

SUBJECT



file 15.
Kenya

10 DOWNING STREET

From the Private Secretary

22 May 1981

As you know, Dr. Ouko, the Kenyan Foreign Minister, called on the Prime Minister at 4.30 pm last Thursday, 21 May. The Kenyan High Commissioner, the Kenyan Ambassador Elect to Paris, and Mr. Luce were also present.

The meeting started with some discussion on the present situation in Kenya. Dr. Ouko explained that heavy rain had ended the drought of the last two years, and he expected a good harvest. This would help reduce political tension in Kenya. Payments for oil imports however continued to be a heavy burden on the Kenyan economy. Kenya would be hosting the forthcoming UN Conference on Renewable Sources of Energy. He hoped this Conference would help find solutions to the energy problem. Saudi Arabia had been helpful in trying to ease Kenya's oil import problem. The setting up of the Kenyan Oil Corporation had also helped, though it had caused some unease amongst the oil majors.

At the Prime Minister's request, Dr. Ouko then reported on developments in Uganda. He said that Tanzania had been pulling out its troops, largely for reasons of cost. In these circumstances, President Obote might feel unable to contain the situation. Everything should be done to ensure that he did not seek support from Gadaffi or the Soviet Union. The Kenyan Government had done what it could to stifle the Ugandan refugees in Kenya agitating against Obote. They had taken action against a group of dissidents who had been seeking arms and finance from Colonel Gadaffi and who had been intending to infiltrate Uganda through Eastern Zaire.

There was then some discussion of the destabilising influence of the Libyan presence in Chad, and the attempts of the OAU to find solutions to this problem. The meeting then moved on to discuss Namibia. Dr. Ouko said that he recognised that sanctions were not the solution to this problem, and agreed that it was unfortunate that the sanctions resolution had come before the United Nations. He did not expect any early military

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confrontation in Namibia and likewise saw no early possibility of an election. However, too long a delay would play into the hands of the Soviet Union, and he felt that one country could usefully take the lead in seeking a solution to the Namibian problem; the group of five were perhaps unable to act sufficiently quickly or decisively. Given the UK's success in settling the Rhodesian question, he asked whether the UK would be willing to take the lead. The Prime Minister said that she felt sure President Reagan would want the United States to keep the initiative. The UK would of course give its support to President Reagan.

Dr. Ouko then asked the Prime Minister whether she had any comments on the North/South dialogue. The Prime Minister said that she had discussed the Agenda of the forthcoming North/South Summit with the Mexican Foreign Minister. He had said that he hoped the meeting would be a frank discussion of the problems but he did not necessarily see it reaching any conclusions. The world Press would, however, be expecting something positive to emerge from this meeting, and from the Foreign Ministers' meeting in August. There were no global solutions to North/South problems; only a step-by-step approach offered any hope. There were four areas in which progress could be made. The first was the international system of aid based on the World Bank and the IMF. Second, there were the bilateral agreements on aid. Third, there was the promotion of international trade. And fourthly, there was the possibility of further private investment in the Third World. On this last point, perhaps one of the biggest obstacles was the fear of private investors that their investment might be nationalised. Suitable bilateral agreements were one way of overcoming this problem. The Prime Minister suggested that all these areas of possible improvement might usefully be pursued at the North/South Summit.

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