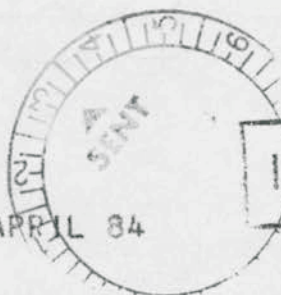


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TO IMMEDIATE FCO

TELEGRAM NUMBER 001 OF 14 APRIL

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HJ/SED  
HJ/Protocol

Sir J. Bullard

R. JENKINS

~~No 10~~ J. ST

PRIME MINISTERS VISIT TO PORTUGAL

[RE]

1. I SAW BOTH DR MARIO SOARES AND DR JAIME GAMA FOREIGN MINISTER THIS MORNING (13 APRIL). THEY CONFIRMED THAT AT THEIR TALKS WITH THE PRIME MINISTER, UNDER THE INTERNATIONAL HEADING, THEY WOULD LIKE TO DISCUSS:-

M 12/4

h.c.

I EUROPEAN COMMUNITY AFFAIRS. THEY WERE PARTICULARLY ANXIOUS TO OBTAIN DIRECTLY FROM MRS THATCHER AN UP-TO-DATE DESCRIPTION OF THE BRITISH POSITION.

II OUTLOOK FOR NATO.

III AFRICA, PARTICULARLY SOUTHERN AFRICA.

IV EAST-WEST.

V LATIN AMERICA WITH EMPHASIS ON CENTRAL AMERICA.

VI GIBRALTAR AND HONG KONG.

2. I TOOK THE OPPORTUNITY TO CARRY OUT INSTRUCTIONS IN YOUR TELNO 279 TO PARIS CONCERNING RELATIONS WITH ARGENTINA. SOARES SAID HE WAS MOST GRATEFUL TO HAVE BEEN BRIEFED. HE WOULD NOT HIMSELF RAISE THE QUESTION WITH MRS THATCHER BUT WOULD OF COURSE BE VERY INTERESTED TO HEAR HER VIEWS SHOULD SHE HERSELF WISH TO RAISE THE MATTER.

3. UNDER BILATERAL UNDERLINED I SAID THAT I KNEW THE PRIME MINISTER WOULD WANT TO DISCUSS THE QUESTION OF OUTSTANDING COMPENSATION CASES WHICH SHE HAD RAISED WITH DR GAMA IN LONDON ON 22 SEPTEMBER LAST YEAR.

4. GAMA INDICATED THAT PORTUGUESE SIDE WOULD WANT TO TALK ABOUT THE NATO FRIGATE PROGRAMME AND THE USE TO WHICH THE

~~4. GAMA INDICATED THAT PORTUGUESE SIDE WOULD WANT TO TALK ABOUT THE NATO FRIGATE PROGRAMME AND THE USE TO WHICH THE BRITISH CONTRIBUTION SHOULD BE PUT. HE MENTIONED PORTUGUESE HOPES THAT IT WOULD BE POSSIBLE TO PURCHASE LYNX HELICOPTERS.~~

5. NOTHING WAS SAID SPECIFICALLY ABOUT TRILATERAL COOPERATION BUT, AS ALREADY REPORTED, I BELIEVE THAT THIS WILL BE RAISED.

6. FCO PLEASE ADVANCE TO NO 10 DOWNING STREET.

BYATT

ENDS

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(74)

BRIEF NO 5 a

## SOUTHERN AFRICA: MOZAMBIQUE

## ESSENTIAL FACTS

1. On 16 March, President Machel and Mr P W Botha signed a non-aggression pact, the Nkomati Accord. Its main thrust is that neither country will serve as a base for acts of violence against the other, nor use the territory of a third state for this purpose. A joint security commission will be set up to supervise implementation.
2. The Nkomati Accord is an important achievement. The Prime Minister sent messages of congratulations to President Machel and Mr Botha. HMG have made clear over recent months our support for the efforts of the two governments to lower tensions between their countries and we welcome this successful outcome. We hope that it will encourage all those governments who are working for peaceful solutions to the problems of the region. Although we do what we can to assist, we believe that peace in the region can best be achieved by direct discussion between those involved. It is of course essential that discussions take place on a basis of equality and bring mutual benefits.
3. The Accord should be followed by increased cooperation between the two countries on economic affairs, tourism and the Portuguese-financed Cabora Bassa power plant.
4. The Accord reflects President Machel's disillusion with Soviet assistance as a means of coping with his country's massive security and economic (both natural and man-made) difficulties. For their part, the South African Government seem to consider that their destabilization policy has brought about a fundamental shift in Machel's attitude which they should now exploit politically. As long as apartheid remains, however, the Accord will be inherently unstable. There is an American report that Botha has issued firm instructions that no further help is

to be given to Renamo, and Renamo's clandestine radio station, in the Northern Transvaal, has gone off the air. Sr Chissano (the Mozambican Foreign Minister) has told us that it could nevertheless take two years to bring Renamo under control.

#### Western rôle


5. The Maputo press has stressed that President Machel's visit to Europe in October 1983 was crucial in bringing about the agreement with South Africa. President Machel's supporters will be looking for the promised fruits of the agreement - an improvement in the economy and a substantial drop in Renamo activity - and Machel will be looking to the West for increased support. If Soviet influence is to be rolled back, and the Accord made to stick, the West will have to be forthcoming with both aid and economic investment.

#### Aid

6. UK has contributed emergency aid (11.5m tonnes of grain to cope with the drought pledged in 1983, and disaster relief for the cyclone/flooding since the end of January this year). Bilateral programme aid includes training (in UK and Mozambique), and pledges through SADCC of £10.1m to upgrade Limpopo Valley Railway line to Zimbabwe, and £750,000 to improve Maputo port. During Machel's visit, we granted Retrospective Terms Adjustment on aid loans worth £22.5m. We now hope to be able to give another £2m or so in 1985/6 and beyond.

#### Trilateral Cooperation

7. The Portuguese have a limited aid budget of their own and about 400 "cooperantes" in all their five former African colonies. They are actively pursuing the idea of "trilateral" cooperation (involving a third country paying for Portuguese technicians to work in their former African colonies). They already have schemes under way in Mozambique with the French, Swedes and Canadians, and claim to have persuaded the

  
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US to take part in a similar scheme. They also pressed the Germans during Chancellor Kohl's recent visit. We are not keen on the idea because we can use all our limited resources on British supplies etc.

