

PRIME MINISTER

P-a
Bw
13/6

Your Talks with President Moi, Wednesday 13 June

I attach below the briefs for your talks with President Moi tomorrow. There are some new briefs which you have not seen and these are flagged.

I also attach, on cards, a possible order of points to make during your tête-à-tête discussion with President Moi. Although you should not take the initiative in bringing it up, President Moi may raise, during the tête-à-tête, the Bamburi Understanding (brief no. 14). The brief indicates the line which you might take on this. I suggest that you conclude the tête-à-tête by agreeing with President Moi the order of the subjects which you might cover during the following plenary session. I think it would be worth at least broaching Rhodesia with him during the tête-à-tête so that you can form your personal assessment of his attitude. You can then pursue Southern Africa more fully during the plenary, perhaps as the first item.

I attach the text of your speech at the lunch. David Wolfson has done some work on it and I think the order of the paragraphs is now much more logical and it reads better.

Programme

President Moi, accompanied by a note-taker only, will arrive at No.10 at 1045 and you will meet him at the front door. There will be a photo-call in the front hall.

You could then conduct him upstairs to the White Drawing Room, where I shall arrange for coffee. After half an hour, you should conduct the President downstairs again, where the rest of his party, and your team, will be waiting in the lobby outside the Cabinet Room. You can then take the

/President

President into the Cabinet Room, where place cards will be set out. The plenary talks can continue until shortly after 1230. Participants will then have time for a wash before the lunch (1245 for 1300).

Jim

12 June 1979



Foreign and Commonwealth Office

London SW1A 2AH

*✓cc PM's folder
✓cc Private Office Copy*

12 June, 1979

Dear Bryan,

STATE VISIT OF PRESIDENT MOI OF KENYA:
TALKS WITH THE PRIME MINISTER, 13 JUNE, 1979

/ I enclose eight copies of the Brief (No 14) on the
Bamburi Understanding. Advance copies of this brief were
sent to you on 9 June.

/ I also enclose eight copies of an additional brief
covering the possible sale of Kenyan Hawker Hunters to Chile.
This might be needed because Mr Kiereini, Permanent Secretary
of Kenyan Ministry of Defence will, we understand, now be
participating in the Plenary Talks.

Mr Kiereini will be seeing representatives of MOD Defence
Sales during his visit and we hope the matter can be amicably
sorted out before the talks at No 10. But a defensive brief
has been prepared in case reference is nonetheless made to
the matter in the talks.

/ Also enclosed are an addendum to Brief No. 5 on Uganda/
Tanzania, bringing the situation up to date; a sheet of vital
statistics on Kenya as requested in your letter of 8 June to
Martin Vile on the Prime Minister's briefing requirements, and
a telegram of 8 June from Nairobi commenting on the Kenyan
budget.

/ I also enclose telegram number 367 from Jedda, about
Somali-Kenyan relations. As stated in Brief No 6 on The Horn,
we wish to see an improvement in their relations. President Moi
is likely to be more receptive to Saudi representations if he
has first received encouragement from the British Government,
although there should not of course be any reference to the
Saudi interest unless the Kenyan side raise this.

You should also know that we have just received an indication
that the Kenyans may put to us a request for a gift of 650
Land Rovers for military use. If so, we would suggest the matter
be taken up at official level.

Copies of this letter with enclosures also go to the Private
Secretary to the Secretaries of State for Defence and Trade and to
Martin Vile (Cabinet Office).

*Yours ever,
Stephen*

J S Wall

[RHODESIA: POLICY: ADVANCE COPIES]

PS
PS/SIR I. GILMOUR
PS/MR LUCE
PS/PUS
SIR A DUFF
MR DAY

MR WILLIAMS
MR LEAHY
Mr. Wilson ...
HD/RHODESIA D (3)

HD/C AF D
HD/S AF D
Head
HD/UND
HD/NEWS D
HD/WAD

MR FREELAND LEGAL ADVISER RM K200A

MR STEEL LEGAL ADVISER RM K176

~~SECRETARY CLERK~~

GR 650

UNCLASSIFIED

FM NAIROBI 111200Z JUN
TO PRIORITY FCO
TEL NO 339 OF 11 JUNE 1979

[not yet received]

BY TEL NO 321 : KENYAN VIEWS ON RHODESIA.

