

PREM 19/1887

Internal Situations. Messages of Congratulation.

The Death of Dr Sa Carneiro.

UK / Portugal Relations

PORTUGAL

PT 1:

June 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
		14.11.85					
4.12.80		14.12.86					
20.12.80		26.2.86					
2.1.81		28.2.86					
9.3.81		5.4.86					
13.8.81		25.4.86					
3.9.81		25.86					
26.11.81		21.7.86					
2.12.81		\ /					
4.12.81		PT 1					
1.11.82		ENOS					
14.6.83		/ \					
17.6.83							
29.6.83							
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14.2.84							
27.4.84							
9.5.84							
8/11/84							
6.6.85							
12/9/85							
16.10.85							

PREM 19/1/887

PART 1 ends:-

RTA to NCW (A086/2133) 21.7.86

PART 2 begins:-

Portugese Prime Minister to PM 14.11.86

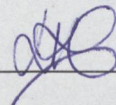
~~ET. FCO to CDP 19.11.86~~

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(80) 44 th meeting, item 2	11/12/1980
CC(85) 19 th conclusions, item 2	06/06/1985

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed 

Date 14/10/2014

PREM Records Team

Showered with Chief Whip.

He will object.

CF - Do not close. B/F me in one month.

N.C - 0

21.7

Ref. A086/2133

MR WICKS

You told me about the report by the Portuguese Minister of Agriculture that, when he went to visit the House of Commons on 1 July, he found himself sitting next to a well-known Portuguese revolutionary leftie, who was a guest of Sir John Biggs-Davison. I am afraid that my sources have not be able to identify or even to guess at the identity of the Portuguese revolutionary. As far as I can see the only way to find out is for the Chief Whip to put the story to Sir John Biggs-Davison and ask him who his guest was.

2.

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

RTA

ROBERT ARMSTRONG

21 July 1986

MR POWELL

file

SP

CF



CCFCO ✓

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

2 May 1986

Dear Senhor Corte-Real

Thank you for your letter to Charles Powell of 29 April enclosing a message from the President of the Republic of Portugal.

I know the Prime Minister will be grateful for this message from the President.

Z J. J. J.
Mark Addison

MARK ADDISON

Senhor Manuel [^]Côrte-Real, C.B.E.

SP

GPC

210,
Portuguese Embassy,
11, Belgrave Square,
London, SW1X 8PP

Proc. 2,212
No. ...⁸⁹...

29th April, 1986

Dear Charles

Dear ~~Mr.~~ Powell,

I have pleasure in sending you a message
(together with its free translation) from the President
of the Republic of Portugal, Dr. Mário Soares, to the
Rt. Hon. Margaret Thatcher, M.P., Prime Minister.

I would be extremely grateful if you would
be so kind as to transmit its contents to the Prime
Minister.

With kindest regards

Yours sincerely,

M. Corte-Real

Manuel Corte-Real
~~Counsellor~~

Charles D. Powell, Esq.
Private Secretary (Overseas Affairs),
The Prime Minister's Office,
10, Downing Street,
London SW1A



JU111

Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

no pps.

NIT CF
GR?

25 April 1986

C R Budd Esq
Private Secretary to the
Secretary of State for
Foreign & Commonwealth Affairs
Foreign & Commonwealth Office
Downing Street
London SW1

CD
20/4

Dear Colin,

600th ANNIVERSARY OF THE ANGLO/PORTUGUESE TREATY OF WINDSOR

Thank you for sending me a copy of your letter of 17 April to Joan MacNaughton concerning the celebrations to mark the above anniversary.

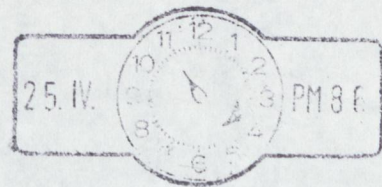
The Secretary of State and Minister for Trade unfortunately have engagements which prevent them from attending on 12 May. However, Lord Lucas is available and will be pleased to attend. Perhaps you could let his Private Secretary (215 4452) have the exact details.

I am copying this letter to Charles Powell (No 10), Jeremy Wright (MOD) and Joan MacNaughton (Lord President's Office).

Yours ever,

Michael

MICHAEL GILBERTSON
Private Secretary



*Portuguese Embassy,
11, Belgrave Square,
London, SW1X 8PP*

~~PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No.~~

Free Translation of a
Message from the President of the Republic
of Portugal, Dr. Mário Soares, to the Rt. Hon. Margaret
Thatcher, M.P., Prime Minister

" Lisbon, 10 April 1986

[Dear Prime Minister]

Thank you very much for the kind message of
felicitations you sent me when I was elected President
of the Portuguese Republic.

I would also take this opportunity to convey
to you that I am entirely at your disposal to employ all
my efforts towards further developing the relationship
between our two Countries, thus contributing to the
re-enforcement of centuries old links of friendship
that unite our Peoples.

Accept, dear Prime Minister, the assurance
of my highest esteem and consideration.

[Respectfully yours]

a) Mário Soares "



O Presidente da República

Lisboa, 10 de Abril de 1986.

Senhora Primeiro Ministro

Muito agradeço a amável mensagem de felicitações que Vossa Excelência me enviou por ocasião da minha eleição como Presidente da República.

Gostaria também de aproveitar esta oportunidade para lhe manifestar a minha inteira disponibilidade para continuar a desenvolver todos os esforços no sentido de aprofundar as relações entre os nossos dois Países, contribuindo assim para o reforço dos seculares laços de amizade que unem os nossos Povos.

Aceite, Senhora Primeiro Ministro, os protestos da minha mais alta estima e consideração.

E os meus cumprimentos

do

Leóncio Balsemão

Sua Excelência
Senhora Margaret Thatcher
Primeiro Ministro do Reino Unido
LONDRES



10 DOWNING STREET

From the Private Secretary

5 April 1986

Dear Michael,

Many thanks for your letter of 24 March enclosing the letter from Professor do Amaral to the Prime Minister which I have passed on. I hope indeed that I shall see you at some point in the "Portugal 600" celebration. The Prime Minister's talk with Cavaco Silva is a fixture, but it is going to be much more difficult to cope with the very persistent request from the Portuguese Ambassador that the Prime Minister should subsequently go to the Portuguese Embassy to see Soares. I think that your suggestion of a quick word at Windsor is the best bet.

Yours etc,
Charles

Charles Powell

M. K. O. Simpson-Orlebar, Esq., C.M.G.

089

Personal



BRITISH EMBASSY,
LISBON.

26 March 1986

Dear Charles

It's nice to be
in touch again and I'll
hope to see you in May
at some point in the
'Portugal 600' celebration.

I'm sorry if
there's a feeling around
Whitehall that my clients
are being unreasonable in
some of their expectations!

I'm so glad it's already
been possible to fix up
a call on the Prime
Minister for Cavaco Silva
- and I do hope something can
be contrived also to allow
her to talk with Soares
(her host in Lisbon in 1984)
- possibly in a corner at
Windsor?

Yours ever

Michael



BRITISH EMBASSY,
LISBON.

24 March 1986

C D Powell Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON SW1

Dear Charles

I have been asked by Prof Doutor Diogo
Freitas do Amaral to forward the enclosed
letter to Mrs Thatcher.

Yours ever

M K O Simpson-Orlebar

M K O Simpson-Orlebar

mg

PERSONAL



JLB
c fco

10 DOWNING STREET

THE PRIME MINISTER

28 February 1986

Dear Professor do Amaral,

I know that the results of the Presidential elections in Portugal must have been a very great disappointment to you. But you did splendidly well to come so close. I was always certain that you had a very bright future. Although it hasn't come yet, I am now even more certain that it will come one day.

With warm good wishes,

Yours sincerely
Margaret Thatcher

Professor Diogo Freitas do Amaral

PERSONAL

JC



bc PC

10 DOWNING STREET

From the Private Secretary

26 February 1986

**INAUGURATION OF THE NEW
PRESIDENT OF PORTUGAL**

The Foreign Secretary told the Prime Minister this evening that a number of European Heads of Government as well as Vice-President Bush would be attending the inauguration of President Soares on 9 March. The Prime Minister said that she saw no strong reason to go herself and the Foreign Secretary said that it would be difficult for him to do so. It was agreed that attendance by a member of the Royal Family might well be appropriate. The Foreign Secretary undertook to establish whether any member of the Royal Family would be available.

