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.



Prime Minister
Signing the aid agreement
with President Moi

Foreign and Commonwealth Office

London SW1A 2AH

6 March 1987

should get useful
publicity for our aid
programme, and the help
we give to black Africa.

Dear Charles, Agree to start signing
ceremony during your talks?
Yes Mr CDP 6/3

Visit of President Moi: New Grant Aid Agreement for Kenya

On his current visit to Kenya, Mr Patten has offered a new British Aid Grant of £50 million for development projects to be agreed between our two Governments over the years ahead. The offer was well received by President Moi. The new grant does not in itself imply an increased level of spending but will enable us to maintain disbursements of capital aid to Kenya at current levels. Our planned spending levels to Kenya average about £25 million a year, excluding finance provided through the Commonwealth Development Corporation and the Aid and Trade Provision.

President Moi's call on the Prime Minister on 16 March would be an appropriate opportunity for the formal agreement in respect of this new grant to be signed. The Foreign Secretary believes that a gesture of this kind would be welcome to the President. It would demonstrate the strength of the British commitment to Kenya at a time when relations have been strained by unwelcome publicity over AIDS and our military training facilities. Publicity for signature of the agreement should encourage positive press coverage of the visit; the press may otherwise be tempted to concentrate on problems which we hope to have put behind us.

I should be grateful to know whether the Prime Minister would be prepared to sign the agreement with President Moi, on the assumption that we can get the text cleared through the Kenyan administration on time.

I am copying this letter to John Howe (MOD).

Yours ever,
L Parker

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street



CONFIDENTIAL

cc/c



Foreign and Commonwealth Office

London SW1A 2AH

4 March 1987

CD/4/3

Dear Joan,

Visit to the UK by President Moi of Kenya

You will be aware from our East African Department that President Moi of Kenya, accompanied by four of his Ministers (Foreign Affairs, Planning, Finance and Energy), is paying an official working visit to the UK on 15-16 March on his way back from an official visit to Washington. On 16 March he is calling on the Prime Minister (at 11.00); he has also been granted an audience of The Queen (at 14.15). Mr Patten will be calling on him earlier in the day (10.15). Mrs Chalker is calling on him on 10 March, when he is passing through London on his way to the United States.

We should very much like to offer the President some hospitality on 16 March and, as EAD explained to you, should be very grateful if Lord Whitelaw could agree to host a lunch. The Prime Minister is unavailable as she is giving a Cabinet lunch on that day., The Foreign Secretary is in Brussels (with Mrs Chalker) for the Foreign Affairs Council. The Prince of Wales (who is visiting Kenya towards the end of March) will also be abroad.

Lord Whitelaw will be aware of the substantial importance of our interests in Kenya. It is our third largest market in sub-Saharan Africa with an estimated £1 billion worth of UK investment. The RAF have landing rights at Nairobi and the Royal Navy port rights at Mombasa. The Kenyans also make available to us (at some domestic political expense) invaluable military training and exercise facilities in Kenya. Our personal relations with Moi are good (in spite of occasional sensitivities): he has been very helpful to us over South Africa as a moderating influence with fellow African Heads of State. There is considerable parliamentary interest in and contact with Kenya (which is a member of both the IPU and CPA).

The Foreign Secretary hopes that the Lord President will be prepared to take this on. If he can we shall provide suggestions for a guest list. A provisional booking has been made for Lancaster House, if that were to be convenient. As

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you will notice from the timings, the lunch would have to be over by 14.00 to ensure that President Moi is at Buckingham Palace on time, but could start at 12.15 for 12.30.

I am sending a copy of this letter to Charles Powell (No 10).

Yours sincerely,

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

(L Parker)
Private Secretary

Miss Joan MacNaughton
Lord President's Office

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Faint, illegible text, possibly bleed-through from the reverse side of the page.

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COPC

Foreign and Commonwealth Office

London SW1A 2AH

27 February 1987

EAD 27/2

Dear Richard,

Visit to the UK by President Moi of Kenya

You will be aware from our East African Department that President Moi of Kenya, accompanied by four of his Ministers (Foreign Affairs, Planning, Finance and Energy), is paying an official working visit to the UK on 15-16 March on his way back from an official visit to Washington. On 16 March he is calling on the Prime Minister (at 1100): he has also been granted an audience of The Queen (at 1415). Mr Patten will be calling on him earlier in the day (1015). Mrs Chalker is calling on him on 10 March, when he is passing through London on his way to the United States.

2. We should very much like to offer the President some hospitality on 16 March and as EAD explained to you, should be very grateful if Lord Hailsham could agree to host a lunch. The Prime Minister is unavailable as she is giving a Cabinet lunch on that day. The Secretary of State is in Brussels (with Mrs Chalker) for the Foreign Affairs Council. The Prince of Wales (who is visiting Kenya towards the end of March) will also be abroad.

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If the Lord Chancellor can take this on, we shall provide suggestions for a guest list early next week.

A provisional booking has been made for Lancaster House, if that were to be convenient. As you will notice from the timings, the lunch would have to be over by 1400 to ensure that President Moi is at Buckingham Palace on time, but could start at 1215 for 1230.

I am sending a copy of this letter to Charles Powell (No 10).

Yours sincerely, *Lyn Parker*

(Lyn Parker)
Private Secretary

Richard Stoate Esq
PS/Lord Chancellor
House of Lords

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file
OTS.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

10 February 1987

Thank you for your letter of 9 February about the visit of President Moi of Kenya. I confirm that the Prime Minister would be able to receive President Moi at 1100 on 16 March.

C D POWELL

Lyn Parker, Esq.
Foreign and Commonwealth Office

slw

copy ①

010



Foreign and Commonwealth Office

London SW1A 2AH

9 February 1987

Yours

Prime Minister
Agreed to see
President Moi for an
hour on 16 March?

Dear Charles,

President Moi

President Moi of Kenya has told our High Commissioner in Nairobi that he hopes to pass through London on the way back from an official visit to the US on 14-16 March. He has said that he would very much like to call on the Prime Minister on the morning of Monday 16 March.

copy
9/2

Our military, political and commercial interests in Kenya are substantial (our third largest market in Africa; our largest bilateral aid programme in Africa; and the recipient of an estimated £1bn of UK investment). The Foreign Secretary hopes that the Prime Minister will be prepared to see President Moi, particularly in view of the unfortunate publicity recently given to the military training and exercise facilities which we enjoy in Kenya and the Prime Minister's own personal message to President Moi about this. I understand that there may be space in the Prime Minister's diary at 1100 on 16 March.

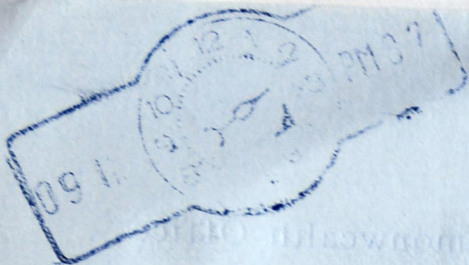
We are seeking to arrange a short call at the Palace on the same day.

Yours ever,

L Parker

(L Parker)
Private Secretary

C D Powell Esq
PS/10 Downing Street



09 11

PM 37