

PART TWO

683

CONFIDENTIAL FILING.

The Visits of the Prime Minister of
Mauritius, Mr Rangoolam / Mr Jugnauth
PM's Message to Sir Rangoolam on
his 80th Birthday.

MAURITIUS

PT1: January 1980

PT2: February 1987

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
5.2.88							
15/2/88							
19.2.88							
8-8-88							
22.8.88							
2.9.88							
5-9-88							

PREM 19/2322



KK

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

5 September 1988

I enclose the Prime Minister's reply to the letter from the Prime Minister of Mauritius about the opening of a branch of the State Commercial Bank in London.

(C. D. POWELL)

R. N. Peirce, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. ¹⁸⁸
T135A



10 DOWNING STREET

LONDON SW1A 2AA

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SUBJECT
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OPS

THE PRIME MINISTER

5 September 1988

Dear Prime Minister,

Thank you for your letter of 18 August about your wish to open a branch of the State Commercial Bank in London. We discussed this in February, after which I asked for this matter to be looked into.

The position is that it is the Bank of England's responsibility under the Banking Act 1987 to authorise and supervise banking institutions in accordance with the criteria set out in the Act. Any bank wishing to establish itself in London has to meet those criteria; and to satisfy the Bank of England that the statutory requirements are met. The Bank's practice is to invite applicants to submit their proposals for consideration on an informal basis. Those plans are then discussed with the institution concerned. Discussions continue until the Bank of England feels it has the necessary information to reach a conclusion on a formal submission.

I understand that this process has already begun and that senior Bank of England officials met representatives of the State Commercial Bank on Tuesday 23 August. I am told that a useful discussion on a number of substantive issues took place. The State Commercial Bank is aware that responses are needed on a number of points. The Bank of England is of course ready to continue discussions.

Lynda Chalker has kept me in touch with developments in Mauritius since we met in February and I have been glad to note the impressive economic progress that Mauritius continues to make under your leadership. Your country is providing an excellent example of the way a developing country can bring about healthy and strong economic growth.

May I take this opportunity to congratulate you most warmly on your Knighthood and appointment to the Privy Council.

Yours sincerely

Margaret Thatcher



10 DOWNING STREET

PRIME MINISTER

You may like to add in
manuscript:

"May I take the
opportunity to congratulate
you most warmly on your
Knighthood and appointment
to the Privy Council."

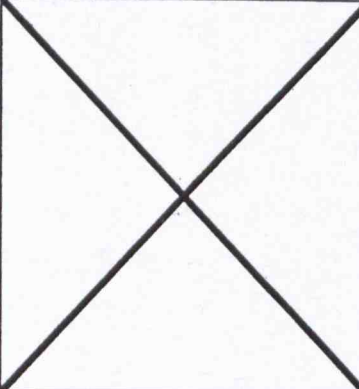

Derek Ken

Deputy Clerk

J CDP

2 September 1988

A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>2322</i> (one piece/item number)	Date and sign
Extract details: <i>from Wad to Powell</i> <i>Letter/dated 2 September 1988</i> <i>with enclosure.</i>	
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Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

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This should be an indication of what the extract is,
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
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SM

10 DOWNING STREET
LONDON SW1A 2AA

no Ask

From the Private Secretary

22 August 1988

I attach a copy of a letter the Prime Minister has received from the Prime Minister of Mauritius, Mr. Jugnauth. RF

I should be grateful if you could provide a draft reply for the Prime Minister's signature, to reach me by 5 September. ||

The letter has not been acknowledged by this office.

P. A. BEARPARK

Lyn Parker, Esq.,
Foreign and Commonwealth Office

NB: See DM to FCO 18.8.88

Told FCO to treat 1-9 as the target date. ||

kal 23/8

SUBJECT cc MASTER
OPS

cc *[initials]*

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T126a/88



*Prime Minister
Mauritius*

18th August, 1988

Dear Madam Prime Minister,

You will kindly recall the very positive meeting we had in February this year at 10 Downing Street, for which I am grateful to you, and the equally positive meetings I had with the Rt. Hon. Mrs. Lynda Chalker, Minister of State for Foreign Affairs, Mr. Christopher Patten, M.P., Minister for Overseas Development, and Lord Brabazon of Tara, Minister for Civil Aviation, who, I am sure, have briefed you about the contents of our discussions.