(Charles Powell)

L.V. Appleyard, Esq., C.M.G.,
Foreign and Commonwealth Office.

SRW

Aranda
Confidential Registry



With the compliments of

THE PRIVATE SECRETARY

As requested

Susa.

**FOREIGN AND COMMONWEALTH OFFICE
SW1A 2AH**

15

TOP COPY

CONFIDENTIAL

15540 - 1

OCMIAN 5540
CONFIDENTIAL
OO LISBO
FM FCOLN TO LISBO
141200Z FEB
GRS 144

WSP 014/1	
RECEIVED	FEB 16 1986
17 FEB 1986	
FEB 16 1986	
FEB 16 1986	
FEB 16 1986	

PA
17/2

CONFIDENTIAL
FCO
TO IMMEDIATE LISBON
TELNO 17
OF 141200Z FEBRUARY 86

NEW PRESIDENT

1. PLEASE HAND OVER WHICHEVER OF THE FOLLOWING MESSAGES FROM THE PRIME MINISTER TO THE NEW PRESIDENT IS APPROPRIATE AS SOON AS POSSIBLE AFTER THE ELECTION RESULT IS CONFIRMED.
2. IF FREITAS DO AMARAL WINS:
QUOTE I SEND YOU MY WARMEST CONGRATULATIONS ON YOUR ELECTION AS PRESIDENT OF PORTUGAL. YOUR VICTORY HAS GIVEN GREAT PLEASURE TO YOUR MANY FRIENDS IN BRITAIN WHO RECALL YOUR COURAGE OVER THE YEARS IN DEFENCE OF LIBERTY. WE WISH YOU EVERY SUCCESS IN YOUR GREAT TASK. UNQUOTE.
3. IF SOARES WINS:
QUOTE I SEND YOU MY WARMEST CONGRATULATIONS ON YOUR ELECTION AS PRESIDENT OF PORTUGAL. I HAVE THE HAPPIEST MEMORIES OF MY VISIT TO PORTUGAL IN 1984 AND WISH YOU EVERY SUCCESS IN YOUR NEW TASK. UNQUOTE.
4. A MESSAGE FROM THE QUEEN WILL BE CONSIDERED AT THE TIME OF INAUGURATION OF THE VICTOR.

HOWE
SED
PROTOCOL
NEWS DEPT
INFO DEPT
PS/LADY YOUNG
PS/MR RATFORD

CONFIDENTIAL

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

14 February 1986

MESSAGE TO THE NEW PORTUGUESE PRESIDENT

Thank you for your letter of 13 February enclosing alternative messages to Professor do Amaral and to Dr. Soares to be sent depending on the outcome of the Portuguese Presidential election.

BF / The Prime Minister is content for whichever message is appropriate to be sent but we have somewhat redrafted that to Professor do Amaral. I enclose a revised text.

(CHARLES POWELL)

L.V. Appleyard, Esq., CMG,
Foreign and Commonwealth Office.

JB

OUT TELEGRAM

		Classification CONFIDENTIAL	Caveat	Precedence PRIORITY
ZCZC	1	ZCZC		
TC	2	CONFIDENTIAL		
CAVEAT	3			
FM	4	FCO		
TO	5	TO PRIORITY LISBON		
TELNO	6	TELNO		
OF	7	OF		
AND TO	8			
	9			
	10	NEW PRESIDENT		
	11	1. Please hand over whichever of the following messages		
	12	from the Prime Minister to the new President is appropriate		
	13	as soon as possible after the election result is confirmed.		
	14	2. If Freitas do Amaral wins:		
	15	Quote I send you my warmest congratulations on your		
	16	election as President of Portugal. Your victory has given		
	17	great pleasure to your many friends in Britain who recall		
	18	your courage over the years in defence of liberty. We wish		
	19	you every success in your great task. Unquote.		
	20	3. If Soares wins:		
	21	Quote I send you my warmest congratulations on your		
	22	election as President of Portugal. I have the happiest		
	23	memories of my visit to Portugal in 1984 and wish you every		
	24	success in your new task. Unquote.		
	25	4. A message from The Queen will be considered at the		
///	26	time of inauguration of the victor.		
//	27			
/	28	HOWE		
	29			
<div style="border: 1px solid black; width: 100%; height: 50px; background: repeating-linear-gradient(45deg, transparent, transparent 2px, black 2px, black 4px);"></div>				
YYYY			Catchword:	
MAIN	File number	Dept	Drafted by (Block capitals)	Telephone no
ADDITIONAL	Authorised for Initials Date/time			
NNNN	despatch by:			
	For COD use only	Comcen reference	Telegram number	Processed by

CONFIDENTIAL

cc PC



Foreign and Commonwealth Office

London SW1A 2AH

13 February 1986

Prime Minister
Agree these
alternative
messages?
CDP
13/2.

Dear Charles,

Message to New Portuguese President

The Portuguese elect their new President on Sunday, 16 February. The two candidates still in the field are both known to the Prime Minister. Professor Freitas do Amaral, of the conservative Christian Democrats, met the Prime Minister on a visit to London last December. Dr Mario Soares, until last October Prime Minister of Portugal, was Mrs Thatcher's host in April 1984; he paid a return visit to London in November of that year. In view of these personal contacts, a message from the Prime Minister to the eventual winner would be appropriate.

A very close result seems inevitable and I accordingly enclose a telegram with draft alternative messages so that our Ambassador can move quickly whatever the outcome.

A message from The Queen will be appropriate when the new President is inaugurated, probably in early March.

Yours ever,

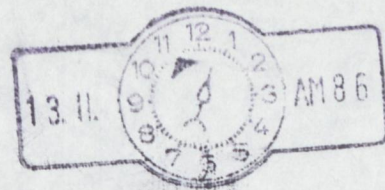
Len Appleyard
(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

OUT TELEGRAM

	Classification CONFIDENTIAL	Caveat	Precedence PRIORITY
ZCZC	1 ZCZC		
TC	2 CONFIDENTIAL		
CAVEAT	3		
FM	4 FCO		
TO	5 TO PRIORITY LISBON		
TELNO	6 TELNO		
OF	7 OF FEBRUARY 86		
AND TO	8		
	9		
	10 NEW PRESIDENT		
	11 1. Please hand over whichever of the following messages from the		
	12 Prime Minister to the new President is appropriate as soon as		
	13 possible after the election result is confirmed.		
	14 2. If Freitas do Amaral wins:		
	15 Quote I send you my warmest congratulations on your election		
	16 as President of Portugal. <i>your victory has given great pleasure</i>		
	17 <i>to your many friends in Britain who recall your courage</i>		
	18 <i>last December and wish you every success in your new task.</i>		
	18 Unquote <i>over the years in defence of liberty. We wish you</i>		
	19 <i>every success in your great task.</i>		
	20 3. If Soares wins:		
	21 Quote I send you my warmest congratulations on your election		
	22 as President of Portugal. I have the happiest memories of my		
	23 visit to Portugal in 1984 and wish you every success in your new		
	24 task Unquote.		
	25 4. A message from The Queen will be considered at the time of		
	26 inauguration of the victor.		
///	27		
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YYYY	Catchword:		YYYY
MAIN	File number	Dept	Drafted by (Block capitals)
ADDITIONAL		PRIVATE OFFICE	L V APPLEYARD
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	despatch by:		
	For COD use only	Comcen reference	Telegram number
			Processed by



Portuguese Embassy,
11, Belgrave Square,
London, SW1X 8PP

14th November, 1985

Proc. 2,212

Nº 123

Pl. copy to
FW
CAF 15/11

Dear Mr. Powell,

I have pleasure in sending you a message (together with its free translation) from the Prime Minister of the Republic of Portugal, Dr. Aníbal Cavaco Silva, to The Rt. Hon. Margaret Thatcher, M.P., Prime Minister.