Debt

8. Mozambique applied in early February to the Paris Club for rescheduling of her Western debts. (Total debt, excluding that to centrally-planned economies is estimated at \$152m, plus further arrears of \$53m of private debt). A Task Force (UK, Portugal, France and Italy) is due to go out to Mozambique to assess the situation in April 1984. Mozambique has announced her willingness to join the successor agreement to Lomé II. Applications to join the IMF and IBRD may be imminent.

Portuguese/Mozambique relations

9. Portugal enjoys far closer relations with Mozambique than with Angola. The Portuguese played an active rôle in bringing together the South Africans and Mozambicans to negotiate the Nkomati Accord. They are taking part in tripartite consultations on the Cabora Bassa power plant. President Machel was clearly impressed by the warmth of his public reception in Portugal during his Western European tour.

Central African Department

9 April 1984

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BRIEF NO 5 a (i)

VISIT OF THE PRIME MINISTER TO PORTUGAL: 17-19 APRIL 1984  
SOUTHERN AFRICA: ANGOLA

POINTS TO MAKE

1. UK's objective is to reduce Soviet influence and simultaneously to develop profitable relationship with Angola.

UNITA/MPLA

2. UNITA pose increasingly serious military threat. Determined push for reconciliation. But Soviet and Cuban backing for MPLA enables them to hold out and refuse to deal with UNITA. What are prospects for reconciliation? UNITA activities complicating US efforts to secure Cuban withdrawal.

3. Outright victory by either side unlikely. UK need to deal with Angolan Government yet maintain discreet links with UNITA. How do Portuguese see it?

UNITA's British and Portuguese Prisoners

4. We have had contact with UNITA and agreed to send an emissary if that leads to immediate release. Waiting for UNITA's confirmation. Understand UNITA ready to free Portuguese and Filipinos through ICRC.

Remaining Expatriates

5. Concern at ease with which UNITA took hostages. UNITA have renewed threats against diamond mines (and against Cabinda - oil). Additional military measures taken by Angolan Government still not adequate. Maintaining pressure on them. HMG unable to give public assurances of safety of

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Britons in Lunda Norte. Responsibility of companies concerned to reach own decision. What advice are Portuguese giving to their community?

Trilateral Aid (if raised)

6. Current financial restraints would make any such scheme extremely difficult (perhaps impossible) for us. We would nevertheless be prepared to look at Portuguese proposals.

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## SOUTHERN AFRICA: ANGOLA

## ESSENTIAL FACTS

Internal

1. Angola still virtually on a war footing. Marked increase in recent months in UNITA's military capabilities. Central Government cannot provide effective administration outside the towns in about one-third of the country. Chronic economic dislocation.
2. But Moscow appears determined to keep MPLA in power and to pay the (so far modest) price. Soviet Union has progressively expanded military supplies in quantity and sophistication to meet threats to Angolan Government. May decide to cut losses one day, but no sign as yet. The result is military and political stalemate.
3. UNITA's declared aim is to force negotiations on reconciliation, in expectation that Savimbi could eventually take over a government of national unity. The Central Government continue to resist this strongly. Though some MPLA leaders may be interested in eventual reconciliation, it would be very difficult for them to negotiate until they are more confident of their security and even then would be unlikely to include Savimbi. Best prospects for reconciliation likely to be progress in Western attempts for a regional settlement which would enable MPLA moderates to prove that their policy pays. Internal unity is more likely to follow a regional settlement than precede it.

UNITA hostages

4. UNITA forces, in an attack on the diamond mines of Cafunfo in the north-east of Angola on 23 February, took 17 British hostages (and 45 Portuguese and 17 Filipinos). We have made strong representations through the International Committee of the Red Cross (ICRC)





for their earliest release. UNITA statements have repeatedly said that UNITA would not indicate terms of the release of the British hostages until they arrived at UNITA's base camp in south-eastern Angola. The hostages reached the base on 30 March.

5. We are urgently seeking clarification of UNITA's position. To this end we have been in contact with UNITA at official level. Talking to UNITA does not concede to their demands. It does not represent recognition of UNITA. Discussions are going in a positive direction. We are ready to send an envoy to meet Savimbi in Angola in exchange for the immediate release of the hostages.

6. UNITA has stated that the Portuguese and Filipinos would be unconditionally released to the ICRC. However so far no date has been set. Although the Portuguese deny it to us, they are almost certainly in contact with UNITA about hostage situations.

#### Remaining Expatriates

7. There are some 800 Portuguese and 150 British in the diamond mining industry. Diamond Trading Company (British) manage Angola's diamond industry through Mining and Technical Service (British) and Diamang (Angolan State Diamond Company).

#### Angola/Portuguese Relations

8. One of the main aims of the new Portuguese Government has been to improve her ties, both political and commercial with her former colonies in Africa. The Portuguese Prime Minister proposed a lusophone Heads of State Conference to be held last October in Lisbon, but received little positive interest.

9. Portugal's ties with Angola are going through a difficult phase. UNITA have an active office in Lisbon. UNITA claim that they have access to officials close to Prime Minister Soares. There has been considerable Angolan pressure on the Portuguese Government to take



action against pro-UNITA groups operating in Portugal. As a sign of disapproval, in January this year the Angolan Government formally excluded Petrogal (Portugal) from their proposed participation in a consortium to develop a potentially lucrative offshore oil development. (BP have been invited to take up the share.)

10. Portugal have recently assured Angola that it will be drawing up legislation on refugees in order to prevent activities likely to cause friction between the two governments.

Central African Department

9 April 1984

VISIT OF THE PRIME MINISTER TO PORTUGAL: 17-19 APRIL 1984

NAMIBIA

POINTS TO MAKE

Disengagement

1. Fragile but holding. Angolan cooperation with South Africans encouraging. SWAPO compliance vital. We must do what we can, publicly and with African contacts, to keep SWAPO in line.

Next Steps

2. Dos Santos must grasp nettle on Cuban withdrawal. Early meeting with US vital. Hope Africans will support and encourage Angolans to face up to difficult decisions. Important to keep up momentum of present process since many (hardliners in the MPLA and in South Africa , Soviet Union) want to see it founder.

Angolan Attitude

3. Do you consider that Dos Santos is strong enough and has the political will to face up to substantive negotiations with US?

SAG Intentions

4. Still unclear. South Africans have economic and political reasons for wishing to withdraw from Namibia. But they have kept their options open.

5. SA may hanker for regional settlement which excludes UN. But remain publicly committed to SCR 435. Essential to test their sincerity by offer of Cuban withdrawal.