As I indicated in my ^{Hap} letter of appreciation which I addressed to you on the 28th February, I am counting on your great wisdom, and on your personal interest in Mauritius, to intervene so that wherever and whenever there are certain difficulties in the way of our common objective of having privileged relationships, solutions are found which are to the mutual benefit of our two countries and of our two peoples.

In the course of our February meeting I mentioned to you, inter alia, our wish to set up a full-fledged branch of the State Commercial Bank Ltd. in London. I am again appealing for your support and that of your Government so that discussions with the Bank of England are successful.

The State Commercial Bank Ltd. has already, on the 12th January this year, through Touche Ross of London, submitted to the Banking Supervision Department of the Bank of England, its objectives and its business plans for its proposed full-fledged branch in London.

A delegation/

The Rt. Hon. Mrs Margaret Thatcher
Prime Minister,
10 Downing Street,
London.

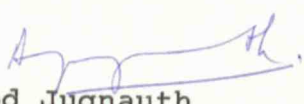
A delegation of the State Commercial Bank Ltd., comprising the Chairman, Mr. M. Baguant, who is also Financial Secretary, Mr. T.M.K. Reddy, Managing Director, and Mr. B. Bacha, Director, who is also Secretary for Home Affairs, is expected to meet, on Tuesday the 23rd August at 3 p.m. in London, Mr. John Anderson, Deputy Head, Banking Supervision Division. I shall highly appreciate your kind intervention and request your personal assistance for the setting up of a full-fledged branch of the State Commercial Bank Ltd. in London.

I wish also to inform you that my Deputy Prime Minister and Minister of Finance, the Hon. S. Lutchmeenaraidoo, M.L.A., will be in London from the 21st August for a few days.

I seize this opportunity to thank you once again for your courtesies and for your keen interest in the welfare of democratic and free Mauritius.

I assure you, Madam Prime Minister, of my highest consideration, and I convey to you my warmest personal regards.

Yours sincerely,


Anerood Jugnauth
Prime Minister

MAURITIUS: Views of low PM PT2





10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 August 1988

In the Prime Minister's absence on holiday, I am writing to thank you for your letter of 18 August with which you enclosed an advance copy of a letter from the Prime Minister of Mauritius.

I shall place this before the Prime Minister immediately upon her return to London and she will reply to The Right Honourable Sir Anerood Jugnauth as soon as possible.

Dominic Morris

Mr. B. M. Dilmahamood.



Handwritten initials

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 August 1988

I enclose an advance copy of a letter to the Prime Minister from the Prime Minister of Mauritius.

I should be grateful if you could let me have a draft reply for the Prime Minister's signature by Thursday, 1 September.

Handwritten mark

Dominic Morris

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

Handwritten initials



MAURITIUS HIGH COMMISSION

01-581 0294/5

32/33 ELVASTON PLACE
LONDON S.W.7.

Your Ref.:

Our Ref.:

18th August, 1988

Dear Mr Bearpark,

I have the honour to enclose herewith an advance copy of a letter dated 18th August from The Rt. Honourable Sir Anerood Jugnauth, Prime Minister of Mauritius, and addressed to The Right Honourable Mrs Margaret Thatcher, Prime Minister of the United Kingdom.

The original letter is being hand carried by the Mauritius delegation which is arriving in London on Sunday 21st August and it will be forwarded to The Right Honourable Prime Minister during the visit.

It would be highly appreciated if you could kindly transmit the advance copy of the letter to its highest destination at your earliest convenience.

With regards,

Yours sincerely,

B. M. Dilmahamood
Ag. High Commissioner

Mr Andy Bearpark
Secretary to
The Prime Minister
10 Downing Street
London
S W 1



MAURITIUS HIGH COMMISSION

01-581 0294/5

32/33 ELVASTON PLACE
LONDON S.W.7.