I would be extremely grateful if you would be so kind as to transmit its contents to the Prime Minister.

Yours sincerely,

José Maria de Macedo

José Maria de Macedo
Minister-Counsellor

Charles D. Powell, Esq.,
Private Secretary (Overseas Affairs),
The Prime Minister's Office,
10, Downing Street,
LONDON,
S.W.1

ccops, Master

Subject: Portugal; Int Sit June 1979

14.1185

Free translation of a message from the Portuguese Prime Minister, Dr. Aníbal Cavaco Silva to the Rt. Hon. Margaret Thatcher, M.P., Prime Minister.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T213A/85

I would like to thank you for the felicitations and good wishes you kindly sent me on my appointment as Prime Minister of the Portuguese Government. It is for me especially rewarding to have the opportunity to strengthen the relationship that already exist between our two countries.

Within the framework of the EEC new perspectives will be opened and I feel sure that they will be most helpful to our two countries and for our traditional friendly relations.

Aníbal Cavaco Silva



Message from the Portuguese Prime Minister, Dr. Aníbal Cavaco Silva to the Rt. Hon. Margaret Thatcher, M.P., Prime Minister.

"Gostaria de lhe agradecer as felicitações e os votos que quis ter a amabilidade de dirigir-me quando na minha designação como Primeiro Ministro do Governo Português. Ser-me-á particularmente grato ter a oportunidade de trabalhar para um estreitamento das relações que existem entre os nossos dois países. O quadro das comunidades europeias vem abrir novas perspectivas que, estou certo, serão altamente proveitosas para ambos os países e para as nossas tradicionais relações de amizade.

Aníbal Cavaco Silva"

Portugal int Sit VA



→ Mr Powell (No 10) STS 718/85

(4)

Presidency of the
Council of Ministers
Prime Minister's Office

cc Mr Neilson (SED)

Prime Minister

C 90

Lisbon 31 October 1985

ms

Dear Prime Minister,

Thank you very much for your kind message to me, on the occasion of my departure from the office of Prime Minister.

I recall with pleasure the opportunity I had of making your acquaintance in person and the atmosphere of understanding and cordiality that presided over our relations.

I avail myself of this opportunity to renew my gratitude for the warmth with which I was received in London on the occasion of my visit last year.

Please accept my most sincere wishes for your personal success and happiness and the expression of my esteem.

[Complimentary close (handwritten)]

Mario Soares

[Signature]

The Rt. Hon. Margaret Thatcher, MP.
Prime Minister of the
United Kingdom of Great
Britain and Northern Ireland



~~B/F TO AWAIT
FCO TRANSLATION~~

PRESIDÊNCIA DO CONSELHO DE MINISTROS

Gabinete do Primeiro Ministro

Lisboa, 31 de Outubro de 1985

Sra. Primeira Ministra

Muito agradeço a amável mensagem que me enviou no momento em que deixo as funções de Primeiro Ministro.

Recordo com prazer a oportunidade que tive de conhecer pessoalmente V.Exa. e o clima de bom entendimento e cordialidade que presidiu às nossas relações.

Aproveito para lhe reiterar o meu agradecimento pela maneira calorosa como fui recebido em Londres por ocasião da minha visita oficial em Novembro do ano passado.

Peço aceite, Sra. Primeiro Ministro, os meus mais sinceros votos de felicidades pessoais e a expressão da minha estima.

Com elevada consideração e respeito

104, de V. Ex.ª,

Leopoldo Sá

Sua Excelência

Margaret Thatcher, MP

Primeiro Ministro do Reino Unido da Grã-Bretanha e

Irlanda do Norte



f l v

10 DOWNING STREET

From the Private Secretary

16 October 1985

Thank you for your letter of 15 October to Charles Powell with which you enclosed draft messages for the Prime Minister to send to the likely new Portuguese Prime Minister and to his predecessor. Mrs. Thatcher has agreed that these messages may be handed over when the new appointments are confirmed. No doubt you will make arrangements for this to be done.

TIMOTHY FLESHER

Colin Budd, Esq.,
Foreign and Commonwealth Office.

BM

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 7190/85

subject
cc ops
master

CONFIDENTIAL

17015 - 1

OCMIAN 7015
CONFIDENTIAL
PP LISBO
FM FCOLN TO LISBO
161345Z OCT
GRS 280

CONFIDENTIAL
FM FCO
TO PRIORITY LISBON
TELNO 283
OF 161345Z OCTOBER 85

YOUR TELEGRAM NO 452: NEW GOVERNMENT

1. PLEASE HAND OVER THE FOLLOWING MESSAGES AS SOON AS POSSIBLE AFTER THE FORMATION OF THE NEW GOVERNMENT.

2. FROM THE PRIME MINISTER TO PROFESSOR CAVACO E SILVA:

'I SHOULD LIKE TO OFFER YOU MY WARM CONGRATULATIONS ON YOUR APPOINTMENT AS PRIME MINISTER OF PORTUGAL. I WISH YOU EVERY SUCCESS AND LOOK FORWARD TO WORKING WITH YOU IN DEVELOPING FURTHER THE CLOSE LINKS WHICH HAVE TRADITIONALLY EXISTED BETWEEN OUR TWO COUNTRIES AND WHICH ARE NOW TO BE GIVEN A NEW DIMENSION WITHIN THE EUROPEAN COMMUNITY.'

3. MESSAGE FROM PRIME MINISTER TO DR MARIO SOARES:

'AS YOU LAY DOWN YOUR RESPONSIBILITIES AS PRIME MINISTER OF PORTUGAL I WISH TO THANK YOU FOR THE WARMTH AND FRIENDSHIP WHICH HAS CHARACTERISED OUR RELATIONS, IN PARTICULAR DURING MY VISIT TO YOUR COUNTRY LAST YEAR. PLEASE ACCEPT MY GOOD WISHES FOR THE FUTURE.'

4. MESSAGES FROM THE SECRETARY OF STATE TO NEW FOREIGN MINISTER:

'PLEASE ACCEPT MY CONGRATULATIONS AND BEST WISHES ON YOUR APPOINTMENT AS FOREIGN MINISTER. I VERY MUCH LOOK FORWARD TO WORKING WITH YOU IN A TIME WHEN THE TRADITIONALLY CLOSE LINKS BETWEEN OUR TWO COUNTRIES ARE ABOUT TO BE COMPLEMENTED BY YOUR COUNTRY'S ACCESSION TO THE EUROPEAN COMMUNITY.'

CONFIDENTIAL

CONFIDENTIAL

17015 - 1

5. MESSAGE FROM SECRETARY OF STATE TO DR JAIME GAMA:
'PLEASE ACCEPT MY VERY BEST WISHES AS YOU RELINQUISH YOUR
APPOINTMENT AS FOREIGN MINISTER OF PORTUGAL. I HAVE ALWAYS MUCH
ENJOYED WORKING WITH YOU AND THE OPPORTUNITIES WE HAVE HAD TO
CO-OPERATE TO THE BENEFIT OF OUR TWO COUNTRIES. I WISH YOU
EVERY SUCCESS FOR THE FUTURE.'

HOWE

LIMITED

SED

PROTOCOL DEPT

PS

PS/LADY YOUNG

MR DEREK THOMAS

2

CONFIDENTIAL

CONFIDENTIAL

cc
①



Foreign and Commonwealth Office

London SW1A 2AH

15 October 1985

Dear Charles,

Yes Mr

Prime Minister

Agreed,
messages.