US Diplomacy

6. Deserve support in their effort to "manage" parties who inherently distrust each other. Strong US commitment to negotiating process: electoral considerations add urgency.

Implications for Soviet Union

7. Russians suspicious and uneasy at developments on both Namibia/Angola and Mozambique. May be uncertain how best to preserve their stake in Mozambique and Angola. But their goals are long term; they are likely to hang on.

NAMIBIA

ESSENTIAL FACTS (to be used freely except para 9)

Disengagement

1. US/Angola/SAG talks in Lusaka on 16 February sealed agreement on South African withdrawal from Southern Angola. The parties described their meeting as "important and constructive step towards peaceful resolution of the problems of the region, including the question of SCR 435". Established Joint Commission (JMC) to monitor SADF disengagement and SWAPO compliance, in operation since 1 March. Despite SAG allegations of SWAPO infiltration in disengagement zone JMC functioning quite well and moving south by stages to Namibia border. SAG/Angolans have worked together in fighting recalcitrant SWAPO. UNITA presence in disengagement area causing concern.

US/Angola Dialogue

2. US keen to address substantive questions of Cuban withdrawal, recognition of MPLA government and Namibia settlement with Angolans. Believe Angolans willing, but they have not yet responded (early April) to US proposals for early meeting. Dos Santos probably unsure of his ground with own hardliners, and concerned with UNITA. Angolans say they want to see disengagement completed first (timetable for this is slipping - unlikely to be completed before end of April).

Angolan Attitude

3. Angolans have made serious attempt to control SWAPO and are committed to disengagement arrangements. Disengagement has given Dos Santos a tangible result to justify negotiations with the Americans.

4. Havana communiqué of 20 March with Cubans reaffirmed Angolan formal position on Cuban withdrawal previously outlined in Dos

Santos' Four Conditions of August 1983: South African withdrawal from Angola, end to South African attacks, end to SA military/logistic support to UNITA, implementation of SCR 435. These conditions should be compatible with US/SAG requirements if "package" carefully assembled and presented. But Cuban withdrawal difficult as long as UNITA successes continue.

#### SAG Intentions

5. SAG confident following referendum success and establishment of friendly relations with Mozambique. May now be more relaxed about possible SWAPO government in Namibia. P W Botha stated on 31 January his Government would put interests of South Africa before those of SWA and would not bear military and economic costs of Namibia indefinitely. But SAG commitment to early settlement cannot be assumed: will stick out for best conditions possible, either UNSCR 435 plus agreement on Cubans or (unlikely) through settlement outside SCR 435 (see below).

#### SAG Proposal for Round Table Conference

6. P W Botha proposed on 11 March, that SAG, Angola, SWAPO, UNITA and Namibian Internal Parties should hold meeting to resolve problems of Namibia and Angola. Proposal aimed to involve UNITA directly in negotiations and perhaps to supersede SCR 435 (reflecting SAG dislike of UN involvement and belief in "regional" solutions). Quickly rejected by Angolans and SWAPO. Botha has since claimed he was not seeking to modify SCR 435 which SAG would implement if satisfied on Cubans. But SAG might return to this idea.

#### SWAPO

7. SWAPO in difficult position. Not party to Lusaka agreements, afraid of being "frozen out" of peace process (which may be South African aim). Have called for direct talks with South Africa. But we believe formal contacts with SAG would be premature and unlikely to assist progress (though we understand secret meetings have taken place in Lusaka with SAG representatives).

FLS and UN

8. FLS accept present process. Kaunda played constructive role in US/SAG/Angola talks on disengagement. Machel enthusiastic, Nyerere acquiescent. Realise no alternative path to achieve progress towards Namibia settlement. No pressure for early Security Council meeting. Perez de Cuellar content to let US/Angola/SAG contacts to take their course.

Portuguese Position (not for use)

9. US have briefed Portuguese fairly regularly on their initiative. Portuguese sympathetic and willing to help where they can. We can therefore be more forthcoming with Portuguese than with most, though we would not wish them to be aware of the key role played by our Ambassador in Luanda as the main channel for messages between the US and the Angolans.

Implications for Soviet Union

10. The Russians are clearly suspicious and unsure of developments in Southern Africa. Although this is not as vital an area of interest to them as eg the Middle East they have clear stakes here, particularly the survival of the MPLA government in Angola. The underlying Soviet attitude is probably hostile. But we have no evidence at present that the Russians regard recent developments as so important a setback as to risk more overt interference to frustrate future progress. Indeed there could be advantages for them if a stronger Mozambique and Angola (and an independent Namibia) emerged which were still subject to Soviet influence. But they may well regard as in their long term interest continued instability and conflict because of continued dependence of Mozambique and Angola on Soviet military assistance.

11. [Not for Use: The Americans have told us that Gromyko has just suggested talks with the US about South Africa. Gromyko told the US Ambassador in Moscow that this was perhaps an area where the US and the Soviet Union could find some coincidence of views. The Americans are likely to take up this proposal, although its

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significance for Soviet policy in the area is not clear].

Southern African Department  
Foreign and Commonwealth Office  
9 April 1984

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BRIEF NO 6

VISIT OF THE PRIME MINISTER TO PORTUGAL: 17-19 APRIL 1984

EAST/WEST RELATIONS (INCLUDING ARMS CONTROL)

POINTS TO MAKE

General East/West Relations

1. Soviet tone recently harsher. Across the board, onus put on US to make first move, Chernenko's 2 March speech:- "Now it is up to Washington". Echoed by Kornienko in London in March.
2. On arms control, Russians attempting to cultivate a "reasonableness" that will make Western public opinion critical of US and erode Alliance unity. Having walked out of Geneva talks, difficult for Soviet Union to maintain credibility of its position. Already some tactical mistakes: appear for instance to have alienated Vogel (leader of German SPD).
3. In longer term believe that Soviet leadership wants more substantial superpower relationship and arms control particularly strategic nuclear and in space. Wish not to 'help' Reagan may mean little movement this year, but would not exclude possibility of progress in 1985. Already some signs that US/Soviet discussions on peripheral issues are moving ahead.
4. Western approach must be long term, consistent,



co-ordinated, unflappable. No compromise on principles; but willingness to reduce tension. Show that there is mutual interest in security at lower level of weapons.

5. Broader dialogue needed so full weight of relationship not on arms control. Sir G Howe visiting Moscow in early July.

6. Your intended contacts with the Soviet Union?

Arms Control

7. START/INF: West taking the right action: making clear our readiness to return to Geneva without preconditions, but not offering concessions to entice the Russians back. Russians may well stay away from bilateral nuclear arms control talks throughout 1984, but we should continue our homework in NATO consultations to prepare for eventual resumption.