Your Ref.:

18th August, 1988

Our Ref.:

ADVANCE COPY

The Rt Hon Mrs Margaret Thatcher
Prime Minister
10 Downing Street
London
S W 1

Dear Madam Prime Minister,

You will kindly recall the very positive meeting we had in February this year at 10 Downing Street, for which I am grateful to you, and the equally positive meetings I had with The Rt Hon Mrs Lynda Chalker, Minister of State for Foreign Affairs, Mr Christopher Patten, M.P., Minister for Overseas Development, and Lord Brabazon of Tara, Minister for Civil Aviation, who, I am sure, have briefed you about the contents of our discussions.

As I indicated in my letter of appreciation which I addressed to you on the 28th February, I am counting on your great wisdom, and on your personal interest in Mauritius, to intervene so that wherever and whenever there are certain difficulties in the way of our common objective of having privileged relationships, solutions are found which are to the mutual benefit of our two countries and of our two peoples.

In the course of our February meeting I mentioned to you, inter-alia our wish to set up a full-fledged branch of the State Commercial Bank Ltd. in London. I am again appealing for your support and that of your Government so that discussions with the Bank of England are successful.

The State Commercial Bank Ltd. has already, on the 12th January this year, through Touche Ross of London, submitted to the Banking Supervision Department of the Bank of England, its objectives and its business plans for its proposed full-fledged branch in London.

A delegation of the State Commercial Bank Ltd., comprising the Chairman, Mr. M. Baguant, who is also Financial Secretary, Mr T. M. K. Reddy, Managing Director and Mr B. Bacha, Director, who is also the Secretary for Home Affairs, is expected to meet, on Tuesday the 23rd August at 3 p.m. in London, Mr John Anderson, Deputy Head, Banking



MAURITIUS HIGH COMMISSION

01-581 0294/5

32/33 ELVASTON PLACE
LONDON S.W.7.

Your Ref.:

- 2 -

Our Ref.:

Supervision Division. I shall highly appreciate your kind intervention and request your personal assistance for the setting up of a full-fledged branch of the State Commercial Bank Ltd. in London.

I wish also to inform you that my Deputy Prime Minister and Minister of Finance, The Hon. S. Lutchmeenaraidoo, M.L.A. will be in London from the 21st August for a few days.

I seize this opportunity to thank you once again for your courtesies and for your keen interest in the welfare of democratic and free Mauritius.

I assure you, Madam Prime Minister, of my highest consideration, and I convey to you my warmest personal regards.

Yours sincerely,

(Sd) Anerood Jugnauth
Prime Minister

THE PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 31/88



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SUBJECT re MASTER
OPS.

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

4 March 1988

Dear Prime Minister,

Thank you for your letter of 28 February. I very much enjoyed our talk and was grateful for your kind invitation to visit Mauritius one day.

I also thank you for the very fine model sailing ship, the St Geran. I was delighted to have this and am grateful for your kind thought in presenting it to me.

Yours sincerely

Nargandhatten

The Right Honourable Anerood Jugnauth, Q.C., M.L.A.

SN



GR.
Foreign and Commonwealth Office

London SW1A 2AH

~~Derak,~~

We spoke - the letter, which
I am returning, should be addressed
to "The Right Honourable Anwarul
Jugnaugh QC MHA". Only the
Governor-General is referred to
as "His Excellency".

Robi Owen

EMJ

270-2890.

Mr. Derek Kerr
Duty Clerk No 10

SUBJECT cc MASTER
OPS.

Prime Minister (E)

COPIES
1/3

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T28A/88



Prime Minister
Mauritius

T

28th February, 1988

The Rt. Hon. Mrs Margaret Thatcher,
Prime Minister,
10 Downing Street,
London

mt

Dear Madam Prime Minister,

I am writing to express to you my deepest appreciation for having spared some of your very valuable time to receive me.

This meeting has confirmed the strength of our traditional ties and marks an era of more meaningful cooperation between our two countries.

