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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRESIDENT OF THE SUDAN AT 1030 ON MONDAY 24 JANUARY 1983

Present: Prime Minister

Sir John Leahy

Mr. A.J. Coles

President Nimeiri The Sudanese Ambassador

The Prime Minister enquired as to the state of the President's health. President Nimeiri said that he was quite well. He had received medical treatment in the United States. He was grateful for the opportunity to meet the Prime Minister. Britain and the Sudan were friendly countries.

After thanking the President for the Sudan's support during the Falklands crisis, the Prime Minister enquired about the Sudan's domestic problems. She believed that the agreement that President Nimeirihad reached with the IMF had been courageous.

President Nimeirisaid that he had begun to execute the IMF programme. There had initially been some domestic opposition, but the programme was now accepted. The Sudanese had to work hard. Basically, they were not a poor people. There was land, water and human resources. But these days workers thought they could achieve higher wages through strikes and demonstrations. He believed in exposing the problems frankly to the people. Most of the Sudan's current problems stemmed from surrounding countries such as Ethiopia, Uganda, Zaire, the Central African Republic and Libya. The Sudan was unlucky with its neighbours. Out of nine countries, only Egypt, Saudi Arabia and Kenya were stable. The Sudan received many refugees from the rest.

Sir John Leahy enquired about the state of the Sudan's relations with Ethiopia. President Nimeiri said that he was working for a good relationship but Ethiopia was subject to pressure from the Soviet Union and Libya. Sir John Leahy said that he was hoping to visit the Horn shortly, partly to check on reports that

Ethiopia was coming more and more under Soviet influence. President Nimeirisaid that Ethiopia was a poor country, racked by civil war. There was still a very bad drought. Many farmers had entered the army which had swollen to 200,000 troops compared to the 50,000 of the Sudan. The soldiers were not paid salaries and had to live off the land.

President Nimeiri said that the Sudan was working hard to achieved its development aims. He was very grateful for British help especially on the Power III project. The Prime Minister said that we hoped that our aid would be used to help with the fundamental problems. What was the chief difficulty in achieving economic growth? President Nimeiri said that the main problem was inflation. Each project cost more than was anticipated. Sir John Leahy asked whether the Sudan Government had had some difficulty in financing the local costs of the Power project. The Sudanese Ambassador said that this problem was now solved. The Government attached the highest priority to this project in allocating resources. So the main UK contractor should not worry unduly.

The Prime Minister observed that the OAU had faltered since President Nimeiri had ceased to be Chairman. President Nimeiri said that he had been opposed to the last session in Tripoli. The Sudanese knew that the OAU could not function with Qadhafi at its head. It was very difficult for a Sudanese delegation to visit Libya safely. Qadhafi was angry with the Sudan for backing Egypt over the Camp David agreement. He was trying to change the Sudanese regime and his activities were indeed one of the Sudan's major problems. He was also attempting to invade Chad secretly, through subversion. The Sudan, together with France and the United States, was supporting Chad against these attempts. But it was necessary for all peace loving countries to come together against Qadhafi. He interfered everywhere, even in Northern Ireland. In London he financed a number of Arabic magazines which were working against the Sudan. Sir John Leahy said that we were well aware of these activities and kept a close eye on the legality of what was written in the magazines.

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President Nimeiri referred to the agreement which Libya had made with South Yemen and Ethiopia; which was directed against Saudi Arabia, North Yemen and Oman in Arabia and against the Sudan, Egypt and other countries in Africa. The agreement served Soviet strategy in the area. The Sudanese Ambassador observed that the three participating countries were reither all Arab, all African or all Muslim. The only linking factor was the Soviet connection.

The Prime Minister pointed out that it was the West which gave genuine development aid. The Russians merely gave, or rather sold, weapons of destruction. President Nimeiri recalled the activities of the Patrice Lumumba University in Moscow which was really a device for training Communist leaders in developing countries. Sir John Leahy thought that there were signs of disillusionment with the Soviet Union in Mozambique, Angola and West Africa.

/ President Nimeiri

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President Nimeiri said that he believed that the Sudan was a model of the way in which Western support could benefit a developing country. If the model succeeded, other African countries would turn to the West. He had earlier told Mengistu that if he moved away from the Soviet Union he (Nimeiri) could ensure that the West supported him. A start had been made on improving relations but the Russians and Libyans had moved in quickly to sever the new relationship, Sir John Leahy asked whether this meant that there was a real possibility of drawing Ethiopia away from the Soviet Union. President Nimeiri considered that there was. There were nationalist groups in Ethiopia. The Sudan was now concentrating on establishing a good relationship with the Ethiopian Minister of Defence who wanted to reduce Soviet influence. In the last few months there had been a rising in the Ethiopian army against the Soviet presence. The Prime Minister commented that we should reflect further on the possibility of working to reduce the Soviet presence. It would require a combined effort.

President Nimeiri asked how relations were between the UK and Libya. Sir John Leahy replied that they were very bad and the Prime Minister recalled the difficulties we had had earlier with the Libyan Office in London.

In reply to a question from President Nimeiri, the Prime Minister explained the current position about the possible visit to London by an Arab League Delegation. It was impossible for her to receive a representative of the PLO but she hoped that a former Mayor, or another Palestinian, would represent the Palestinian people. We were not only ready to receive a delegation on 7/8 February, we actively wished to receive one. We had been forthright in upholding the legitimate rights of the Palestinians. President Nimeiri said that he wanted the issue to be solved. All Arabs believed that the PLO were the only legitimate representative of the Palestinian people. The Prime Minister repeated that she was very willing to talk to Palestinian representatives but we had a special problem with the PLO which, for example, had had links with the Northern Ireland situation in the past.

/ President Nimeiri

## CONFIDENTIAL - 5 -Nimeiri promised to make enquiries.

President Nimeiri said that he had heard yesterday that Yasser Arafat had recently had a meeting with Israeli leaders.

The Prime Minister referred to a report which we had just received that over the weekend a correspondent for the BBC and Guardian in Khartoum had been arrested. These sort of incidents could receive a good deal of attention in the media. President

As the discussion was ending, Sir John Leahy raised with the Sudanese Ambassador the question of compensation for British firms (Khartoum telegram No. 30 of 22 January). He explained to the Ambassador that the idea that British aid money should be used to compensate the firms in question was not a practical possibility.

The conversation ended at 1120 hours.

A.J.C.