

GRS 249

UNCLASSIFIED

DESKBY 170600Z DAR ES SALAAM

DESKBY 170600Z NAIROBI

DESKBY 170700Z KAMPALA

FM FCO 141330Z MAY 84

TO IMMEDIATE DAR ES SALAAM

TELEGRAM NUMBER 135 OF 16 MAY

AND TO IMMEDIATE NAIROBI, KAMPALA

NAIROBI TELNO 503 TO FCO (COPIED TO YOU): EAC

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO PRESIDENTS NYERERE, MOI AND OBOTE BEGINS

I WAS VERY PLEASED TO HEAR OF YOUR DECISION TO SIGN THE ACCORD MARKING YOUR AGREEMENT ON THE APPORTIONMENT OF THE ASSETS AND LIABILITIES OF THE EAST AFRICAN COMMUNITY. WE HAVE LONG AND HISTORIC TIES WITH YOUR THREE COUNTRIES AND WELCOME A MOVE WHICH WILL DRAW THEM CLOSER TOGETHER AND ENABLE YOU TO BUILD ON PAST FOUNDATIONS TO ENCOURAGE NEW AND WIDER COOPERATION IN THE REGION.

WE ARE GLAD TO HAVE BEEN ASSOCIATED WITH THE PROCESS LEADING UP TO THIS ACCORD. AS YOU KNOW, WE INDICATED AT THE MEETING OF EAC COUNTRIES AND CREDITORS IN PARIS IN MARCH THIS YEAR THAT WE WOULD BE PREPARED TO CONSIDER WAIVING REPAYMENTS ON BRITISH GOVERNMENT LOANS. I AM PLEASED TO BE ABLE TO TELL YOU THAT WE CAN AGREE TO FOREGO ARREARS OF INTEREST AND CAPITAL PAYMENTS AND WAIVE FUTURE REPAYMENTS WHICH TOGETHER AMOUNT TO ALMOST POUNDS STERLING MILLION. I HOPE THAT THIS IS HELPFUL TO YOU IN RESOLVING SOME OF THE PRACTICAL ASPECTS OF THIS AGREEMENT.

FOR THE FUTURE, WE ARE READY TO HELP YOU PROMOTE FURTHER REGIONAL DEVELOPMENT, AND WE WILL ENCOURAGE OTHER MEMBERS OF THE DONOR COMMUNITY TO REACT IN A POSITIVE MANNER TO THE OPPORTUNITIES PROVIDED BY THIS ACCORD.

ENDS

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LIMITED

EAD

ERD

NEWS D

OADS

ODA

PS

PS/MR RAISON

PS/PUS

SIR J LEAHY

MR SQUIRE

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