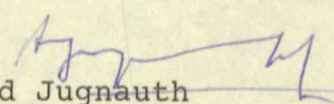
In addition, this meeting has emphasized our common will to consolidate our friendship and to leave no stone unturned to bring our two countries, which share many values in common, closer and closer together.

In this context, I know I can count on your great wisdom, and on your personal interest in Mauritius, to intervene so that, wherever and whenever there are certain difficulties in the way of our common objective of having privileged relationships, solutions are found which are to the mutual benefit of our two countries and of our two peoples. In this spirit, I do hope that our two national airlines, for example, will reach an agreement which will satisfy both sides.

I once more thank you for all your courtesies and for your personal interest in democratic and free Mauritius.

I assure you of my highest consideration and I convey to you my warmest personal regards.

Yours sincerely,


Anerood Jugnauth
Prime Minister



cc/c

OVERSEAS DEVELOPMENT ADMINISTRATION
ELAND HOUSE
STAG PLACE LONDON SW1E 5DH

Telephone ~~01-273 3400~~ 01-273 0409

*EDD
19/2*

From the Minister

18 February 1988

C D Powell Esq
10 Downing Street
LONDON SW1A 2AA

Dear Mr Powell,

VISIT OF THE PRIME MINISTER OF MAURITIUS

You kindly sent me a copy of your letter to Lyn Parker of 15 February recording the conversation between the Prime Minister and Mr Jugnauth, her counterpart from Mauritius.

... I now enclose for your information, and for that of Roy Griffins at the Department of Transport, a note of the conversation between Mr Jugnauth and the Minister for Overseas Development. The point about the erstwhile £12 million credit is dealt with in paragraph 2. As Mr Patten explained to Mr Jugnauth, the £19 million soft loan which we have offered in replacement is not only larger than the mixed credit offer, but is on much more advantageous financial terms for the Mauritians. Under Aid and Trade Provision rules, the offer is specifically linked to a bid from a British shipbuilder to provide a ferry vessel. We are however prepared in principle to offer similar loans in support of other British suppliers seeking contracts with Mauritius.

As paragraph 7 of the note records, Mr Jugnauth took the opportunity to mention to Mr Patten, as he did to the Prime Minister, his Government's dispute with British Airways. Mr Patten undertook to convey to Ministers at the Department of Transport the strong feelings of Mauritian Ministers on this question.

*Yours sincerely,
R. A.*

M (M A Wickstead)
Private Secretary

cc (w/encs) R T Griffins Esq, Department of Transport
Lyn Parker Esq, FCO

CALL AT THE ODA BY THE PRIME MINISTER OF MAURITIUS, 16 FEBRUARY 1988

Present

Mr Christopher Patten MP
Mr Cahill
Mr Wickstead

Rt Hon Anerood Jugnauth QC
High Commissioner for Mauritius
Permanent Secretary to the Prime
Minister

DEVELOPMENT AID

1 Welcoming Mr Jugnauth, Mr Patten recalled that he had told the Mauritius Minister of Agriculture, on meeting him at a recent FAO gathering, that the economic development of Mauritius was widely regarded as a success story. Mr Jugnauth agreed, and expressed thanks to the British Government for the aid they had contributed. Mauritius would continue to need technical co-operation programmes, such as the British, in fields such as agriculture: for example, help in regard to drip irrigation could usefully be expanded, particularly as Mauritius was seeking to diversify away from sugar into the cultivation of vegetables, fruit and flowers, and also wished develop its tea industry. Manpower planning was another field of concern to his government, together with problems connected with safeguarding the environment of Mauritius. Mr Patten said that Britain would like to take part in the review of the sugar sector to be held by the World Bank later in the year. Meanwhile our project to support the establishment of Farmer Service Centres for sugar growers was continuing, though the lack of local staff was at present holding it back; any steps the Mauritius Government could take to ease this problem would be welcome.