1. FOLLOWING IS PASSAGE CONCERNING RHODESIA IN STATEMENT ON BRITISH /KENYAN RELATIONS BY KENYA FOREIGN MINISTER, DR WAIYAKI, WHICH WAS INTENDED FOR PUBLICATION TOMORROW IN NEWSPAPER SUPPLEMENTS MARKING PRESIDENT MOIS STATE VISIT, BUT WHICH WAS PARTLY PUBLISHED PREMATURELY ON FRONT PAGE OF THE 'STANDARD' TODAY UNDER MAIN HEADLINE 'WAIYAKI PLEAS TO BRITAIN': QUOTE

THE VIEWS OF THE KENYA GOVERNMENT WITH REGARD TO RHODESIA HAVE BEEN CONSISTENT. WE HAVE ALWAYS EXPRESSED THE VIEW THAT THERE CANNOT BE PEACE UNTIL A POPULARLY ELECTED AND INTERNATIONALLY ACCEPTABLE GOVERNMENT EMERGES IN THAT COUNTRY.

THE RECENTLY HELD ELECTIONS IN THAT COLONY WERE NOT CONDUCTED IN A MANNER ACCEPTABLE TO THE INTERNATIONAL COMMUNITY. THE WHOLE WORLD HAD CALLED UPON BRITAIN, AS THE ADMINISTERING AUTHORITY, TO CONVENE AN ALL PARTY CONFERENCE TO DISCUSS THE FUTURE OF THAT COUNTRY SO THAT INTERNATIONALLY SUPERVISED ELECTION CAN BE HELD AND EVENTUALLY SEE ZIMBABWE EMERGE AS AN INDEPENDENT NATION UNDER A MAJORITY RULE.

THE ALLIANCE OF IAN SMITH AND HIS THREE BLACK PARTNERS ENTERED INTO ON MARCH 3RD LAST YEAR WHICH LED TO THE FORMULATION OF A CONSTITUTION UNDER WHICH THE MUZOREMA GOVERNMENT HAS BEEN FORMED WAS UNACCEPTABLE TO THE LARGE SECTION OF THE INTERNATIONAL COMMUNITY AS

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~~PS/NO 10 DOWNING STREET~~

SIR C ROSE
MR P.M. MAXEY
COL MOIR
MR P J FOWLER
DIO } CABINET OFFICE

~~FOR ZIMBABWE DEVELOPMENTS FUND~~

~~ADD MR LYNCH ODM
MR SLATER TREASURY~~

ADVANCE COPY

...THE LARGE SECTION OF THE INTERNATIONAL COMMUNITY AS IT EXCLUDED THE FIGHTING ARM OF THE PATRIOTIC FRONT. FURTHERMORE THE CONSTITUTION HAD NOT BEEN APPROVED BY THE AFRICANS OF ZIMBABWE.

KENYA IS OF THE VIEW THAT THE MUZOREWA GOVERNMENT WILL NOT BE ABLE TO GOVERN RHODESIA FREELY BECAUSE UNDER THE PRESENT CONSTITUTION THE GOVERNMENT OF BISHOP MUZOREWA DOES NOT CONTROL THE CIVIL SERVICE, THE JUDICIARY AND THE ARMED FORCES. THESE ESSENTIAL SERVICES CONTINUE TO REMAIN IN THE HANDS OF WHITES WHOSE NUMBER IN PARLIAMENT, ALTHOUGH LESS THAN 30%, MUST BE RELIED UPON BY THE MUZOREWA GOVERNMENT FOR ANY CHANGES IN THE CONSTITUTION. THIS RENDERS BISHOP MUZOREWA A PRISONER IN HIS SO CALLED GOVERNMENT FOR HE CANNOT EFFECT ANY CHANGES IN THE CONSTITUTION THROUGH THE STRENGTH OF THE 72 BLACK ELECTED MEMBERS OF PARLIAMENT, SOME OF WHOM HAVE BOYCOTTED PARLIAMENT ANYWAY. A GOVERNMENT WHICH DOES NOT CONTRAL ITS DESTINY CANNOT BE REGARDED AS A MAJORITY GOVERNMENT AND AN EFFECTIVE ONE. KENYA FEELS THEREFORE THAT SUCH A GOVERNMENT IS AN EMBARRASSMENT TO THE PROPLE OF RHODESIA AND THE WHOLE CONTINENT OF AFRICA. THERE WILL BE NO LAYING DOWN OF ARMS SO LONG AS THE PATRIOTIC FRONT IS NOT FULLY CONSULTED.

WE THEREFORE CALL UPON BRITAIN TO REVIEW ITS STAND ON THIS MATTER AND NOT TO RECOGNIZE THE MUZOREWA GOVERNMENT FOR TO DO SO WOULD ONLY LAND THAT COLONY INTO UNTOLD SUFFERING AND CHAOS. AS A COUNTRY FREINDLY TO BRITAIN, WE WOULD LIKE TO APPEAL TO THE CONSERVATIVE GOVERNMENT TO INITIATE TALKS WITH THE LEADERS FROM ALL PARTIES IN RHODESIA WITH A VIEW TO FORMULATING A NEW CONSTITUTION ACCEPTABLE TO THE FIGHTING FORCES. UNQUOTE.

