

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T172/90

subject CC MASTER  
CC OPS



10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

27 July 1990

*Dear Mr. President,*

Thank you for writing to me on behalf of the Organisation of African Unity before the recent Houston Economic Summit.

I share your concern about the economic difficulties faced by many African countries. As you know, I believe that the policies pursued by African countries themselves hold the key to their recovery. It is therefore encouraging that so many countries have now agreed radical programmes of fundamental reform with the IMF and World Bank, and that countries which have pursued such reforms consistently have begun to demonstrate high growth rates.

I recognise the importance of providing adequate financial support to countries during the arduous process of adjustment. The UK plays its full part in doing this. Our bilateral aid programme to Africa is now over £400 million per year. We are also substantial contributors to multilateral agencies: for example, we are the largest contributor to the interest subsidy account of the IMF's Enhanced Structural Adjustment Facility (ESAF). We have taken the lead in proposing debt relief measures for the poorest countries - both by cancelling old aid debts and by launching the initiative which led to the 1988 Toronto Economic Summit agreement that other official debts could be rescheduled on concessional terms.

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Financial support from the industrialised countries to sub-Saharan countries has meant that, according to OECD and World Bank sources, sub-Saharan Africa is a substantial net recipient of resources despite its large debt obligations. But we recognise that continued efforts will be needed by donors as well as African governments if African nations are to achieve significant improvements in living standards over the coming decade. The Houston Summit agreed that the Paris Club should review the implementation of existing measures for the poorest debtors.

Still more important is that African countries should have ready access to developed countries, markets for their exports. Many African countries are beneficiaries of the EC's Lomé Convention. But the key to freer trade between all African and industrialised countries is progress in the multilateral GATT negotiations. That is why the Houston Summit stressed the importance of a successful outcome to the Uruguay Round.

*With warm regards,*

*Yours sincerely*

*Raymond Dabbe*

His Excellency President Mohammed Hosni Mubarak



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

27 July 1990

**ECONOMIC SUMMIT: LETTER FROM  
PRESIDENT MUBARAK**

I enclose the Prime Minister's reply to President Mubarak's letter on behalf of the Organisation of African Unity about the recent Houston Economic Summit. I should be grateful if it could be despatched.

(C. D. POWELL)

J. S. Wall, Esq., L.V.O.,  
Foreign and Commonwealth Office

A handwritten mark, possibly a signature or initials, consisting of a stylized 'v' or '6' shape.



Foreign and Commonwealth Office

London SW1A 2AH

26 July 1990

*celk*

*Dear Charles,*

*SLG*

I enclose a draft reply to President Mubarak's recent letter to the Prime Minister seeking favourable consideration of African debt at the Houston Summit. The second paragraph of the draft points clearly at Egypt's own reluctance to agree a reform programme with the IMF.

The draft has been cleared with H M Treasury. I am sending a copy of this letter to John Gieve.

*James Gass*

(S L Gass)  
Private Secretary

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10 Downing Street