INTER-ISLAND FERRY

2 Mr Patten said that, as Mr Jugnauth was no doubt aware, the Overseas Development Administration would be happy to arrange for a soft loan to be made available under our Aid and Trade Provision arrangements, to finance the purchase of a new inter-island ferry from a British shipbuilder. More precisely, Appledore Fergusson had offered to supply such a vessel at a cost of some £19 million, which the soft loan would cover. Its terms would be highly competitive - a five-year grace period, followed by repayment over fifteen years at five per cent interest. Mr Patten added that the Chinese Government, who were well known as hard bargainers, had recently accepted these terms as the basis for financing some unusually large contracts. The former line of mixed credit for £12.25 million which Britain had offered to Mauritius in the earlier 1980s had been overtaken by these new (and more favourable) terms. He hoped that against this background the Mauritius Government would feel able to give full consideration to the British supplier's bid for the contract.

3 Mr Jugnauth said that his government would bear in mind the important information which Mr Patten had given him about the financing arrangements offered by the British Government. Some conversation followed on the role of the ferry in linking Rodrigues Island with Port

Louis.

EUROPEAN COMMUNITY

4 Mr Patten said that he looked forward to attending the EC/ACP meeting to be held in Mauritius in May. He would naturally like to see something of the island's development during his short stay, but he could not say at the present stage to what extent he might be able to spend some additional time in Mauritius; this depended in part on his schedule for replying to Parliamentary questions. He wondered whether Mr Jugnauth had any particular comments to make about relations between Mauritius on the one hand and the European Community on the other.

5 Mr Jugnauth said that the Community's sugar price was a matter of great importance for Mauritius. Mr Patten acknowledged this, but made the point that Britain had fought hard on Mauritius' behalf to guarantee its access to the European sugar market, which he saw as perhaps Mauritius' chief interest. Britain would not wish to see the Community sugar price get too far out of line with world prices; he reminded Mr Jugnauth that in the previous week the British Prime Minister had pressed for a sensible and realistic attitude on agricultural prices within the Community.

LAUREATES.

6 Mr Patten said that he understood that in some of his calls on other British Ministers Mr Jugnauth had raised the question of an increase in the present scholarships ("laureates") scheme. Mr Jugnauth confirmed that his government would like to see another two jointly-funded places in addition to the existing eleven. Mr Patten said that, on the basis that each award would cost, in full, about £10,000 a year, he felt that this was something which could be considered, and he undertook that the request would be looked at sympathetically. Mr Jugnauth expressed his thanks and referred to the good academic results obtained by Mauritian students in Britain.

AIR SERVICES

7 Mr Jugnauth said that he was about to visit Egypt and the United States but hoped to come through London again later in the month for talks at the British Ministry of Transport. The point at issue was a dispute between the Mauritius Government and British Airways on the question of air services between Mauritius and the Persian Gulf. Mauritius felt that British Airways were being less than fair to them. Mr Patten said that he would convey to the Secretary of State for Transport the importance which the Mauritius Government attached to a settlement of this issue.

Central and Southern Africa Department
Overseas Development Administration

17 February 1988

RESTRICTED

DISTRIBUTION

PS/Mr Patten
Mr Ainscow
Mr Hudson
Dr Iredale
Mr Freeman
Mr Winter

PS/Mrs Chalker
Mr Marsden (EAD/FCO)
Mr Crowson (Port Louis)
Mr C A Palmer (OT1/3, DTI)

PS/Secretary of State
for Transport
(for para 7)

RESTRICTED

MAURITIUS : Views of the Pt. PT2



MEETING WITH THE PRIME MINISTER OF MAURITIUS

- i) Congratulate on the performance of the Mauritian economy.
- ii) Welcome good bilateral relations:
 - visits of Mrs Chalker and Yorks;
 - forthcoming visit of Lady Hooper.
- iii) Sugar.
- iv) Textile exports.
- v) Contract for British Shipbuilders.
- vi) Situation in South Africa.

CONFIDENTIAL



SKWBHC

c/c

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

15 February 1988

Dear Jyn,

PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF MAURITIUS

The Prime Minister had a meeting this morning with the Prime Minister of Mauritius. Mr. Jugnauth was accompanied by the High Commissioner for Mauritius and a Private Secretary.