2. WAIYAKIS STATEMENT ALSO REFERRED BRIEFLY TO NAMIBIA AND SOUTH AFRICA, AND CALLED ON HMG TO USE ITS INFLUENCE IN SOUTH AFRICA AND AMONG ITS INVESTMENT PARTNERS TO BRING ABOUT A CHANGE IN SOUTH AFRICA TOWARDS RACIAL EQUALITY.

3. STATEMENT ALSO EXPRESSES DISAPPOINTMENT AT LACK OF PROGRESS AT UNCTAD V AND ACP/SEC NEGOTIATIONS AND ASKS THAT BRITAIN SHOULD USE HER GOOD OFFICES TO HELP BRING ABOUT A MORE EQUITABLE INTERNATIONAL ECONOMIC ORDER.



10 DOWNING STREET

From the Private Secretary

11 June 1979

Dear Stephen,

The Prime Minister's talks with President Moi of Kenya on 13 June

Thank you for your letter of 8 June about participation in the Plenary Session of talks at No.10 between the Prime Minister and President Moi of Kenya on 13 June.

The Prime Minister has agreed that on the UK side, the following should take part: Foreign and Commonwealth Secretary, Defence Secretary, Secretary of State for Trade, Mr. Neil Marten, Sir Stanley Fingland, Sir Antony Duff and Mr. John Williams.

I shall be grateful if you would ensure that only President Moi and whoever is designated to take the note on the Kenyan side arrive at No.10 on 1045 on 13 June. The remainder of the Kenyan party, together with the UK participants, should arrive at No.10 at 1110 and wait in the lobby outside the Cabinet Room for the Prime Minister and President Moi to join them.

I am sending copies of this letter to Roger Facer (Ministry of Defence), Tom Harris (Department of Trade) and Martin Vile (Cabinet Office).

*Yours ever,
Bryan Cartledge.*

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

JS

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Foreign and Commonwealth Office

London SW1A 2AH

8 June 1979

Dear Byrne,

P.A. [Signature]

State Visit of President Moi of Kenya: Talks with the
Prime Minister: 13 June 1979

/ I enclose six copies of the steering and supporting briefs,
including personality notes, for the Prime Minister's talks with
President Moi on 13 June. Speaking notes for the Prime Minister's
/ use at the lunch in honour of President Moi the same day are also
enclosed.

President Moi is likely to ask the Prime Minister for a sympathetic response to a recent Kenyan request for £30 million to help in her current balance of payments problems (Brief No. 9). Foreign and Commonwealth Office Ministers are considering recommendations as to the response which we should make, in the light of the constraints on the aid programme as a result of the decision to make a cut of £50 million in the global aid funds this year. Depending on the views taken by FCO Ministers, Treasury Ministers will also have to be consulted. The offer to switch £15 million from project to programme aid, set out in the aid brief, is therefore provisional at this stage and has not yet been given Ministerial approval. I will let you know the position.

The Foreign and Commonwealth Secretary is considering the substance of the brief (No 14) on the Bamburi Understanding. This will follow as soon as possible.

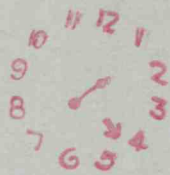
Copies of the briefs are being sent to Private Secretaries to the Secretaries of State for Defence and Trade, as well as to Martin Vile (Cabinet Office).

Yours ever,
Stephen

J S Wall

B G Cartledge Esq
10 Downing Street

- 8 JUN 1979





SPEECH OF WELCOME AT THE PRIME MINISTER'S LUNCHEON IN HONOUR OF
PRESIDENT MOI OF KENYA, 13 JUNE, 1979

Mr President:

Last night my colleagues and I were present at The Queen's Banquet in your honour at Buckingham Palace. Today it is the turn of Her Majesty's Government to entertain you and your distinguished delegation. We welcome you here at ~~No~~ 10, Downing Street.

This is the first State Visit by a President of Kenya to Britain. But it is of course not your first visit to Britain, nor even to No 10; you were here little more than a year ago, as Vice-President, for talks with Mr Callaghan. Since then you will have noticed that we have had an Election. Governments may change; but the warmth and sincerity of our welcome does not. So we have here, on occasions of this kind and in the talks we have just concluded, a good example of that continuity and consistency which marks our relationship.