8. CDE: First session went well. Thorough Alliance preparations paid off. Must maintain pressure on East to negotiate concrete measures.

9. MBFR (if raised): Key issues remain willingness to take asymmetrical reductions and accept adequate verification. Any new move by Alliance must focus on these.



## EAST/WEST RELATIONS (INCLUDING ARMS CONTROL)

## ESSENTIAL FACTS

General East/West Relations

1. Although in 2 March "election" address Chernenko repeatedly placed responsibility for movement on US, this was accompanied by a more conciliatory tone which appeared to signal readiness to move towards a more substantial relationship.
2. Soviet position has subsequently become more ambiguous. Harder line in public statements and at recent meetings in Moscow (Vogel of German SPD on 11-14 March, US Dartmouth arms control sub-committee, Swedish and Japanese political consultations). Likewise Gromyko has taken sour and unresponsive tone in meetings with US Ambassador Hartman (11 March and 3 April).
3. (Not for Use): But exchange of messages between Reagan and Chernenko continues, and some progress is being made over discussion of secondary issues (hot-line, demarcation of Bering Straits, cultural agreement, consulates). Contrast between hard line in public and evident underlying desire to rebuild contacts.

Portugal/Soviet Union

4. Since coming to power, new Portuguese Government has had few high level contacts with Soviet Union, although Soares attended Andropov's funeral and had meeting with Soviet Prime Minister, Tikhonov. Recent reports that Portuguese Minister may be planning visit to Moscow. We have no firm information about dates or purpose of visit.

5. The Portuguese Government's distrust of Soviet intentions is reinforced by close relationship between Soviet Union and Stalinist Portuguese Communist party, and disruptive Communist tactics in Portugal's domestic affairs. (The Portuguese Communist leader Alvaro Cunhal visited Moscow and saw Andropov on 5 August 1983. Politburo member Mikhail Gorbachev visited Lisbon on 15-18 December to attend the Tenth Congress of the Portuguese Communist Party.)

Arms Control

6. START/INF: In NATO consultations the Portuguese make only occasional statements but these are helpful. At Nuclear Planning Group meeting in Turkey in early April, for example, Portuguese Defence Minister congratulated the INF basing countries on succeeding with the first missile deployments and pledged Portuguese solidarity.

7. CDE: First session 17 January - 16 March. Resumes 8 May. East pushing for discussion of their as yet untabled declaratory proposals eg No First Use of Force (NOFUF) in parallel with our tabled concrete CSBMs. We believe NOFUF could be appropriate at some stage but premature now. Portugal loyal supporter of Alliance line in Stockholm, but does not take prominent role.



8. MBFR: Portugal not participant in NATO reviewing negotiations. Main issue is degree to which West can afford to build on East's suggestion of establishing force levels by verification after reductions rather than by agreement at outset. US and UK have argued that would entail unacceptable security risk: FRG wish to explore.

SOVIET DEPARTMENT

FOREIGN AND COMMONWEALTH OFFICE

9 APRIL 1984

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VISIT OF THE PRIME MINISTER TO PORTUGAL: 17-19 APRIL 1984

PORTUGAL AND NATO (including bilateral defence co-operation and sales)

POINTS TO MAKE

Frigates for Portugal

1 We recognise the importance of Portugal being able to make an effective contribution in anti-submarine role in the East Atlantic. Our £5m contribution to the frigates programme is an exceptional measure. We do not have a military aid programme. Can offer Government supported credit facilities and assistance with training in event of Portuguese purchase of Lynx. This together with generous proposals by Westlands represents attractive package. The offer of the grant still stands.

Spain Gibraltar and NATO

- 2 Favour full integration of Spain into military structure of Alliance.
- 3 [If raised] Note your concerns, particularly about IBERLANT. Any changes to command boundaries would be for discussion by Alliance as a whole. Feel sure your concerns can be met.
- 4 [If raised] Could not contemplate subordination of Gibraltar to Spanish NATO Commander unless restrictions are lifted.

/Use



Use of Portuguese Facilities

5 Grateful for use of military facilities, including training facilities, in Portugal.

UK Military Assistance

6 Glad we can offer regularly places for Portuguese officers to train on our courses in the UK.

## PORTUGAL AND NATO (including bilateral defence co-operation and sales)

## ESSENTIAL FACTS

Frigates for Portugal

1 The NATO aid project to supply Portuguese Navy with three modern frigates and associated helicopters has been under discussion since 1979. The British Lynx helicopter is a contender. It has been assumed from the outset that aid would be given by those countries supplying the equipment purchased by the Portuguese. The estimated total cost of the project is US \$735m of which the USA expected to put up about one third, with a further third coming from the other allies (latest information FRG \$45m, Netherlands \$37m, Canada \$20m, France \$10m, and smaller sums from others). During the Portuguese Foreign Minister's visit to London in September Mr Heseltine offered a UK grant of £5m. Portuguese having difficulty finding their contribution - about US \$ 240 - and are currently canvassing the allies for additional contributions.

2 The Portuguese Defence Minister is seeking to visit participating countries soon to negotiate additional contribution. The Portuguese have proposed that the UK contribution should be increased to meet the cost of six Lynx Helicopters for the programme - US \$70m. This would be in addition to the grant of £5m.

3 We have not yet responded to this further request for aid. But the Portuguese Navy are keen to acquire Lynx Helicopters in preference to eg US manufactured helicopters. Proposals submitted by

/Westlands





Westlands last November include equipment fit and spares options which offer a range of costs for package of six Lynx from £17.5 to £45m. These proposals include free equipment fit for two helicopters valued at some £1.4m. The company are currently reviewing their financial proposals. These, when coupled with the £5m grant offered by Mr Heseltine and the ECGD credit and subsidised training that could be made available in the event of the sale add up to an attractive package albeit a long way short of free gift sought by Portuguese.

Spain, Gibraltar and NATO

4 Portuguese worried about effects of possible integration of Spain into NATO's military structure on the Portuguese commands in Atlantic. Wish to avoid being overshadowed by Spain. Have said that they will not accept Portuguese forces under Spanish command in this area.

5 Portuguese now command IBERLANT, which covers eastern Atlantic up to Straits of Gibraltar, up to but excluding the Bay of Biscay in the North, and includes Madeira and Canary Islands in the South. The Azores are not included but are part of WESTLANT.