Mauritian economy

The Prime Minister said that the Mauritian economy seemed to be doing very well. It was good to see a country succeeding by its own efforts. Mr. Jugnauth confirmed that things were going well, mentioning electronics and textiles as areas of successful growth. Mauritius hoped to expand also into offshore banking and duty free shopping. Indeed, they intended to present themselves as a shopping paradise. Nonetheless, Mauritius still needed help in a number of areas. One was training. The High Commissioner has already mentioned to the Prime Minister Mauritius' hopes that we would look again at the question of student fees. They also hoped that we could increase the number of laureates from 16 to 18. The Prime Minister said that we would look at this. Mr. Jugnauth would discuss it further with Mrs. Chalker and Lady Hooper.

Air Services

Mr. Jugnauth raised the question of Mauritius Airways' desire to start a service to the Gulf. British Airways were being very difficult about this. It had always been understood on the Mauritian side that they would eventually have reciprocal rights. He hoped that the Prime Minister would take a direct interest in the matter and persuade British Airways to be more reasonable. Otherwise Mauritius would have no alternative but to fall back on the previous Air Services Agreement which would restrict British Airways' services. The Prime Minister said that Mr. Jugnauth should discuss this further with Lord Brabazon. Mr. Jugnauth said that he would do so but would wish to leave the Prime Minister in no doubt of his strong feelings on the matter. British Airways were being very unfair.

CONFIDENTIAL

Bilateral Relations

Mr. Jugnauth very much welcomed the British Council's return to Mauritius. He spoke of plans to modernise the tea industry while reducing production. Mauritius needed technical help with this. He also recalled that Mauritius relied on Britain's support in maintaining the Lomé sugar arrangements.

Diego Garcia

Mr. Jugnauth said that people would ask whether he had raised the matter of Diego Garcia. So he must do so, although he had nothing particular to say. The Prime Minister said that she understood this. There was no change in the present position. Mr. Jugnauth said there were rumours in Mauritius of a re-negotiation between the United States and the United Kingdom of the terms of the US lease of facilities there. The Prime Minister said that she knew of no such re-negotiation.

Fiji

Mr. Jugnauth sought the Prime Minister's assessment of developments in Fiji and the prospects for restoring democracy. The Prime Minister said that the Fijians needed time to sort out their problems. Their aim seemed to be to get back to a democracy within two years but they seemed at a loss how to do so. She hoped to see Ratu Mara in the spring.

South Africa

Mr. Jugnauth gave an account of his talk with Foreign Minister Botha who had attended a service in Mauritius for the victims of the South African Airways disaster. He had urged him to move faster in dismantling apartheid. Botha told him that the South African government recognised that apartheid was out-dated. But change would take time. The government was under pressure from the extreme right and had to move slowly. The Prime Minister gave Mr. Jugnauth an account of her views on South Africa.

Possible Loan to Mauritius

Mr. Jugnauth said that Mauritius had earlier been offered a £12 million loan by ODA at 10.5 percent interest repayable over five years. They did not feel they could afford to take this up. He wondered whether the Prime Minister could offer softer conditions, for instance interest of 5 percent and repayment over 15 years. The Prime Minister said that she thought this would be very difficult. But she would ask for a report from the Minister for Overseas Development

Bank of Mauritius

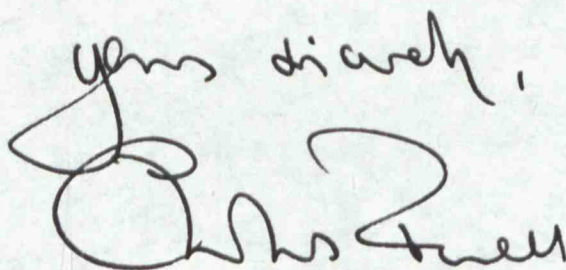
Mr. Jugnauth said that the Bank of Mauritius was trying to open an office in London but were encountering various obstacles (which he did not define). He would be grateful for help in overcoming these. The Prime Minister said that she

was not informed of this but would establish whether Treasury Ministers were aware of the problem.