CDP 15/10

Portuguese General Election

Following the general election in Portugal on 6 October, Professor Cavaco e Silva, leader of the Social Democrat Party, is likely to be asked to form a minority government within the next week or so. It would seem appropriate for messages to be sent to Professor Cavaco e Silva and to the new Foreign Minister, as well as to their predecessors, Dr Mario Soares and Dr Jaime Gama. Dr Soares will be a candidate in the Presidential elections next January. It would be convenient for the messages to be agreed before the Prime Minister leaves for CHOGM. They would be handed over only after the new appointments are confirmed. I enclose a draft telegram accordingly.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

OUTWARD TELEGRAM

	Classification	Caveat	Precedence
	CONFIDENTIAL		PRIORITY
TC	SECURITY CLASSIFICATION CONFIDENTIAL		
CAVEAT	PRIVACY MARKING/RESTRICTIVE PREFIX		
FM	FM (post) FCO		
TO	TO (precedence/post) PRIORITY LISBON		
TELNO	TELNO/TELELETTER		
OF	OF (Time of origin) Z (Month) (Year)		
AND TO	AND TO (precedence/post)		
		
	AND TO SAVING		
INFO	INFO (precedence/post)		
		
	INFO SAVING		

Distribution:-

YOUR TELEGRAM NO 452: NEW GOVERNMENT

1. Please hand over the following messages as soon as possible after the formation of the new government.
2. From the Prime Minister to Professor Cavaco e Silva:

"I should like to offer you my warm congratulations on your appointment as Prime Minister of Portugal. I wish you every success and look forward to working with you in developing further the close links which have traditionally existed between our two countries and which are now to be given a new dimension within the European Community."
3. Message from Prime Minister to Dr Mario Soares:

"As you lay down your responsibilities as Prime Minister of Portugal I wish to thank you for the warmth and friendship which has characterised our

Catchword: relations

File number	Department	Drafted by: (block capitals)	Telephone no

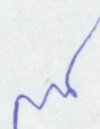
relations, in particular during my visit to your country last year. Please accept my good wishes for the future."

4. Messages from Secretary of State to new Foreign Minister:

"Please accept my congratulations and best wishes on your appointment as Foreign Minister. I very much look forward to working with you in a time when the traditionally close links between our two countries are about to be complemented by your country's accession to the European Community."

5. Message from Secretary of State to Dr Jaime Gama:

"Please accept my very best wishes as you relinquish your appointment as Foreign Minister of Portugal. I have always much enjoyed working with you and the opportunities we have had to co-operate to the benefit of our two countries. I wish you every success for the future."



NOTHING TO BE WRITTEN IN THIS MARGIN

Subject

ec Fco JRB



file
ceHaste
ops

10 DOWNING STREET

THE PRIME MINISTER

12 September 1985

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T163A/85**

Dear Prime Minister,

I was deeply distressed to learn of the tragic rail accident which occurred yesterday evening near Viseu and of the large number who died or have been badly injured. My heartfelt sympathies and those of the British people go out to the victims and their relatives. We share in their sadness and loss and pray that they will find the courage to rebuild their lives.

Yours sincerely
Margaret Thatcher

His Excellency Dr. Mario Soares



SPW

10 DOWNING STREET

From the Private Secretary

12 September 1985

TRAIN CRASH IN PORTUGAL

The Prime Minister would wish to send a message of condolence to Dr. Soares on last night's train crash in Portugal which resulted in such heavy loss of life.

I enclose her message and should be grateful if it could be despatched as soon as possible.

(C. D. POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

TRANSCRIPT OF PRIME MINISTER'S MESSAGE TO THE PORTUGUESE PEOPLE
ON THE OCCASION OF THEIR ACCESSION TO THE COMMON MARKET: 12 JUNE
1985. (RECORDED FOR RTP)

I am glad to have the chance of a few words with you today to say how sorry I am that I can't be present at the signing of this great Treaty today. I have so many happy memories of Portugal. I spent my honeymoon there many many years ago, and I had a marvellous visit again last year.

And of course you are our oldest ally. It's just over 600 years since we pledged ourselves to true, faithful, constant and perpetual friendship, and now we will be able to work to that even more closely within the Community. This is a very historic occasion for Portugal entering the Community. There will of course be some adjustments. We had to make them too. But all will be well.

You are a people who chose freedom. That freedom will be strengthened in the Community, and now we can work together to extend and widen the horizons of the Community in accordance with our own national traditions.

We in Britain welcome you into the Community with all our hearts.

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SAVING TELEGRAM

AMENDED DISTRIBUTION 13 NOVEMBER 1984

FM LISBON 081045Z NOV

TO FCO

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TO FCO SAVING TELEGRAM NO 6 OF 8 NOVEMBER 1984

THE PORTUGUESE SCENE AT THE TIME OF DR MARIO SOARES' VISIT
TO LONDON (20 - 23 NOVEMBER).

SUMMARY

1. The Socialist/Social Democrat coalition Government is in a lacklustre phase. It seems numbed into inaction by the forward shadow of next year's Presidential elections, and has not yet grasped the nettle of radical economic and labour reforms. Though the Government has real achievements to its credit, the ordinary voter is worse off than he was, and Soares may be tempted to reflate early for electoral reasons. Meanwhile, he claims credit for securing EC accession (ie the Constat d'Accord) and remains the dominant political figure.

2. Though still undeclared, few doubt that Soares will run in the Presidential election at the end of 1985. He would be the first civilian President for 50 years. He has much in his favour including a courageous record as a democrat, but other candidates are yet to appear and there is still a year to go. The Constitution limits the electoral campaign to 30 days but it has effectively begun already and increasingly overshadows politics in Portugal.

DETAIL

Political

3. That the coalition has stayed together and provided stable government for 18 months is already an achievement, in a
/country

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country which has seen 15 governments in 10 years. With its large majority, the coalition could last a full 5 years, provided the Social Democrat (PSD) junior partners do not withdraw or divide. The PSD is a lively party with many factions, and Mota Pinto's leadership is more a matter of riding the rapids than imposing a clear direction. Soares needs him but finds the PSD an uncomfortable partner. There are regular attempts launched by other PSD leaders to dethrone Mota Pinto, or to commit the party to a course which would lead to the break-up of the coalition. Some still hanker after an alliance to the right, with the CDS, to reconstitute the Democratic Alliance (AD) who held power for three years until 1983, even though the CDS is still in disarray. For all his shortcomings, Mota Pinto survives as an amiable, if apparently ineffectual, figurehead. And he has kept his party in the coalition.

4. By contrast, Soares' leadership of the Socialists (PS) is unchallenged, except for minor outbursts from party ideologues, eg over the Internal Security Law. Indeed, apart from the President, Soares is easily the dominant political figure in Portugal. The party is waiting to see what will happen when Soares resigns to begin his Presidential campaign, which is generally expected next summer (see below). But he may be persuaded to remain in office until the autumn which would be healthier for the country. To the left, the Communists (PCP) with 18% of the vote remain on the margins, hoping to exploit discontent arising from the austerity measures.

5. Both the PS and PSD have reason to fear the collapse of the coalition, a factor for stability. They observe the slow formation of a new Eanist movement, based on participation politics in the provinces and benefitting from Eanes' image as a decent and dignified figure aloof from pork-barrel /politics

politics. And they know that any chaos in the coalition could provide the President with an excuse to dissolve the Assembly, calling new legislative elections in which an Eanist party could play havoc with existing party support. They also know that this power expires next July (six months before the end of his mandate).

Presidential Elections

6. For over 50 years, every President of Portugal has been a military figure. In 1985 democratic Portugal on the brink of joining the EC may well break tradition. The elections will also show whether a party politician like Soares can persuade the electorate to close a chapter and reject candidates who came to prominence through the 1974 revolution, in either a military or civilian capacity. Only one candidate, the maverick and populist ex-Prime Minister Maria Lurdes de Pintasilgo, has so far declared herself. But it seems certain that Soares will run, endorsed by the PS.

7. To win outright on the first round, a candidate must poll over half the vote. Failing this, the two with most votes go to a second round. Much will therefore depend on who else is running. Soares must fear a squeeze. A good candidate to the right, endorsed by PSD or CDS, and Pintasilgo to the left with PCP backing, could eliminate him on the first round. If there are many candidates, Soares should reach the second round and is likely to win. But it is too early to make forecasts and much may depend on who gets the endorsement of Eanes. In the meantime, Soares will be concerned about how the Government's performance will reflect on his own campaign, and will avoid contentious legislation.

