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*From the Private Secretary*

5 March 1986

**PRIME MINISTER'S MEETING WITH  
THE PRESIDENT OF SIERRA LEONE**

The Prime Minister saw President Momoh this afternoon. The President was accompanied by his Foreign Minister and High Commissioner.

The Prime Minister extended a warm welcome to President Momoh. She had been absolutely furious about the "Silver Sea" affair. The claims made by the Captain had been totally and utterly false. She understood that the President had been kept fully informed throughout.

The Prime Minister invited President Momoh to give her an account of the situation in Sierra Leone. President Momoh said that it would be a long story. The country had been blessed with a smooth transfer of power last October. But he had to deal with a very difficult economic situation. The population was increasing rapidly. Much of the economy was in the hands of Lebanese and Indians. The country was having to import large quantities of food and was spending 40 million US dollars a year on rice alone. Smuggling remained a major problem. Indeed he would say that diamonds had been more of a curse for Sierra Leone than a boon. Able-bodied men were drawn off the land into the mining areas in search of easy money and farming suffered in consequence. In the face of these problems, he had made up his mind to reach an agreement with the IMF and hoped to do so within the next week or two. It would require courageous and painful measures, particularly in relation to subsidies on the main commodities. The one measure at which he balked was removing the subsidies on the staple food of rice. This would lead to a three-fold increase in prices.

President Momoh said that he had two problems with the IMF. First they took account only of the economic situation in a country and ignored the socio-political obligations which leaders had to their people. Secondly their teams came with fixed mandates and no latitude to negotiate. There was little point in trying to discuss problems with them. He would like to see the United Kingdom putting in a helpful word with the IMF for its friends. The Prime Minister said that we did often try to help, and would

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certainly consider whether there was any more we could do in Sierra Leone's case. But it was very important to have the support of the IMF and she thought that the President would find them reasonable and prepared to consider gradual steps towards objectives which they set. She advised him strongly to adopt the measures which they recommended. Once agreement had been reached with the IMF we would be ready to consider areas in which our co-operation with Sierra Leone could be continued and expanded.

The Prime Minister asked President Momoh about the wider situation in West Africa. President Momoh said that inevitably Nigeria was the dominating force. He had recently met President Babangida with whom he had been at cadet school and remained in touch over the years. Nigeria was a wealthy country but its economy had not been well managed. The situation in Liberia was very volatile though rather better in Guinea which seemed to be drawing closer to France again. Sierra Leone found membership of ECOWAS helpful, particularly in bringing down barriers between anglophone and francophone countries. The Prime Minister said that the United Kingdom continued to play a very active role in Africa. Our armed forces were much in demand to provide training and assistance in a number of countries, we were closely involved with developments in southern Africa and had of course made an important contribution to relieving the famine in Ethiopia and Sudan. Africa remained high on the list of priorities. President Momoh seemed gratified by this statement.

I am copying this letter to Rachel Lomax (HM Treasury) and to Martin Dinham (Overseas Development Administration).

(CHARLES POWELL)

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Foreign and Commonwealth Office.