You come now as President of your country. Kenya too can be proud of the strength of her institutions. The passing of President Kenyatta was a solemn moment in your country's history; and your assumption of the Presidency is a sign that Kenya will continue on the course which, with your help, he had set.

Mr President, you and I with our colleagues have just completed a very thorough exchange of views. This is part of the continuing process by which our two governments keep in the closest touch and which is fortified by the many links between us through the Commonwealth. I look forward to further exchanges when we meet in Lusaka in August. And because we are Commonwealth colleagues we can speak very frankly, as you and I have done this morning, and as friends and partners should do:

/with



with the confidence that comes from mutual respect.

On the international scene our two governments face many common problems. There are no easy solutions and we may sometimes see things in a different light. What we share is a determination to face these problems with honesty and goodwill.

Relations between Britain and Kenya are warm. There are always matters which we need to discuss with each other, for the interests of Britain and Kenya, both political and economic, are closely linked. But I am sure I am right in saying that there are no substantial bilateral differences between us and that, if these were to arise, solutions would soon be found.

The difficult world economic situation presents challenges to us all. With the oil price rises and continuing oil supply shortfall, the prospects for world growth are not good. This is worrying, particularly for the smaller and poorer countries.

It is against this background that I shall be going ~~with western colleagues~~ to Tokyo for the economic summit. It was also the background for UNCTAD's deliberations in Manila last month.

~~I know there is some disappointment that UNCTAD V did not achieve more by comparison with its predecessor in Nairobi. But it did achieve useful agreements on such important issues as the need for resistance to protectionist pressures.~~

Discussion of the issues involved in Manila will continue elsewhere. Similarly, we look forward to early completion of the negotiations in the Lome Convention after the substantial progress made at the Ministerial meeting in Brussels last month.

Among the many attitudes we have in common is the healthy one of wanting to create wealth to meet the rightly rising expectations of our peoples. We are naturally keenly interested



in the wellbeing of the Kenyan economy. Our commercial relations are substantial. We are each an important market to the other. Mr President, you are meeting many British businessmen during your visit. The volume of trade depends on many factors. But Kenya's extensive commercial relations would not have been possible without a background of sound internal development. Here Kenya rightly enjoys wide international respect. British investment, which is very substantial, has played an important part in this, in increasingly close partnership with Kenyan interests. I am sure that under your leadership the Kenyan Government will continue to follow policies conducive to the investment and trade which are so necessary for both internal and external confidence.

Public investment is also important, and we are glad that our substantial aid programmes can play a full part in support of Kenya's own development plans. Since Independence the aid flow has passed £200 million. Here I may say that the environment against which our aid programme is conducted in Kenya is in many respects a model. Over 700 technical cooperation personnel benefit from working with Kenyan colleagues.

In paying tribute to the development of the modern Kenyan economy, agriculture must have a special word. The land and its resources are particularly dear to the Kenyan people. This year saw the end of the successive land transfer programmes in which farming land formerly owned by British expatriates has passed into the hands of Kenyan farmers, often on a collective basis, bringing both social and economic benefits. The emphasis is now increasingly on bringing new land, in the more difficult arid areas, into productive use. We are helping with this too.

/In



In Africa one particular task confronts Her Majesty's Government which you and I, Mr President, have been able to discuss today. In the last year political progress has taken place in Rhodesia of a kind and on a scale which would previously have been unthinkable and which in the British Government's view represents a fundamental change in the circumstances in that country. Britain has a special responsibility towards Rhodesia and we must carry out that responsibility. But we have made clear that we wish to proceed in the closest consultation with our friends in the Commonwealth. My colleagues have greatly valued the opportunity of your visit to discuss these questions with frankness and in confidence.

In responding to these challenges friends of Africa would do well to look to the recent history of Kenya, from which they can derive inspiration and hope. They will learn from this that where there is the will to succeed, where men and women of all races and creeds pull together, and where there is the spirit of reconciliation, the great prize can be won. That prize is fundamental but peaceful change leading to stable and democratic government. Where Kenya has shown the way, others can surely follow.

[TOAST: THE PRESIDENT OF THE REPUBLIC OF KENYA]



FCS/79/112

CHIEF SECRETARY TO THE TREASURY

Policy
transferred to
Kenya: June 79
Aid to Kenya.

Aid for Kenya

President Moi of Kenya will pay a State Visit to Britain from 12 - 15 June. During his visit we shall have to respond to requests already made by the Kenyans for additional aid, and for some of our assistance to be in a different form from that at present intended.

Last October, Britain pledged a sum of £80 million in capital aid for commitment over the three years from 1979 to 1982. It was expected at that time that all of this money would be committed for projects, and indeed an indicative list of projects was then agreed, though the actual expenditure was to be spread over 6 years.