Possible Visit to Mauritius

Mr. Jugnauth said that he hoped the Prime Minister would find time to visit Mauritius. The Prime Minister said she would like to do so although it was not exactly on the way to anywhere. Mr. Jugnauth said that he had heard that the Prime Minister might visit Southern Africa next year, in which case he hoped that she might include Mauritius. The Prime Minister said that she would keep this in mind.

I am copying this letter to Alex Allan (HM Treasury), Alison Brimelow (Department of Trade and Industry) Roy Griffins (Department of Transport) and Myles Wickstead (Overseas Development Administration).

Yours sincerely,


(C. D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

PRIME MINISTER

MEETING WITH THE PRIME MINISTER OF MAURITIUS

You have a meeting with the Prime Minister of Mauritius, Mr. Jugnauth, on Monday morning. He did not attend the last CHOGM, and I think it is three years or so since you last saw him. The new High Commissioner called on you recently.

You might start by congratulating him on the performance of the Mauritian economy. As the brief shows, they have been doing very well, among in particular its manufacturing (notably textiles and electronics). Their growth rate last year was 7½ per cent and unemployment is down from 20 per cent to 11 per cent.

Our bilateral relations are good. There were visits last year by Mrs. Chalker and the Duke and Duchess of York. You will want to thank him for the invitation to attend the twentieth anniversary celebrations of independence and say that Lady Hooper will represent you. She will be ready to discuss assistance to establish computer education, the laureates scheme and a new six-month pupillage scheme for Mauritian law graduates. You will remember that the High Commissioner pressed you on overseas students' fees.

He is likely to raise sugar and ask for a higher price. There is nothing we can do to help: the guaranteed price for the ACP is three times the world price and Mauritius has the highest quota of all the ACP countries.

He may express anxiety on Mauritian textile exports. You can say that you are not aware of any plans to impose restrictions, but they should not push their luck.

He is unlikely to raise Diego Garcia. If he does, you could say that the position is well understood by both governments: it reverts to Mauritius when no longer needed for defence purposes.

CONFIDENTIAL

- 2 -

British Shipbuilders have asked you to support their bid for an inter-island ferry. The last thing we want to do at present is to go out of our way to subsidise a contract like this for British Shipbuilders. But if he raises it you could confirm that the existing line of credit for Mauritius can be used to support the tender. (Price support from the Intervention Fund has been ruled out.)

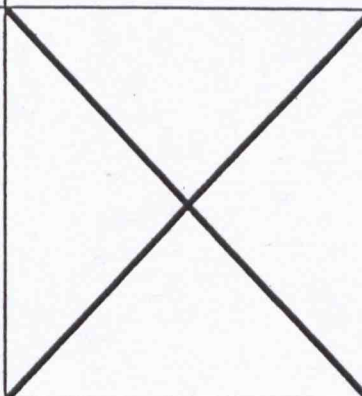
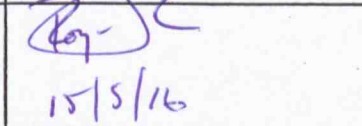
C.D.P

CHARLES POWELL

13 February 1988

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A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>2322</i> (one piece/item number)	Date and sign
Extract details: <i>from Gaisworthy to Powell Letter dated 12 February 1988 with attachment</i>	
CLOSED UNDER FOI EXEMPTION	
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Instructions for completion of Dummy Card

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.

This should be an indication of what the extract is,
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
Do not enter details of why the extract is sensitive.

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Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

dti

the department for Enterprise

cc/c

The Rt. Hon. Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

Andy Bearpark Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1A 2AA

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5147

Our ref

Your ref

Date 12 February 1988

ms

Dear Andy,

PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF MAURITIUS ON
15 FEBRUARY

I understand that this meeting will be no more than a courtesy call, but the Chairman of British Shipbuilders has written to the Prime Minister about the company's bid for the Mauritian Inter-Island ferry. I attach therefore a brief on this subject should it be raised by the Mauritian Prime Minister.

*Yours
Rosalind Cole*

ROSALIND COLE
PRIVATE SECRETARY

FE5AAF

CONFIDENTIAL

BRITISH SHIPBUILDERS : AID ASSISTED ORDER FOR A FERRY

Objective (If raised)

To make clear that negotiations on the ferry are entirely a matter for British Shipbuilders.