/ EXTERNAL

EXTERNALEC Accession

8. The Constat d'Accord has given the Government a fillip. It was Soares' idea and he has seized it as a personal triumph. As such it has proved a convenient distraction from the Government's period of drift. The trouble is that the "Constat" does nothing to help the lot of the average Portuguese wage earner beset by 30% inflation. The public reaction has been apathetic but the media has finally begun to open a public debate on the economic implications of accession.

Southern Africa

9. Although EC accession has been the main preoccupation, the coalition has made efforts to enhance Portugal's role vis-a-vis Lusophone Africa. Relations with Angola remain uneasy and affected by the direct links between the PCP and the MPLA government in Luanda. In the case of Mozambique, Portugal appeared to have reestablished warm links following President Machel's State Visit and the backstage help Portugal provided for the negotiations leading to the Nkomati Accords. But recent criticisms of the help given to Renamo by Portuguese nationals, including in some accounts members of the Government, have shown the fragility of relations. Portugal denied the charges, and now seems determined to stay out of the firing line,

ECONOMY

10. During their first year of office, the Government called in the IMF and made real efforts to resolve the economic crisis through an austerity programme. This choked consumption, reduced borrowings and achieved real improvements in the trade balance. The external account continues to improve strongly. But purchasing power, production and investment have fallen, while inflation and unemployment have /risen ,

CONFIDENTIAL

5.

risen. The timing of any reflation will be crucial, and Soares will be tempted to raise public spending, to reduce taxes and relax the credit squeeze to improve the electoral climate next year.

11. The Government has taken some steps towards a more market orientated economy, by removing price controls and opening some sectors previously reserved for State monopolies, but has not undertaken more radical restructuring reforms with the urgency promised. Amendments to Labour Laws, moves to liberalise rents and tackle unprofitable public enterprises are still under discussion, and may be further delayed as Soares and others focus increasingly on the Presidential elections. And there is no sign of any clear policy for the important and backward agricultural sector, except to wait and allow EEC accession to impose changes.

12. FCO Please pass Saving to UKREP Brussels, Madrid, Paris.

BYATT

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MR JOHNSON
MR J C THOMAS

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SAVING TELEGRAM

AMENDED DISTRIBUTION 13 NOVEMBER 1984

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TO FCO

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TO FCO SAVING TELEGRAM NO 5 OF 8 NOVEMBER 1984

VISIT TO LONDON BY PORTUGUESE PRIME MINISTER 20 - 23 NOVEMBER:
ECONOMIC BACKGROUND

PORTUGAL: EEC

1. Last month, the Government faced growing disenchantment over the slow pace of the accession negotiations. The signature in Dublin on 24 October of a "Constat d'Accord" brought relief, and gave Soares a chance to reassure the public and congratulate himself. But there is now an awareness that serious problems remain, including particularly fisheries, sugar, wine and tomato products, and Portugal awaits sight of the Community's package. The underlying unhappiness that the pace of their own accession is tied to that of Spain has not disappeared.

PORTUGAL: THE ECONOMY

2. The austerity measures introduced last year have continued throughout 1984. Most of the criteria agreed with the Fund have been surpassed, particularly on the external side where the current account deficit was halved in 1983 and will be close to the \$ 1.25bn target for 1984. Confidence has been reestablished in international capital markets, and a \$ 400m loan was easily negotiated with 27 banks in August 1984,

/3.

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2.

3. Stringent ceilings on domestic and external financing and high interest rates (real rates are in the region of 40 %) have produced a sharp decline in real wages and purchasing power, so that consumer demand and business activity have fallen. Imports are down 8 - 10% in 1984 compared to the previous year, but exports are up 16 - 18%. The textile, clothing and footwear sectors are particularly active. Overall, GDP is expected to contract 1.5% this year.

4. Continuing areas of concern are the rate of inflation at about 30% and the very high domestic arrears of the public sector enterprises. The country's debt servicing burden remains high but is now better controlled with regular Central Bank monitoring of borrowing by the public enterprises. Total external debt at end 1983 stood at some \$ 14.4bn and is targetted to remain below \$ 15.5bn by the end of the year.

5. The country is at present facing an internal wrangle between the Ministry of Finance and the Bank of Portugal over the budget for the present financial year. An unacceptably large deficit has emerged, in part because the Ministry expected the Bank to sell gold and to remit the proceeds to the central budget, whereas the Bank decided not to do so because of the fall in the price of gold. The size of the budgetary deficit is causing the Government some embarrassment, particularly with the IMF in the wings. The budget for 1985 is soon to be unveiled.

6. A financial and economic recovery programme was announced in mid-1984 to liberalise the financial sector, recuperate public enterprises and reorganise fiscal policy. For the first time since 1974, 2 foreign banks have been allowed to begin operations and others (including Barclays) hope to follow in the near future. LBI (established here for 120 years) have been able to expand their activities,

/7.

7. The third stage of the Government's three part Economic Plan, a Programme for the Modernization of the Portuguese Economy, designed to prepare industry for full Accession to the EC, is to be announced by the end of 1984.

8. Unemployment statistics are unreliable and there is almost certainly a substantial amount of disguised under-employment. The rate of unemployment is nevertheless estimated to have increased to some 12% (7.4% in 1982). Further problems have been created in the labour market by acute cash flow problems of both private and public sector companies, resulting in the inability of many to pay salaries in full.

UK MARKET SHARE

9. The United Kingdom market share in the first nine months of 1984 was 7.03% (1983 - 7.64%; 1982 - 7.78%; 1981 - 8.1%). The UK is in 4th position behind the US (14% - much of it cereals), Germany (11.2%) and France (8.15%). The UK remains Portugal's largest market (14.83% in 1983) followed by France (13.5%) and Germany (13.4%).

INVESTMENT

10. Several important fresh British investments are being negotiated. If all goes well these could amount to around £150 million by the end of 1984 as follows:

i. Somincor

A copper mine in the Alentejo region boasting one of the richest ore bodies in the world. Contracts for equipment in the region of \$ 50/60m being tendered for over the next 12 months. The Rio Tinto Zinc Minerals (UK) have negotiated to purchase 49% of Somincor's equity from 2 French mining companies, subject to Portuguese Government consents.

/The Portuguese

The Portuguese are trying to commit RTZ to building a smelter. The negotiations over consents continue.

ii. Soporcel

A major woodpulp plant at Figueira da Foz largely owned by various nationalised banks. Wiggins Teape are in the final stages of negotiating the purchase of 45% of equity. Subject to production targets being met, Wiggins Teape will agree to the construction of an integrated paper-making plant on the same site.

iii. Sugar

Tate & Lyle have taken control of Sidul, a Portuguese sugar refiner and are interested in further expansion in the sugar market.

MAJOR CONTRACTS OF INTEREST TO BRITAIN

11. The following are being pursued:-

i. Nuclear Power

A number of British companies, including NEI, are in contact with the Portuguese authorities and Electricidade de Portugal over Portuguese plans for the introduction of nuclear power in the late 1990s.

ii. Computers for Schools

Sinclair UK are in touch with the Portuguese education authorities and hope to work with them to develop a programme for the use of computers in schools.

/iii.

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iii. Telecommunications

Plessey and GEC are interested in a contract for the replacement of switching equipment in the Portuguese telecommunication system and will offer System X in a tender expected some time in 1985.

iv. Viewdata

GEC and Tandata Marketing will be bidding for the supply of Prestel equipment for the Portuguese Posts and Telegraphs (CTT) some time in 1985.

v. Shipping

The Portuguese merchant marine is to be reorganised and re-equipped and up to 55 ships will be required over the next 10 years. Harland and Wolff are in touch with Soponata (a State-owned tanker company) over the supply of 7 tankers.

12. FCO Please pass to DTI; Bank of England; ECGD.
BYATT

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BRITISH EMBASSY,
LISBON.

8 May 1984

A J Coles Esq
Private Secretary
10 Downing Street
London SW1

Letter submitted

to P.R.

*MR 14.
5*

Dear John,

I enclose a letter from Dr Mario Soares to the Prime Minister which I have been asked to convey. As I have already reported to you in my letter of 2 May, Dr Soares was clearly very touched by the message inscribed for him by the Prime Minister on her photograph.