6 One of Portugal's major aims is likely to be that Azores be included in IBERLANT area. Possible quid pro quo could be to transfer the Canaries to a new Spanish command, should Spain be military integrated into NATO. Spain has expressed interest in

/command

command of the Balearic/Gibraltar/Canaries axis.

7 UK sympathetic to Portugal. Allies (including Spaniards) are aware that we cannot accept subordination of GIBMED to a higher Spanish command, while restrictions over Gibraltar remain. Problem requires multilateral discussion in NATO once Spain starts negotiation to join integrated military structure.

#### US Bases Negotiations

8 A new agreement was reached in December for US use of Lajes airbase in the Azores. The Americans are now negotiating for the use of further facilities in mainland Portugal including the use of airfields for rapid deployment force and the siting of a satellite tracking station in southern Portugal. These agreements provide the primary source of foreign military aid. The Lajes agreement will provide \$ 1325m through to 1991.

#### Use of Portuguese Facilities/Training

9 RN ships' visits are frequent, all the more so with the continuing deployment to the South Atlantic. Ports mainly used for rest and recreation. The RAF frequently transits Portuguese airspace and many flights make use of Portuguese airfield.

10 On average, six British army companies (about 900 men) train in Portugal every year. A new agreement on administrative arrangements was signed last year.

/UK

UK Military Assistance

11 Since 1979 we have given the Portuguese three packages of surplus military equipment. There are no further gifts in the pipeline.

12 In 1982/83 and 1983/84 Portugal was allocated £120,000 under the UK military training assistance scheme. It subsidised military training including staff college and technical courses.

13 In 1982/83 £100,000 was also allocated to subsidise training a counter-terrorist unit in Portugal. A further significant outlay is in the cost of instruction associated with the Saladin armoured car programme. This assistance together with the refurbishment and transport of the vehicles was worth a total of £400,000.

SOUTHERN EUROPEAN DEPARTMENT  
FOREIGN AND COMMONWEALTH OFFICE

APRIL 1984

A

Brief No 8(a)

VISIT OF THE PRIME MINISTER TO PORTUGAL: 17-19 APRIL 1984

GIBRALTAR

POINTS TO MAKE

1. We are seeking earliest possible normalisation of relations in Gibraltar area. Best to do this in a low key manner.
2. Foreign Ministers meet regularly in the margins of other international meetings. Sir G Howe met Sr Moran last on 10 April in Luxembourg.
3. Positive signs that Spaniards recognise obligations imposed on them by membership of EC. Restrictions will have to be lifted in that context.
4. [If necessary] Gibraltar a bilateral problem. We are not asking our friends to take sides in our dispute with Spain. Best pursued within existing framework.

If Portuguese Offer Venue for Anglo-Spanish meeting

5. [If necessary] We were most grateful to Portuguese Government for facilities at Sintra offered at time of Lord Carrington's meeting with Sr Oreja in April 1980 and repeated in 1982. Appreciate your present offer, and will remember it if we need to stage another such conference.

Gibraltar and NATO Command Boundaries

6. [If necessary] Aware of your concerns about changes to command boundaries to accommodate Spanish membership of NATO. These would be for discussion by Alliance as a whole. Could not contemplate subordination of Gibraltar NATO command to a Spanish NATO commander unless restrictions are lifted.

## GIBRALTAR

## ESSENTIAL FACTS

1. Portuguese Governments have avoided taking any position on Gibraltar, but most Portuguese are firmly on our side, mainly because of dislike and traditional suspicion of Spaniards.

2. In discussions about the implementation of the Lisbon agreement, both sides have of late successfully maintained a good atmosphere. During their meeting in Luxembourg on 10 April, Sir G Howe proposed to Sr Moran that reciprocal advance implementation of those EC rights which will be applicable in Spain and Gibraltar on the day of Spain's accession might enable the Spanish Government to justify to their public opinion the lifting of all restrictions on Gibraltar. Moran responded with interest, and there was discussion of possible timing.

3. In December 1982 the Spaniards partially lifted their restrictions on the border, allowing Spaniards, British passport holders resident on the Rock, and Gibraltarians resident in southern Spain to cross on foot once a day. A strict customs regime has prevented Spaniards from bringing any purchases home from Gibraltar, but Gibraltarians spend freely in Spain. This has contributed to a net outflow of some £100,000 per week from the Gibraltar economy. The Spaniards further relaxed their restrictions (slightly) over Christmas. In February the Spaniards published an order allowing the immediate relatives of the categories previously permitted to cross to do so (whatever their nationality). This relaxation will benefit the small number of Portuguese citizens (about 60) resident in Gibraltar, most of whom have married British passport holders.



Gibraltar and NATO command boundaries

4. See brief No 7: Portugal and NATO.

Southern European Department  
Foreign and Commonwealth Office  
10 April 1984

VISIT OF THE PRIME MINISTER TO PORTUGAL : 17-19 APRIL 1984

LATIN AMERICA

Points to Make

BRAZIL

1. Encouraging performance on external trade balance but inflation still obstinately high.
2. Military apparently surprised by strength of popular support for direct Presidential elections, but seem determined that Figueiredo's successor should be chosen by indirect elections.

HMG/Brazil Debt

3. [Defensive] HMG and British banks have made substantial contribution to help Brazil with her debt problems.

CHILE

4. Concerned at lack of progress towards democracy and at absence of improvement on human rights. Terrorist actions by extreme left makes it easier for Pinochet to justify authoritarian measures.

LATIN AMERICAN DEBT

5. We are studying Quito conference proposals on debt. Reassured by their generally moderate tone, and by absence of support for collective renegotiation of debt. Recognise that adjustment programmes have created severe social and political pressures; believe it necessary that debtors should persevere with IMF discipline; IMF programmes should be tailored to meet circumstances of each country.

/ECONOMIC COMMISSION

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ECONOMIC COMMISSION FOR LATIN AMERICA (ECLA)

6. Glad to have been able to support Portugal's application to join ECLA.



LATIN.AMERICAEssential FactsBRAZIL : INTERNAL

1. Under strict IMF supervision, the Brazilian Government are applying a rigorous austerity programme. They are on target to achieve their planned \$9bn trade surplus this year - without which they will be unable to service their \$90bn external debt - but are having less success in restraining inflation, (230% a year at the end of February).
2. Tight fiscal and monetary policies coupled with high inflation have cut into living standards. Popular frustrations have been channelled into an opposition-led campaign demanding that President Figueiredo's successor be directly elected on the expiry of Figueiredo's term of office in January 1985. Despite the opposition's success in rallying large crowds in support of their demands, Figueiredo and his military advisers appear determined to stick to the present arrangement whereby the next President will be indirectly chosen by an electoral college, whose composition favours the governing party.

