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Rhodesia: Sit<sup>n</sup>

NOTE OF A TÊTE-A-TÊTE DISCUSSION BETWEEN THE PRIME MINISTER AND  
PRESIDENT DANIEL ARAP MOI OF KENYA AT 10 DOWNING STREET ON  
13 JUNE 1979 AT 1045

Present:

Prime Minister  
Mr. B. G. Cartledge

President Moi  
Mr. Philip Ndegwa  
(Chief Economic Adviser  
to President Moi)

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Welcoming President Moi, the Prime Minister said that his visit to London was a great pleasure and delight to the British people. The United Kingdom regarded Kenya in a very special light and admired the stability and internal cooperation which had been achieved there. The relationship between Kenya and the U.K. was a very special one. The Prime Minister said that she was aware that Kenya faced some problems at present, including those which were affecting her balance of payments position.

President Moi agreed with the Prime Minister that Kenya's long relationship with the U.K. had a special character; the two countries belonged to one family. He was very grateful for what the U.K. had done for Kenya in the past. British help had enabled Kenya to overcome her early difficulties, which had sometimes seemed insuperable. The problem which now confronted Kenya was, as a result of the unfriendly attitude of some of her neighbours, including Somalia, a feeling of insecurity among the Kenyan people. In the past, the Kenyan Government had concentrated its efforts on economic development and on raising the Kenyan standard of living. Now, however, as a result of the policies pursued by Amin, Siad Barre and the Tanzanian Government, Kenya had been obliged to make considerable purchases of arms from the U.K., United States, France and West Germany. The current Kenyan Budget totalled about £762 million, of which £250 million was devoted to defence. Kenya was importing from the U.K. alone defence equipment worth £113 million during the period up to 1987. A payment of £20 million was due in four months' time in respect of these purchases.

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Kenya had also made purchases totalling about £200 million from the U.S., France and West Germany. President Moi said that he would be very grateful if the U.K. could discuss with these NATO partners how all of them could help Kenya to overcome her balance of payments difficulties. The U.K. had made available a loan of £80 million of project aid for the period 1979/82 and half of this would be spent on imports from the U.K. But Kenya's exports were quite insufficient to cover all these liabilities. President Moi said that he very much hoped that the U.K. could help Kenya to bridge the gap, if only by extending the term of the repayments already due. He would be making similar requests to the American, French and German Governments. He was especially anxious that Kenya should not be put into the position of having to default on payments, thereby damaging her credit-worthiness. The Prime Minister recalled that the U.K. had already waived repayments on previous loans amounting to £68 million. It had now been agreed that £80 million in project aid should be offered for the period 1979/82. In addition, the Prime Minister said, the British Government were prepared to offer Kenya the transfer of £15 million of this project aid to programme aid, thereby bringing forward the payments to the Kenyan Government. This might help Kenya to overcome her immediate problems.

Mr. Ndegwa said that Kenya had applied to the U.K. for £30 million of further programme aid: the Prime Minister's offer, therefore, still left a shortfall of £15 million. The Prime Minister pointed out that the British Government also had its problems. The Government of the U.K. had just embarked on a new programme designed to create extra wealth for the country. Despite the commitments resulting from this, however, the U.K. was anxious to help Kenya and had therefore offered the accelerated payment of £15 million. She thought that this was a reasonable compromise to take account of the problems of both sides. Mr. Ndegwa said that the finance of Kenya's defence purchases from the U.K. carried a satisfactory interest rate of 7.5%, but the repayment term was short: it would be impossible for Kenya to meet her commitments <sup>without</sup> default. The repayments which Kenya would have to make between now and 1986 on defence

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purchases totalling £200 million, plus interest and escalation costs, would amount to much more than she could hope to earn by her exports. Mr. Ndegwa agreed that the Prime Minister's offer of a £15 million switch from project to programme aid would be helpful but repeated that it was too little to solve Kenya's problems. The Prime Minister asked Mr. Ndegwa to send her a list of the defence contracts with U.K. companies on which payments were due so that she could see the facts. The Prime Minister said that she would certainly consider Kenya's problem, but could not be over-optimistic about the outcome. President Moi said that he would certainly send the Prime Minister a factual note.

The Prime Minister asked President Moi about Kenya's relations with her neighbours. President Moi said that he thought that Somalia was now doing what she could to be helpful. He himself proposed to visit Saudi Arabia in June and President Siad Barre might fly to Riyadh while he was there. If this meeting went well, it could make a helpful contribution to Kenyan/Somalian relations. So far as Uganda was concerned, the situation was fluid. He had been to meet President Nyerere at Arusha in order to hear his explanation of Tanzania's invasion of Uganda. President Nyerere had told him that he would like Kenya and the U.K. to provide significant help for Uganda in its present difficulties. President Moi had told President Nyerere that he would do what he could. President Moi commented, however, that any aid given to Uganda from outside would have to be properly managed: at present, lawlessness was still rampant there and Uganda lacked a proper Civil Service, an army and a police force. It was important, and he had urged President Nyerere in this sense, that President Lule should be given the freedom to take his own decisions. The Kenyan Vice President would be travelling to Kampala to discuss the refugee problem and military links. If the situation in Uganda could be stabilised, Kenya would have a good prospect of peace.