Yours ever

H C Byatt
H C Byatt

British Telecom telegram, 02 May 1984/1252

ZC CLM5149 LIA745 GCT918 P7034 1040

GBXX CO PCLX 129

Oporto TELEX 129/119 2 1228

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R 11/5

The Rt. Hon. Margaret Thatcher FRS MP
10 Downing Street
LONDON

Prime Minister.

To see.

A.S.C. 1/5

Your excellency,

I was greatly touched by the expression of sympathy for the victims of the tragic accident that occurred at Valongo. It was indeed a further gesture [words unreadable] to all those who had the privilege of coming into contact with your excellency during the short visit you paid to the city of Oporto.

In this connection, I should like to reaffirm to your excellency that you may count on me to do my utmost to strengthen and tighten the bonds of ancient friendship existing between our two countries, in particular the north of the country where the British colony is distinguished by its entrepreneurial prestige and dynamism.

[Complimentary close]

mf

Paulo Valada,
Chairman of the City Council
of Oporto

Portoona
Relations
June 79

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THE RT HON MARGARETE THATCHER FRS MP

10 DOWNING STREET

LONDON

EXCELENCIA

FIQUEI EXTREMAMENTE SENSIBILIZADO PELA MANIFESTACAO DE
SOLIDARIEDADE DEMONSTRADA PARA COM AS VITIMAS DO TRAGICO
ACIDENTE OCORRIDO EM VALONGO CREIA QUE FOI MAIS UM GESTO BOUNE
CALOU FUNDO A TODOS AQUELES QUE TIVERAM O PRIVILEGIO DE
CONTACTAR COM VEXAS DURANTE A CURTA VISITA QUE EFECTUOU
A CIDADE DO PORTO

A ESTE PROPOSTO RENOVO A VEXA OS PROTESTOS DA MINHA INTEIRA
DISPONIBILIDADE PARA REFORCAR E ESTREITAR OS LACOS DE AMIZADE
SECULAR EXISTENTES ENTRE OS NOSSOS DOIS PAISES, EM PARTICULAR
O NORTE DO PAIS ONDE A COLONIA BRITANICA SE DESTACA PELO SEU
PRESTIGIO E DINAMISMO EMPRESARIAL

CREIA-ME ATENTAMENTE COM OS MELHORES CUMPRIMENTOS
PAULO VALADA PRESIDENTE DA CAMARA MUNICIPAL DO PORTO

COL 10

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dial the number
dialling instructions

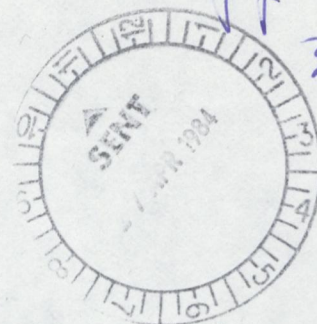
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DISTRIBUTION Prime Minister
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GRS 120
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FM LISBON 271739Z APR 84
TO IMMEDIATE FCO
TELEGRAM NUMBER 156 OF 27 APRIL 1984

YOUR TELN O 100 OF 26 APRIL: ACCIDENT AT VALONGO

1. I PASSED THE PRIME MINISTER'S MESSAGE IMMEDIATELY ON RECEIPT TO DR SOARES'S PRIVATE SECRETARY. HE WAS MOST GRATEFUL AND ASSURED ME TEXT WOULD BE SHOWN TO SOARES AS SOON AS HE RETURNED TO HIS OFFICE. TEXT HAS ALSO BEEN MADE AVAILABLE TO PORTUGUESE PRESS.
2. MESSAGE TO MAYOR OF OPORTO WAS ALSO PASSED IMMEDIATELY BY TELEPHONE AND CONFIRMATORY TEXT DELIVERED BY HM CONSUL, OPORTO. I HAVE SINCE SPOKEN TO THE MAYOR WHO WAS MUCH TOUCHED.

BYATT

ms

LIMITED
SED
NEWS DEPT
AS/LADY YOUNG
SIR J BALLARD
MR JENKIN

CONFIDENTIAL

File

259

~~Handwritten scribble~~

27 April 1984

Thank you for your letter of 26 April to Robin Butler.

As I told you on the telephone yesterday evening, the Prime Minister agrees the draft messages to Dr. Soares and the Mayor of Oporto which were attached to your letter. I should be grateful if you would arrange for them to be transmitted as soon as possible.

bf

David Barclay

Roger Bone, Esq.,
Foreign and Commonwealth Office.

Handwritten signature

Subject - a master
eps.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T64⁸/84 TOP COPY

UNCLASSIFIED

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OO LISBON
GRS 137
UNCLASSIFIED

FM FCO 261700Z APR 84
TO IMMEDIATE LISBON
TELEGRAM NUMBER 100 OF 26 APRIL
ACCIDENT AT VALONGO

1. PLEASE PASS THE FOLLOWING MESSAGE URGENTLY FROM THE PRIME
MINISTER TO DR SOARES.

BEGINS: I WAS DEEPLY DISTRESSED TO LEARN OF THE SERIOUS ACCIDENT
WHICH OCCURRED AT VALONGO NEAR OPORTO TODAY. FOLLOWING MY
RECENT VISIT TO PORTUGAL AND THE WARM WELCOME AFFORDED TO ME I
FEEL PARTICULARLY SADDENED BY WHAT HAS HAPPENED AND ASK YOU TO
ACCEPT MY DEEPEST SYMPATHY. I AM ALSO SENDING A MESSAGE TO ENG.
PAULO VALLADA, THE MAYOR OF OPORTO. ENDS

2. PLEASE ALSO PASS FOLLOWING MESSAGE FROM PRIME MINISTER TO
MAYOR OF OPORTO.

BEGINS: SO SOON AFTER MY VISIT TO YOUR BEAUTIFUL CITY I WAS
SHOCKED AND SADDENED TO LEARN OF THE TRAGIC ACCIDENT AT VALONGO
THIS MORNING. PLEASE CONVEY MY SINCERE SYMPATHY TO ALL WHO HAVE
SUFFERED THE LOSS OF LOVED ONES OR INJURY. ENDS

HOWE

NNN
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NEWS D
PS/LADY YOUNG
SIR J BULLARD
MR JENKINS

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UNCLASSIFIED



Foreign and Commonwealth Office

London SW1A 2AH

26 April 1984

for Mr.

You asked for advice on the desirability of the Prime Minister sending messages of sympathy to Dr Soares and the Mayor of Oporto following this morning's accident involving a bus and train at Valongo near Oporto.

We have checked the agency story with our Embassy in Lisbon and the facts appear clear. The collision, some 12 miles east of Oporto, has resulted in 20 - 30 deaths with many others, who are seriously injured, receiving treatment in nearby hospitals.

In view of the Prime Minister's recent return from Portugal the Ambassador warmly supports the proposal for such messages, which could be delivered through his channels. I enclose a draft telegram.

Yours on
R B Bone

(R B Bone)
Private Secretary

F E R Butler Esq
10 Downing Street

OUT TELEGRAM

	Classification and Caveats UNCLASSIFIED	Precedence/Deskby IMMEDIATE

ZCZC 1 ZCZC
 GRS 2 GRS
 CLASS 3 UNCLASSIFIED
 CAVEATS 4
 DESKBY 5
 FM FCO 6 FM FCO
 PRE/ADD 7 TO IMMEDIATE LISBON
 TEL NO 8 TELEGRAM NUMBER
 9 ACCIDENT AT VALONGO
 10 1. Please pass the following message urgently from the Prime
 11 Minister to Dr Soares.
 12 BEGINS: I was deeply distressed to learn of the serious accident
 13 which occurred at Valongo near Oporto today. Following my
 14 recent visit to Portugal and the warm welcome afforded to me I
 15 feel particularly saddened by what has happened and ask you to
 16 accept my deepest sympathy. I am also sending a message to Eng.
 17 Paulo Vallada, the Mayor of Oporto. ENDS
 18 2. Please also pass following message from Prime Minister to
 19 Mayor of Oporto.
 20 BEGINS: So soon after my visit to your beautiful city I was
 21 shocked and saddened to learn of the tragic accident at Valongo
 22 this morning. Please convey my sincere sympathy to all who have
 23 suffered the loss of loved ones or injury. ENDS
 24
 25 HOWE NNNN

ms

NNNN ends telegram	BLANK	Catchword
File number	Dept	Distribution PS PS/Lady Young Sir J Bullard Mr Jenkins SED News Dept
Drafted by (Block capitals) PRIVATE SECRETARY		
Telephone number 233 4831		
Authorised for despatch		
Comcen reference	Time of despatch	

26 MAR 1984



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CC MASTER SET



10 DOWNING STREET

From the Private Secretary

14 February, 1984

*Dear Roger,*Prime Minister of Portugal

Dr. Soares called on the Prime Minister in Moscow on 14 February. I enclose a record of the conversation.