HMG/Brazil Debt

3. The Bank of England, with a Treasury guarantee, took a share in the BIS bridging loan to Brazil. ECGD's contribution to rescheduling Brazil's 1983/4 Paris Club debts was \$330m (a share far in excess of the UK's share of the Brazilian market). British banks contributed \$780m to the Phase II \$6.5b jumbo loan signed on 27 January. ECGD maintain short-term cover, and are permitting drawings under existing credit agreements (which could amount to £500m). But like other major credit insurers apart from the US, we have made no formal commitment to provide new medium-term export credit.

/CHILE

CHILE

4. Signs of 'apertura' (liberalisation) last year. But several backward steps by regime recently (eg. re-imposition of State of Emergency).
5. Opposition's Day of Protest on 27 March less violent than expected (but still left 5 dead). Also growing number of terrorist incidents.
6. New Finance Minister Escobar may expand economy to defuse social/economic discontent, but will need to square IMF first.

LATIN AMERICAN DEBT

7. Participants at the Quito Conference, held from 9-14 January, all pledged themselves to continue to meet their debt obligations. They also adopted a Plan of Action which called for practical measures to ease the burden on debtor countries : limiting debt service ratios to levels compatible with countries' ability to pay ; reduced rates of interest ; longer repayment and grace periods ; adequate inflows of new money and improved access for exports. The Ecuadorean Foreign Minister gave copies of these documents to the Prime Minister and Lady Young on 20 February.

ECONOMIC COMMISSION FOR LATIN AMERICA

8. ECLA (of which UK is a member) held its XX Session in Lima from 29 March - 6 April. We supported Portugal's application for membership, which was sponsored by Brazil, (Portugal's former colony).

INDIVIDUAL DEBT PROBLEMS : ARGENTINA

9. The bridging loan negotiated with the US, Brazil, Mexico, Venezuela, Colombia and the commercial banks has avoided the serious crisis of confidence which would have followed an Argentine failure to ensure that US banks' loans were not classified as 'non-performing'. But there is still concern that Argentina is not addressing with  
/suitable

CONFIDENTIAL

suitable urgency the conclusion of a new arrangement with the IMF.

SOUTH AMERICA DEPARTMENT  
FOREIGN AND COMMONWEALTH OFFICE

9 March 1984

9  
VISIT OF THE PRIME MINISTER PORTUGAL 17-19 APRIL 1984

## CENTRAL AMERICA

## POINTS TO MAKE

1. Support stated US objectives of promoting democracy, peace and economic development in region. Recognise legitimate US security concerns.
2. Concerned at lack of progress in Contadora Group. Difficult issues not being tackled. Shall continue to support Contadora.

Nicaragua

3. Regrettable that issue of mining Nicaraguan ports should have caused wider adverse public reaction. Important for US policy to operate within the law.
4. But important too to recognise Nicaraguan material support for left-wing insurgents in El Salvador. US needs to be encouraged in broader aim of resisting spread of marxist régimes in Central America.
5. US opinion deeply divided on Central America, but European criticism almost uniformly viewed as unhelpful. Must avoid exacerbating transatlantic tensions.

El Salvador

6. Our observers' report likely to be published shortly. Critical of administrative failings, but recognise good intentions of authorities and massive popular enthusiasm for voting.

Honduras (If raised)

7. Recent replacement of Army Chief, General Alvarez, a welcome confirmation of the ascendancy of civilian rule.

## VISIT OF THE PRIME MINISTER TO PORTUGAL 17-18 APRIL 1984

## CENTRAL AMERICA

## ESSENTIAL FACTS

1. The escalation of US support for the Nicaraguan "contras", leading to heavier fighting and in March the mining of Nicaraguan ports, has drawn strongly adverse reactions internationally and in Congress. The Administration has virtually dropped all pretence that it is not actively promoting the subversion. On 10 April the Senate voted 84-12 to oppose funding for the mining, which had begun in February but which had been largely unadmitted to the Senate Intelligence Committee by the Administration. The mining has now apparently been suspended, but heavy "contra" attacks continue. The "contras" are nonetheless unlikely to achieve a military victory over the Sandinistas.
2. The unprecedented rebuff by the Senate, amid high political emotions evoked by the mining affair, by chance followed closely attempts by the Administration to appeal for less Congressional interference in the conduct of foreign policy. The consistency of US policy towards Central America is likely to be hampered further now that the issue is more than ever a political bone to be fought over in Washington.
3. Central America is a main issue in the US Democratic primaries and is likely to become one in the Presidential election. President Reagan's hopes of bipartisan agreement, the aim of the Kissinger Commission which reported in January, have not been realised. The Kissinger recommendations, embodied in legislation as the 'Jackson Plan', are having a difficult passage through Congress. The scale of economic assistance, originally put at over \$8 billion over five years, is likely to be much reduced.

4. News has leaked that France may offer minesweeping assistance to Nicaragua under certain conditions. The US Administration have reacted angrily. We would prefer highly public disputes of this sort to be avoided in the interests of transatlantic harmony. But feelings are running high in the French government and such a move would probably be popular domestically.

#### El Salvador

5. The first round of the Presidential election was held on 25 March. The Christian Democrat, Napoleon Duarte, secured 43% of the vote, convincingly clear of the extreme right-wing candidate, Major D'Aubiusson, with 30%. Duarte is expected to win narrowly the second round on 6 May. He will face considerable continuing problems, but at least will be able to count on substantial US economic and military aid.

#### Honduras

6. The abrupt sacking of the Honduran Army Chief, General Alvarez, on 31 March has confirmed the authority of the civilian President Suarzo and the democratically-elected government. It has probably also lessened the risk of Honduras becoming embroiled in a war with Nicaragua, although "contras" continue to operate openly from Honduran soil and substantial US military exercises are scheduled to continue indefinitely.

#### Contadora

7. The Contadora process is stalled. It is unlikely that the various participants are able to make important concessions which would allow it to make progress. But all are keen to avoid declaring Contadora dead.