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Turning to Zimbabwe, President Moi said that President Kaunda had asked Kenya for maize but problems had arisen over transport. It had eventually been agreed to send the maize by sea from Mombasa.

President Moi told the Prime Minister that he had discussed Zimbabwe/Rhodesia with President Nyerere, who had acknowledged that a change had taken place there. President Nyerere nevertheless maintained that Bishop Muzorewa should not be content with what he had got so far. The Prime Minister told President Moi about Lord Harlech's mission to South Africa. She said that the British Government was finding increasing recognition that the April elections in Rhodesia could not be ignored. There had been an enormous turnout - bigger than several in the U.K. and there was an increasing feeling that something had happened which had wholly altered the situation and could provide the basis for a peaceful settlement. The prize for Southern Africa was enormous: Zimbabwe/Rhodesia could provide her neighbours with food. Whatever else might be said, Zimbabwe/Rhodesia had held elections on the basis of one man, one vote and in which four political parties had taken part. President Moi agreed that a settlement would bring great rewards.

The Prime Minister repeated that Zimbabwe/Rhodesia was a rich country and that the prize of a peaceful settlement would be immensely valuable not only for Southern Africa but for the West as a whole. President Moi said that he agreed absolutely. The Prime Minister told President Moi that Lord Harlech would have consultations with Joshua Nkomo and Robert Mugabe if he saw fit and thought it wise to do so. It was unrealistic to expect Zimbabwe/Rhodesia to move straight from its previous situation to a perfect democracy. She nevertheless hoped that if the Government proceeded gradually a settlement could eventually be achieved.

President Moi said that Kenya agreed that a new situation had been created. But, although it was true that the President and the Prime Minister of Zimbabwe/Rhodesia were now black, a real transfer of power had not taken place. The continued exclusion of

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those outside the country would prolong instability and cause continuing and unnecessary loss of life. Kenya was strongly opposed to this. He had advised Bishop Muzorewa privately not to adopt a hard line towards the Patriotic Front but to leave it to them to refuse his invitations to discussions, thereby putting them at a disadvantage.

President Moi pointed out that Kenya herself had based her human rights safeguards on the protection of individuals rather than on the protection of communities. He had done his best to persuade Angolan factions to come together in the interests of the Angolan nation but he had been given scant encouragement.

The Prime Minister asked President Moi whether the continued presence of Ian Smith in the new Government presented a stumbling block. President Moi said that it did, especially since there was no full definition of the powers of the Prime Minister of Zimbabwe/Rhodesia. The Constitution could not be amended without the consent of the Europeans. President Moi said that his main concern, however, was that the loss of lives, whether white or black, should on no account be used as a political tactic.

Mr. Ndegwa said that the British Government could help to create a new situation in Zimbabwe/Rhodesia simply by urging Bishop Muzorewa to make it clear that he would be willing at least to discuss a new Constitution for the country. It seemed certain that the Front Line Presidents would not agree to take part in discussions on the basis of the existing Constitution. The Prime Minister commented, and President Moi agreed, that some of the Constitutions over which the Front Line Presidents presided were far from ideal. President Moi added that democracy had to be based on freedom of choice - on the ballot box, rather than on the barrel of a gun. The Prime Minister told President Moi that the British Government had a clear duty to bring Rhodesia back to legality: an opportunity had been missed in Geneva in 1974. There was now a new opportunity and the Government would take it. President Moi said that Nkomo and Mugabe would lose face if a new Constitution were to emerge in Salisbury. Bishop Muzorewa should be persuaded to bring this about.

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The discussion ended at 1125 and the talks continued in plenary session.

*M.M.*

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PRESIDENT MOI

Points to raise during tete-a-tete discussion  
(1045-1115)

Welcome

New British Government's determination to strengthen relations with Kenya still further: glad that this should be first state visit in which I have taken part as Prime Minister.

Tribute to Kenya's political stability (smooth succession after President Kenyatta's death) and management of economy.

Aware of problems created by fall in coffee prices, rise in oil prices and poor harvests.

We attach importance to the UK's aid programme to help with your development plans and assist you in overcoming balance of payments and budgetary problems. We should like to help by offering you £15m. in programme aid, by switching funds from project aid. This will accelerate expenditure. As you know, we have already waived repayments on previous loans of £68m.

/Hope

Hope this will help: should like to do more but UK also under economic constraints.

Short account of Government's new economic strategy.

Summary of Government's approach to Rhodesia following the April elections: Lord Harlech's mission. Stress contribution which a prosperous Rhodesia, restored to legality and under an African Government, can make to the region.

Suggest following agenda for plenary talks:

Southern Africa, including Rhodesia

Wider international questions, including world economy and energy

Bilateral questions: aid, trade, defence

Prospects for Lusaka

Agree press statement