I am copying this letter and enclosure to Richard Hatfield (Cabinet Office).

*Yours ever**flw*

R. B. Bone, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL*SH*

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER
AND THE PRIME MINISTER OF PORTUGAL ON TUESDAY,
14 FEBRUARY 1984 AT H. M. EMBASSY, MOSCOW

Present

Prime Minister

Dr. Mario Soares

Foreign and Commonwealth
SecretaryPortuguese Ambassador
to Moscow
(Sr. Antonio Patricio)

Mr. Coles

Sr. Nunes Barata

* * * * *

Dr. Soares thanked the Prime Minister for receiving him. It was an honour to meet her for the first time. Britain and Portugal, being the oldest allies in Europe, had many common interests. He was looking forward to the Prime Minister's visit to Portugal which would be the first visit by a British Prime Minister in office. The Prime Minister commented that, after 600 years of alliance, this was almost incredible. Dr. Soares said that the visit would be a very important opportunity to reinforce the ties between the two countries. It also had importance because Portugal was engaged in a diplomatic offensive to secure support for its accession to the European Community. The Portuguese Government counted on British support.

The Prime Minister said that she was very much looking forward to visiting Portugal. She would arrive, as Dr. Soares had suggested earlier, in time

/ to

in time to have a private lunch with him on 17 April and would stay late enough on 19 April to call upon President Eanes. She wanted the visit to be a great success for the sake of our past alliance and for the sake of the future. It was vital that Portugal should enter the European Community on time. She hoped that the Community's internal difficulties would be resolved and saw no reason why they should not be.

Dr. Soares expressed the hope that the Prime Minister would visit Oporto. It was ^{the} Portuguese city with the biggest British influence and the largest British colony. It was also the most developed and most industrialised city in the country. The warmest welcome accorded to HM The Queen had been that given by Oporto. The Prime Minister said that she would much like to include Oporto in her itinerary, provided the visit could still be completed in the allotted time.

In response to a question from the Prime Minister, Dr. Soares said that the situation in Portugal was very difficult. The country had only recently given independence to its colonies and this Act lay at the root of some of its political and economic problems. For example, one million Portuguese had returned to Portugal. The country did not produce oil, had to import grain and so was a victim of the international / economic

economic crisis. For almost 50 years it had been paralysed by Salazar's dictatorship and had been cut off from the world and from normal economic life. 1975 had been a year of great disturbance when an attempt had been made to turn Portugal into a kind of Cuba. The Americans, Dr. Kissinger above all, had been resigned to the idea of losing Portugal to Communism. The Prime Minister observed that the UK had never taken that position. One of the most remarkable stories of modern times was the struggle of the people of Portugal to win their country back from Communism. Dr. Soares said that the credit was due mainly to those who had always opposed dictatorship and the Communist Party. Europe had given the necessary support but Dr. Kissinger believed that Portugal was lost. He had said to Dr. Soares, when as Foreign Secretary he had visited the United States at that time, that he would become the Portuguese Kerensky. Happily, that period of difficulty had been overcome. Now there was a normal democratic situation. But there was a strong Communist Party and some of the military were linked to it - this was a kind of heritage from the revolutionary period. The last step in normalisation had been the revision of the Constitution and the disappearance of the Revolutionary Council. President Eanes had been democratically elected but he was nevertheless the last representative of the military strand in politics.

/ Following

Following further observations on the internal political situation, Dr. Soares said that, the Communist Party apart, there was general support in Portugal for EC membership. It was essential that a quick response was given to the Portuguese request for entry, hopefully by the summer of this year.

Portugal was engaged on a courageous programme of modernising the economy. It was difficult to implement but it was the only way, after financial restructuring, to solve Portugal's problems. When he had come to power in June 1983, his country faced a balance of payments deficit of 3 billion 200 million dollars. This had been reduced to 1 billion 800 million dollars. This achievement had required a very austere budget. The currency had been devalued by 12%, salaries had been reduced and taxes had been increased. A high social price had been paid in terms of unemployment. The Prime Minister said that she understood these difficult decisions. Dr. Soares said that Portugal needed much support to implement this programme of modernisation and needed to know whether it could count on Europe or not. The only alternative to this was a closer relationship with the US. The Prime Minister observed that these two alternatives were not mutually exclusive. We wanted Portugal in the European Community but if it could also secure US

/ support

support, that would be a great benefit. Dr. Soares agreed but repeated that Portugal's problem was whether Europe could be counted on or not. Agreement had been reached with the US about military bases in the Azores. Portugal intended to develop its relationship with America but felt itself a European country. He had been Prime Minister in 1976 when Portugal made its application for EC membership. Eight years later no agreement had been signed. He could not keep explaining this position to the Portuguese people. Therefore the negotiations must be concluded and the Treaty signed this year. Ratification could take place later. Without this minimum achievement, it would be difficult to retain stability. Portugal was the poorest democracy in the world. It stood on the border line between underdeveloped and developed country. The Prime Minister agreed that ^{Portuguese} entry was important for Europe and the world. But it was also important that Europe and the US stay together.

Dr. Soares said that Spain was in a very similar situation. If it did not join the EC, it might follow a neutral course. Stability in the Western part of Europe was imperative.

Portugal had close relations with Africa and believed that it still had a mission to accomplish in preventing Angola and Mozambique from becoming Marxist. Portugal's knowledge of these countries

was important for Europe. The Foreign and Commonwealth Secretary commented that he had found the insights of the Portuguese Foreign Minister into African developments very valuable. President Machel's visit to London had been a great success. The Prime Minister said that she believed that we had been able to move President Machel a little closer to the West. He had earlier been very helpful over the independence of Zimbabwe. So we had greeted him as a friend.

Dr. Soares said that President Machel had spoken to him in similar terms yesterday when he had met him. There was still much to be done in Mozambique. He had noticed that at the funeral ceremony in Red Square earlier in the day the West and the so-called friendly countries had been divided into two separate groups. President Machel was still in the non-Western group. The Foreign and Commonwealth Secretary commented that President Machel had nevertheless appeared very glad to meet Western leaders.

Dr. Soares stated that Portugal now had a close relationship with South Africa. It supported American ideas on Angolan /South African meetings with the objective of persuading South Africa to withdraw from Angola. Portugal had a strong interest in agreement being reached on the problems of Angola and Namibia. The Prime Minister said that two years ago she had been more optimistic than she now was that a settlement of the Namibian problem could be achieved. The

/FCS

The Foreign and Commonwealth Secretary expressed the view that South Africa was now more anxious to achieve a settlement. The question was whether the Angolan Government could find the will and the resources to get rid of the Cubans. Dr. Soares said that it remained to be seen what could be achieved during the next month. The situation in Angola had never been so critical as it was now. The Government had no stability and no charismatic leader.

Returning to the European Community, Dr. Soares recalled that the Prime Minister had described Portugal's membership, in a letter to him, as vital for democracy. It was frustrating that accession had not yet occurred. The Prime Minister said that she hoped the Community would solve its internal problems at its next two meetings. We understood that the politics of Portuguese accession were even more important than the economic aspects. We would do all we could to help.

Dr. Soares said that our bilateral relations were very good. He hoped the British presence in Portugal would increase. Many sectors, for example, banking and insurance, were open to foreign businessmen. Already many British firms were active in the country. Portugal was interested in British technology. The Prime Minister noted these remarks and said that the important step was the basic decision on Portugal's membership of the European Community.