MEXICO AND CENTRAL AMERICA DEPARTMENT

FOREIGN AND COMMONWEALTH OFFICE

9 April 1984

VISIT OF THE PRIME MINISTER TO PORTUGAL:  
17-19 APRIL 1984  
BRIEF 8(D) THE FUTURE OF HONG KONG

BRIEF 8(d)

## POINTS TO MAKE (DEFENSIVE ONLY)

1. Understand your interest in negotiations on the future of Hong Kong, given their significance for Macau.
2. Talks agreed during my visit to China, September 1982. Second, more detailed phase of talks began July 1983. Twelve rounds since, continuing through diplomatic channels in Peking, with common aim of maintaining Hong Kong's stability and prosperity. Latest round 11/12 April. Useful and constructive.
3. Sir Geoffrey Howe currently in Peking discussing future of Hong Kong with Chinese leaders. A settlement still some way off, but progress has been made.
4. Atmosphere good. Content confidential. Aiming to see ways in which stability and prosperity might be preserved. Receptive to any arrangements which would do this and be acceptable to Parliament, China and Hong Kong people.
5. No overall timetable for talks. We, (like Chinese) want satisfactory settlement as soon as possible. But right solution more important than rushing.
6. Chinese plan for Hong Kong as Special Administrative Region (SAR) of China. Hong Kong to be "basically unchanged". But Hong Kong people/investors need effective guarantees. We believe continuing stability/prosperity best assured by:
  - (a) Continuity of systems.
  - (b) Minimal interference, as now.



7. Good grounds for confidence in satisfactory conclusion. Common aim. In no-one's interest to see collapse of Hong Kong. We and Chinese seek negotiated settlement.

8. Interested in how Macau was dealt with during your negotiations with Chinese about establishment of diplomatic relations.



## THE FUTURE OF HONG KONG

## ESSENTIAL FACTS

1. The Prime Minister is conversant with the general background.
2. We have not briefed the Portuguese Government about the talks on Hong Kong's future. The Governor of Hong Kong has however received authority to brief the Governor of Macau fairly fully on a strictly personal basis. Some of this briefing may nonetheless have got back to President Eanes, to whom the Governor is directly responsible.

## MACAU

3. The Portuguese appear to have come to a secret understanding with the Chinese about the status of Macau during the negotiations over establishment of diplomatic relations, which culminated in an agreement in 1979. Although details of the understanding are not known, we suspect that it includes an agreement that any change in Macau's status will be a matter for discussion between the two Governments. Dr Soare's Minister of Culture, at that time the Ambassador in Paris, was the principal Portuguese negotiator. It would be useful to know the basis of their understanding with the Chinese.
4. Chinese intentions for Macau are obscure. It is however hard to believe that Macau's present status can last beyond 1997, the date on which the Chinese intend to regain Hong Kong. This assumption is supported by private remarks made to the Embassy in Peking by a member of the Chinese team in the Hong Kong negotiations.

Hong Kong Department  
Foreign and Commonwealth Office  
3 April 1984

VISIT OF THE PRIME MINISTER TO PORTUGAL: 17-19 APRIL 1984

EAST TIMOR - IF RAISED

POINTS TO MAKE

SOVEREIGNTY

1 Have not accepted Indonesian takeover and voted for Security Council resolutions calling for Indonesian withdrawal.

UN RESOLUTIONS

2 Decide each General Assembly Resolution on merits. Look forward to Secretary General's report.

SETTLEMENT

3 Would like to see matter settled amicably between Portuguese and Indonesians. Prospects for talks?

EAST TIMOR/FALKLANDS

4 Parallels with Falklands far from exact; eg

(a) Falkland Island population almost entirely of British stock.

(b) Clear wish of Falkland Island population to remain British.

(c) Stable administration existed until Argentine invasion.

RECENT INDONESIAN OFFENSIVE

5 Indonesians have substantially reinforced garrison and launched operations against FRETILIN. But scale of fighting less than press reports suggest.

## EAST TIMOR



## ESSENTIAL FACTS

## SOVEREIGNTY

1 Indonesia invaded Portuguese colony of East Timor in 1975 after moves towards de-colonisation, widespread civil disorder and declaration of UDI by left-wing faction FRETILIN.

## UN RESOLUTIONS

2 We condemned the invasion in two UN Security Council Resolutions (1975, 1976). Since 1976 UK has abstained on Annual General Assembly Resolutions calling for self-determination. Wording has implied independence, which goes too far. Rest of Community has done likewise except for Ireland and Greece (who sees parallel with Cyprus). Portugal has supported them. They have been adopted by successively narrower margins against background of active lobbying by both sides. Continued abstention by UK is the only way of avoiding offence to Portugal or Indonesia, both friendly countries. There was no vote last year. A report by the UN Secretary General is to be presented at this year's session.

## SETTLEMENT

3 President Eanes and Portuguese Government have a constitutional responsibility 'to promote the freedom and guarantee the independence of East Timor'. Recent diplomatic contacts by the Portuguese have indicated further decline in support for their position (US and France reported to be moving towards Indonesian position).

Portuguese would like to see self-determination (Indonesians claim this has already taken place), preservation of the identity of the people of East Timor and the defence of Portuguese interests in

the area. It is difficult to envisage a future for East Timor other than as integral part of Indonesia.

## EAST TIMOR/FALKLANDS

4 Portuguese have drawn parallel with Falklands and indicated wish for dearer support from us. But clear differences between East Timor and Falklands include:-

- (a) Portuguese colonisers always distinct from local people; they accounted for less than 1% of the population.
- (b) The Portuguese had set decolonisation under way before invasion.
- (c) Indonesia invaded only after breakdown of law and order.

## INDONESIAN OFFENSIVE IN EAST TIMOR

5 About 15 Indonesians died in an ambush inspired by FRETILIN (extreme left-wing guerrilla group) on 8 August 1983 which broke ceasefire that had held since beginning of the year. The Indonesians increased garrison to 12-15,000 troops and sporadic fighting has continued ever since against the FRETILIN guerrillas (about 700) in the jungle. The Indonesians appear to be looking for a military solution but have declared that last year's amnesty still applies to guerrillas who give themselves up.

6 Concern at Indonesian attitude has been expressed in this country both inside Parliament (Early Day Motion) and outside. We have informally expressed concern to the Indonesian authorities about reports of human rights abuses in East Timor. But we have no wish to alienate the Indonesians on this matter, which they regard as a domestic concern. Any serious displeasure could easily spill over into our valuable commercial relations (£200m exports last year).