Line to Take

Note that BS has been invited to re-tender for the ferry order.

Confirm that existing line of credit can be used to support tender.

Make clear that any further negotiations are for BS to pursue.

Background

The Mauritian Prime Minister has been taking a close interest in the competition for a new ferry estimated to cost some £14m. He may raise it.

2. There is a long standing line of credit for Mauritius now specifically associated with the ship. Rather to their surprise, BS did well in the first round of tendering which was completed in December.

3. The Chancellor of the Duchy of Lancaster has agreed that BS may re-tender but, against the background of recent discussions with colleagues, has ruled out price support from the Intervention Fund. This would probably be necessary for the order to be secured even if matching credit were available. Aid support alone will produce an effective subsidy of approximately 30%. Five yards have been invited to re-tender this month. The Mauritians are unlikely to decide before Easter.

12 FEBRUARY 1988

KC4AAN

112/88/L1
11 February 1988

The Rt. Hon. Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON S W 1

Dear Prime Minister

I understand that you will be meeting the Prime Minister of Mauritius on 15 February 1988. You will be aware that British Shipbuilders' Appledore Ferguson shipyard is bidding for a cargo/passenger/livestock ferry for the Mauritius Government. As this will form part of the basic transport infrastructure we have been successful in securing ODA support for one hundred percent financing under the existing twenty five year line of credit. We hope that, if our competitors' Governments increase their support that the UK will be prepared to consider matching this level.

Competition is very tough, both from the Far East and from West Germany, who are also offering soft credits. We are most keen indeed to secure this contract, which we have been chasing for eight years and would continue our involvement in the specialised area of ferry building. We know that the Prime Minister of Mauritius is taking a keen interest in this project and it would be of value to us if you were able to express your support for the efforts of British Shipbuilders.

Yours sincerely

John Lister



file DTS
bc : pc

10 DOWNING STREET
LONDON SW1A 2AA

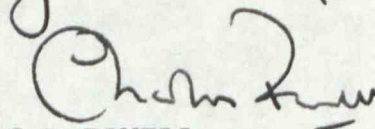
From the Private Secretary

7 February 1988

Dear Sir.

VISIT OF THE PRIME MINISTER OF MAURITIUS

BF11
The Prime Minister has agreed to see the Prime Minister of Mauritius on Monday 15 February at 1100 for 45 minutes. I should be grateful if you could let me have briefing by Friday 12 February. I should also be grateful if you could inform the Mauritian High Commissioner here of the appointment.

Yours sincerely,

C D POWELL

Lyn Parker, Esq.
Foreign and Commonwealth Office

PRIME MINISTER

PRIME MINISTER OF MAURITIUS

The Prime Minister of Mauritius is passing through London on 15 and 16 February, and has asked to see you. It is rather over two years since you last met him, and, as a Commonwealth Prime Minister, I think you ought to see him. We can find a 45 minute slot on Monday, 15 February.

Agree to see him?

CDP

Yes not

CDP

5 February, 1988.



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

5 February, 1988.

PRIME MINISTER OF MAURITIUS

BF // The Mauritian High Commissioner telephoned me this morning to say that his Prime Minister would be in London on 15 and 16 February, and had requested a meeting with the Prime Minister. I shall be consulting the Prime Minister about this over the weekend, but I expect her to agree, and we have tentatively pencilled in 1100 on Monday, 15 February. You will no doubt wish to commission briefing for this call.

(C.D. Powell)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

Side
to

bc. PC.

lv

File ①
lv

PRIME MINISTER

PRIME MINISTER OF MAURITIUS

The Prime Minister of Mauritius is passing through London on 15 and 16 February, and has asked to see you. It is rather over two years since you last met him, and, as a Commonwealth Prime Minister, I think you ought to see him. We can find a 45 minute slot on Monday, 15 February.

Agree to see him?

CDP

CDP

5 February, 1988.

● PART 1 ends:-

PM JOGNAUTH to PM, 7.9.84

PART 2 begins:-

CDP to PM. 5.2.88