Recent developments in the Kenyan economy have led to requests for aid in programme form (i.e. for the financing of essential imports). The fall in coffee and tea prices, increases in oil prices, commitments to military expenditure, substantial spending on development projects and public utilities, and poor crops due to heavy rains - have caused a sharp deterioration in Kenya's balance of payments and budgetary prospects. The World Bank forecast a cumulative balance of payments deficit of over £1,000 million over the period 1979/83 and a budgetary deficit of about £240 million next year. At a recent World Bank Consultative Group meeting on aid donors to Kenya, the Vice President, Mr Kibaki, who is also the Minister of Finance, appealed for donors to provide programme aid. The Kenyans have followed this up with a specific appeal to Britain to provide £30 million in this form. Although ideally they would like this to be entirely additional to our £80 million pledge, they accept that any response from us may have to include some switching of money from project to programme aid.

The cuts we have agreed in the 1973/80 aid programme and the level of reductions generally we have in mind for public expenditure

/ in future



in future years make it particularly difficult at the present stage to contemplate any new commitment. However, I think it essential to make some positive response to this Kenyan approach. Britain's position as the largest bilateral aid donor to Kenya reflects the scale of our commercial, financial and political interests in that country. If we can respond, other donors are likely to follow suit, so that the benefit would be cumulative. Our political and economic stake in a prosperous, stable and moderate Kenya is high and our policies should be directed accordingly.

In short, this is a clear example of aid, not as an exercise in charity or a dubious operation in support of exports, but as an essential instrument of British foreign policy in the real world of today.

Although we cannot meet the Kenyan request in full, it would be possible to provide £15 million in programme aid (which, as opposed to project aid, would be fully tied to UK goods and services) by switching £15 million of our existing pledge from project aid. The additional expenditure which this would produce in 1979/80 would be £3 million. We would propose to find this money from the Contingency margin in the readjusted Aid Framework for that year. The implications in future years are awkward, but it will be possible to defer some expenditure on new projects and we accept that the full implications must be taken into account when we are able to set Aid Framework allocations for 1980/81 and 1981/82.

I hope that an agreement could be signed during President Moi's State Visit; we have not signed an agreement for the previously pledged £80 million already, simple because we were awaiting the opportunity of the State Visit to do so. The signature of an agreement does not of itself commit us to the expenditure of all the funds concerned on any particular schedule. If we signed an agreement providing £65 million of project aid and £15 million for programme aid, formally for commitment during the 3 years 1979/82, we should expect expenditure on the 'project' element to

/ be



be spread over some six years, and we could of course ensure that actual expenditure in any one financial year did not exceed the Aid Framework provisions which may be determined in due course.

I should be grateful for your agreement to this course.

I am sending copies of this minute to the Prime Minister and to the Secretary of State for Trade and to Sir John Junt.

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(CARRINGTON)

Foreign and Commonwealth Office

8 June 1979

8 JUN 1979

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Foreign and Commonwealth Office

London SW1A 2AH

8 June 1979

Dear Bryan,

State Visit Of President Moi of Kenya:
Talks with the Prime Minister: 13 June 1979

Would you please refer to my earlier letter of today's date, enclosing six copies of the steering briefs and supporting briefs including personality notes, for the Prime Minister's talks.

The Kenyans have now given us the names of the officials who will take part in the plenary talks. As well as President Moi they are:

Attorney-General Mr Charles Njonjo

Minister for Foreign Affairs Dr Waiyaki

Chief Economic Adviser to the President Mr Philip Ndegwa

Minister for Economic Planning and Community Affairs
Dr Robert Ouko

Permanent Secretary, Ministry of Defence Mr J G Kiereini

Doctor Ouko and Mr Kiereini are not members of the official Suite.

Brief No. 16 (Personality Notes) gives notes on all these except on Mr Kierieni. I enclose six copies of a note on the latter. Other copies are being sent to the recipients of Brief No. 16.

As regards attendance on our side, we would suggest, in addition to the Foreign and Commonwealth Secretary, the Defence Secretary, the Trade Secretary and Mr Marten. Our High Commissioner in Nairobi, Sir Stanley Fingland, is here for the President's visit and you may wish to include him. You may also wish to have Sir Antony Duff and/or John Williams, the Assistant Under-Secretary dealing with Kenya, who is due to replace Stanley Fingland as High Commissioner in Kenya later this summer.

I am copying this letter to the Private Secretaries to the Secretaries of State for Defence and Trade, as well as to Martin Vile (Cabinet Office).

J S Wall
J S Wall

B G Cartledge Esq
10 Downing Street

PM
BGC
HS