

Prime Minister's
Inty Clerk
18/11

CHOGM

Foreign and Commonwealth Office

London SW1A 2AH

18 November 1983

Jan Tabor

The Prime Minister did not
have a bilateral with President Moi.CHOGM: Bilateral with President Moi of Kenya

A.S.C. 36/11

The Prime Minister has agreed to have a bilateral meeting with President Moi of Kenya. The basic political and economic background is set out in the background brief (PMVE(83)(C39). The main purposes of the meeting will be to provide further reassurance to Moi of our support for him; dispel any lingering suspicions he may retain that we could have contemplated supporting Njonjo against him; and to get him to reverse the incipient difficulties his senior army officers are putting in the way of our military assistance and our own training programmes. I enclose a short speaking note. This has not been seen by the Foreign Secretary: I shall be submitting a copy to him in parallel this evening.

You may find it helpful to have the following additional background on the points covered in the enclosure. Taking them in order:

(i) Last March President Moi, in thanking the Prime Minister for the British response (notably an additional £10m aid commitment) to his appeal for balance of payments support, invited her to visit Kenya. She replied that she could not take up the invitation this year, but looked forward to a visit at a later date.

(ii) and (iii) In his handling of the domestic political situation since the attempted coup in August 1982, Moi has shown considerable deftness. He now has a cabinet of Ministers clearly owing their positions to him. But the Njonjo affair is not over. We do not know what precipitated Moi's decision to get rid of him. But, whatever it was, Njonjo's close association with Britain led Moi to act as if he suspected British connivance with Njonjo against him. We believe that his own return of confidence and the steps we have taken to reassure him have been successful. At the same time there remains the risk that the judicial enquiry into Njonjo's actions (due to recommence on 22 November) will bring into the open Moi's own involvement in activities, e.g. acceptance of money and the dealings with South Africa, of which Njonjo is accused. While becoming more alive to the dangers, Moi appears unable to find a defensible way out. Unless Moi himself confides in the Prime Minister about his difficulties, it would be unwise to mention the affair, lest we seem to be acting as Njonjo's advocate. On the other hand, if the tone of the conversation is warm, it could be useful for the Prime Minister to signal that we regard Njonjo as a spent political force.

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(iv) Last May, at the height of the Njonjo affair, Moi instructed his Defence Staff to distance themselves from foreigners. As a consequence the Department of Defence, the Army and the Air Force have been making the everyday conduct of business unduly complicated for the Defence Adviser, our military training teams and the British units out for exercises. A few days ago we were presented with the draft of a revised memorandum of understanding covering our training arrangements. This has not yet been analysed in detail, but appears a good deal more restrictive than the present one. It is not clear whether Moi has been consulted about the new document, in which our High Commissioner detects an underlying attitude of suspicion and distrust. Given the importance to us of the Kenyan training facilities this development is disquieting.

(v) On 14 November Presidents Moi, Obote and Nyerere met in Arusha where they agreed on a basis for apportioning the residual liabilities and assets of the defunct East African Community. This opened the way for Tanzania to reopen its border with Kenya. These decisions are important and could do much to revive the economy of the region as a whole. As such they can be warmly welcomed. British companies with manufacturing investments in Kenya geared to the regional market should benefit. But there may be some temptation for Kenya, in return for Tanzanian signs of economic realism, to be tilted towards a more 'African' stance on international issues. As regards the OAU, Moi had hoped that his Chairmanship (1981-82) would mark his emergence as an African statesman. In fact, the behaviour of Qadhafi, Moi's designated successor, over Western Sahara and Chad almost led to the Organisation's collapse. Moi was greatly relieved when his prolonged tenure of office ended and feels that he deserves credit for securing a handover to Mengistu of Ethiopia with the OAU intact.

(vi) With the unrelenting pressure of population growth and few natural resources, the Kenyans are bound to look for more assistance, particularly in the form of rapidly dispersible programme aid, to help them conform to IMF conditions. It will be difficult to meet such requests, given the extreme competition for our limited resources, but we hope to announce some contribution at the next Consultative Group meeting in January 1984. Our aid programme is based on an annual allocation of about £25 million. This makes the Kenyan programme our second largest in Africa (after Sudan). Actual expenditure fluctuates from year to year, but is close to what Kenya's administration can absorb as well as to the maximum we can afford.

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I am copying this letter and enclosure to Richard Hatfield (Cabinet Office).

Handwritten signature of R B Bone

(R B Bone)
Private Office

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POINTS TO MAKE

(i) Congratulations on his re-election; wish new Kenya government success. Lord Whitelaw looking forward to attending 20th anniversary celebrations. Queen delighted by Her visit - warmth of welcome reflected strength of relations. Hope to take up invitation to visit Kenya before too long.

(ii) Our commitment to helping Kenya's economic development is clear and firm.

(iii) Admire Moi's skill in giving all regions of Kenya an interest in the political process and economic improvement. Vital, with a long economic haul ahead.

(iv) Have greatly appreciated longstanding cooperation in military matters. Recognise delicacy: all countries face problem that security requires outside help yet this remains the internal affair. Understand why it was necessary to introduce stricter rules on access to defence facilities in pre-electoral period; but hope that Moi will tell his defence forces that they can now revert to the more relaxed basis with us which is reflected in the existing memorandum of understanding. We make every effort not to abuse Kenya's hospitality and non-aligned status, but, if there are problems, would be ready to discuss them frankly in a spirit of mutual trust.

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(v) We all admired Moi's handling of OAU affairs during the exceptionally difficult period of your chairmanship. Have the impression that Kenyan diplomacy is largely responsible for successful resolution of East African Community (EAC) issue, paving way for Nyerere to reopen his frontier. Congratulations. Should be a major encouragement to British investors in Kenya as well as contribution to regional stability.

(vi) [Defensive] Are providing all the aid we can. Public expenditure control a pre-condition for our long term prosperity on which aid giving capacity hangs. Taking one year with another we remain Kenya's largest donor, with most aid in grant form. Glad we were able to make a new commitment of £10 million in response to Moi's appeal last year. Hope these points will be remembered when it comes to award of externally funded contracts. We shall of course play a constructive role at the Consultative Group meeting in January. Kenya's continued adherence to the programme agreed with the IMF is a great encouragement.

(vii) Grateful for Falklands abstention.