SOUTH EAST ASIAN DEPARTMENT

9 April 1984



BRIEF NO 5(c)

VISIT OF THE PRIME MINISTER TO PORTUGAL: 17-19 APRIL 1984

FORMER PORTUGUESE COLONIES: MACAO

POINTS TO MAKE

1. How do the Portuguese see the future of Macao?

## FORMER PORTUGUESE COLONIES: MACAO

## ESSENTIAL FACTS

Macao/China

1. The present Chinese Government regard Macao as Chinese territory under Portuguese administration. The Portuguese offer in 1974 to return Macao to China was rejected, and Portugal now supports the gradual economic and political reintegration of Macao into mainland territory.
2. Relations were normalised in 1979. There is little doubt that a secret agreement was then reached under which the Portuguese acknowledged Chinese sovereignty in return for Chinese agreement to continued Portuguese administration. We thought that this was in the form of an oral and temporary understanding. However, in a recent conversation with the Governor of Hong Kong the Governor of Macao referred to the existence of a 'secret written agreement'.

Internal

3. There is no official Chinese representation in Macao. Its statute, embodied in the Portuguese constitution, provides for 'administrative, economic, financial and legislative autonomy'.
4. Recent proposals by the Governor for electoral reforms extending equal voting rights to Portuguese, Macanese, Chinese and foreign residents have caused a constitutional crisis. The Governor claimed that social tensions were growing amongst Chinese groupings excluded from representation in the Legislative Assembly. The reforms were however bitterly opposed by existing members of the Assembly whose obstructive tactics led to the Governor's request for its dissolution by the Portuguese President on 28 February. Its members are now claiming that the Governor is acting unconstitutionally in decreeing laws without an Assembly. There have also been accusations in Macao that the Governor has exploited the situation there to further his Presidential ambitions.

Far Eastern Department, Foreign and Commonwealth Office  
29 March 1984

VISIT OF THE PRIME MINISTER TO PORTUGAL : 17-19 APRIL 1984

IRAN/IRAQ

POINTS TO MAKE

The War

1. UK impartial in the conflict. Concerned by recent resumption of fighting on land and Iraqi attacks on shipping in the Gulf.

Escalation

2. Must continue to urge both sides to avoid escalation. Iraq has not yet launched a major attack on Iran's oil exporting facilities. They will probably refrain from doing so if they can prevent Iranian land breakthrough.

3. Iranian reaction to an Iraqi attack on their oil exporting capability unpredictable. Concerned that Iran has repeated its threats to close the Straits of Hormuz.

Mediation

4. UK will support any serious prospects of mediation, particularly through the good offices of the UN Secretary-General. Security Council's condemnation of the use of chemical weapons in the conflict might provide the basis for further mediation attempts. Unfortunately, there seems no sign of change in hard-line Iranian attitude towards mediation.

Contingency Planning (Defensive)

5. Attach importance to maintaining freedom of navigation in the Gulf. If this were threatened we would look first for a diplomatic solution and ensure that all avenues for a peaceful settlement are explored in consultation with our allies and other States in the region.

Disruption of Oil Supplies (Defensive)

6. If oil supplies from Gulf were disrupted, our view is that Governments in consumer countries should do all they can to calm

/the

the market, and that there should be rapid collective action focusing on stock drawdown. If necessary this should be followed by activation of formal IEA scheme. See this as best means of avoiding sharp rise in prices.

Iraqi Use of Chemical Weapons

7. UK wholeheartedly endorses the Security Council's condemnation of the use of chemical weapons in the conflict. We have repeatedly made clear that we condemn the use of chemical weapons wherever it occurs.

8. (If asked about UK supply): Pleased to note that UN experts' report provides no evidence to support wholly unfounded Iranian claims that the UK supplied CW to Iraq.

Arms Sales (Defensive)

9. We remain strictly neutral and have not supplied lethal items to either side. We would prefer all other countries to follow the same policy.



IRAN/IRAQ

ESSENTIAL FACTSThe War

1. After a series of Iranian offensives in January and February there has been a lull along most of the border, although fighting continues in the marshlands north of Basra. Iranian preparations are underway for a further large-scale attack in the South. Iraqi army's performance in defence so far has been good. They should be able to contain the expected offensive provided morale holds. Iraq has continued to attack neutral shipping in the Gulf..

Escalation

2. There is a dangerous period ahead, particularly if a successful Iranian push leads to a major Iraqi attack on Iranian oil installations and shipping. Iran has repeatedly threatened to close the Straits of Hormuz if Kharg Island is attacked successfully. Iran exports 90% of its oil from Kharg Island and its war effort is dependent on these oil exports. Alternatively Iran might attack one of the Gulf States who have provided Iraq with extensive financial assistance. (Kuwait is perhaps most at risk).

Mediation

3. The Secretary-General's plan for a two-pronged mediation mission to investigate civilian casualties and hold political discussions foundered on Iranian refusal to discuss substantive political matters. The UK continues to encourage any realistic mediation efforts (Mr Palme; NAM; Arab League). We have urged the UN Secretary-General to pursue any possible opening. The Security Council endorsement of the UN team of experts' report on chemical weapons might prove to be a base for getting the Iranians back into play with the UN. But recent Algerian contact with the Iranian Foreign Minister has confirmed that Iran's hard-line attitude to mediation remains unchanged.

Action by the Ten

4. The Foreign Ministers of the Ten issued a statement on the Middle East after their meeting on 27 March in Brussels.

/Contingency

Contingency Planning (Not for use)

5. We have been in close contact with the Americans over action in the event of further escalation in the war. We have made it clear to the Americans that British public opinion is opposed to getting involved in military adventures, and our view is that the first reaction to any closure of the Straits should be confined to diplomatic action, before military measures are considered. We have also been in contact with the French. To date they have shown no interest in political or military discussions. But they have had some military exchanges with the Americans.

Disruption of Oil Supplies

6. In the event of a closure of Straits of Hormuz we estimate there would be a net shortfall of about 4 mbd (10%) in free world oil supplies. Stock levels in OECD countries are sufficiently high to meet such a shortfall for over a year - far longer than the likely duration of a crisis.

7. Such a shortfall could trigger the International Energy emergency oil allocation scheme involving stock drawdown, demand restraint and allocation of available oil between countries.

8. Portugal is a member of IEA. Over half its oil imports (6.5 million tonnes in 1983) come from the Gulf area.

Chemical Weapons

9. The experts sent to Iran by the UN Secretary-General to investigate the alleged use of chemical weapons in the conflict concluded that mustard gas and nerve agents had been used, but did not apportion blame. On 30 March the Security Council strongly condemned the use of chemical weapons in the conflict and called on both sides to adhere to the 1925 Geneva Protocol.

10. The US has banned the export of a number of chemicals to Iran and Iraq which might be used in the manufacture of chemical weapons. We are considering the possibility of parallel action by the UK.