The discussion ended at 1712 hours.

14 February 1984

A. J. C.

INTERNATIONAL TERRORISM/HI-JACKING

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GRS 75
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TELEGRAM NUMBER SIC ACA JSA 271140Z JULY 1983
INFO IMMEDIATE TPS HEREFORD
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Prime Directive
Armenian terrorism is
growing alarmingly.

A.S.C. 27/7

MODUK FOR DI3(WEST)(OXLEY), DS6 AND DIC.
ARMENIAN TERRORISTS IN LISBON.

1. THIS MORNING GROUP OF FOUR ARMENIAN TERRORIST ATTACKED
TURKISH EMBASSY IN LISBON.
2. LATEST REPORTS FROM POLICE SUGGEST THAT ONE TERRORIST WAS
KILLED AND ONE OR MORE TERRORISTS INSIDE EMBASSY WHERE HAVE
TAKEN TURKISH COUNSELLOR AND HIS CHILDREN HOSTAGE.
3. WILL KEEP YOU INFORMED.

BT



MO 11/10/10

NOTE FOR THE RECORD

RECORD OF A MEETING BETWEEN THE DEFENCE SECRETARY
AND THE PORTUGUESE FOREIGN MINISTER IN THE MINISTRY
OF DEFENCE AT 1700 HOURS ON THURSDAY 22ND SEPTEMBER 1983

Present:

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

Dr Jaime Gama
Portuguese Minister for Foreign
Affairs

HE Mr H Byatt
HM Ambassador, Lisbon

HE Senhor de Freitas Cruz
Portuguese Ambassador to London

Mr B R Hawtin
Head of DS12

Mr N H R Evans
APS/Secretary of State

After the initial exchange of courtesies Dr Gama asked for the Secretary of State's views on the NATO chain of command if Spain joined the integrated military structure. The Secretary of State said that Spain could make an important contribution to the defence of the Gibraltar Straits and, in principle, the UK was in favour of any changes which would increase the effectiveness of the command structure in that area. In particular we would be prepared to discuss the subordination or COMGIBMED to a senior Spanish Commander. But this could not happen while Spain continued to impose restrictions on Gibraltar. If these were lifted we would be prepared to consider command changes. Dr Gama said that the Portuguese were concerned at the effects of Spanish integration on the boundaries of IBERLANT. They could see great problems in the way of entering unified command arrangements with Spain. The Secretary of State acknowledged that there were difficulties which needed to be resolved. We could only take a firm view on the basis of recommendations from the MNCs but the UK retained an open mind on this question.

2. Dr Gama asked about progress on the Portuguese request for assistance with her frigate programme. The Secretary of State said that the British Government recognised the importance of the programme. He was glad to be able to say that we had now decided to offer a grant of £5M. This would be tied to the purchase of British equipment, for example Lynx helicopters. He understood that there had been some confusion about the cost of the Lynx. In fact a



fully equipped Lynx would cost not more than £2M and the £5M grant would represent a substantial contribution towards the cost of three helicopters, for which a grant had been requested.

3. Continuing the Secretary of State said that he was also aware that the Portuguese had considered buying Rolls Royce engines for the frigates but had been concerned that the fuel consumption of these engines was too high. They had indicated that, if they were to consider choosing British engines, a subsidy would be necessary in respect of high running costs compared with the US and German engines which were on offer. He wished to state that the Royal Navy and Rolls Royce did not accept that the British engines were less fuel efficient than their competitors. Our belief was that the difference in fuel consumption was insignificant in normal ship operating conditions. The Rolls Royce offer was still open and he hoped that the Portuguese would look at it again.

4. Dr Gama said that the frigate programme was important both for military and political reasons. Portugal wished to restore her on all power: her present capability was old fashioned. No firm decision had yet been taken and he would consider carefully the points which the Secretary of State had made. The Secretary of State wondered whether the Portuguese had considered the possibility of buying the ships themselves from Britain. So far as new frigates were concerned we could offer the Type 22, a highly capable ship which was in service with the Royal Navy. The Type 21 would also be a possibility. Alternatively we might be able to offer older frigates which were due to be paid off from Royal Navy service. Dr Gama said that it would be helpful if the Secretary of State could write to him setting out, firstly, the British proposals for assistance with the programme as it currently stood and, secondly, the alternatives which might be available. The Secretary of State agreed to do this. After a brief discussion on British training assistance to Portugal through the UKMTAS programme, which was agreed to be satisfactory, and the need for greater standardisation of armaments in NATO, the meeting ended at 1725 hours.

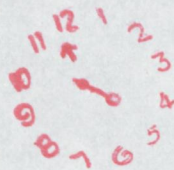
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Ministry of Defence
23rd September 1983

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26 SEP 1983



SUBJECT.

10 Downing St
Sw1

29 JUN 1983/0112

ZCZC DLM1933 LIA365 IFU141 15119 CD0005

GBXX BY PCLS 077

LISBOA 77/74 29 0103

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ETATPRIORITE

THE RIGHT HONOURABLE

MRS MARGARET THATCHER MP,

PRIME MINISTER

LONDON 10 DOWNING ST.

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T96183 Com to F.C.O.

(N. base)

then f.a.

A.J.C. 29/6

I THANK YOUR EXCELLENCY MOST SINCERELY FOR THE KIND MESSAGE
OF GREETINGS YOU ADDRESSED ME ON THE OCCASION OF
MY APPOINTMENT AS PRIME MINISTER OF PORTUGAL
I AVAIL MYSELF OF THIS OPPORTUNITY TO CONVEY TO YOUR
EXCELLENCY MY BEST

CD0005 ETATPRIORITE THE RIGHT PAGE/2

WISHES FOR YOUR PERSONAL HAPPINESS AND FOR THE
PROSPERITY AND WELL-BEING OF THE PEOPLE OF THE
UNITED KINGDOM

MARIO SOARES

PRIME MINISTER OF PORTUGAL

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Portugal
June 79, Int Sit.

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086

17 Jun 8 1983

You wrote to my predecessor here,
Mr. Alexander, on 16 June enclosing a letter
from Senhor Francisco Pinto Balsemao to the
Prime Minister. I shall indeed place
Senhor Balsemao's letter before Mrs. Thatcher.

A. J. COLES

Senhor José Maria A. S. de Lemos Macedo.

UN

Portuguese Embassy,
11, Belgrave Square,
London, SW1X 8PP

16th June, 1983

cc Press

(2)

Proc. 2,212

No. 74.....

Prime Minister

You may like to see - but
you have already sent him
a message and need not
reply to this.

A.S.C. 17/6.

M

Dear Mr. Alexander,

I am enclosing a letter, together with a free translation,
of a letter addressed to the Prime Minister from Senhor Francisco
Pinto Balsemão, and would be most grateful if you would see that the
letter reaches Mrs. Thatcher.

Yours sincerely,

J. M. de Macedo

(J. M. de Macedo)

Minister-Counsellor.

Michael Alexander, Esq.,
Private Secretary,
Office of the Prime Minister,
10 Downing Street,
London, S.W.1.

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T85A/83

8 Folder.
SUBJECT
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RESTRICTED

2008 - 1

OO LISBON
GRS 134
RESTRICTED
FM F C O 140900Z JUN 83
TO IMMEDIATE LISBON
TELEGRAM NUMBER 66 OF 14 JUNE

NEW PORTUGUESE GOVERNMENT

1. PLEASE PASS THE FOLLOWING MESSAGES FROM THE PRIME MINISTER TO DR SOARES AND DR BALSEMAO RESPECTIVELY.

- (I) BEGINS: MAY I OFFER YOU MY WARMEST CONGRATULATIONS ON YOUR APPOINTMENT AS PRIME MINISTER FOR THE SECOND TIME. I LOOK FORWARD TO WORKING WITH YOU AND YOUR COLLEAGUES AND TO BEING ABLE TO WELCOME BRITAIN'S OLDEST ALLY AS A MEMBER OF THE EUROPEAN COMMUNITY. ENDS
- (II) BEGINS: ON YOUR RELINQUISHING THE POST OF PRIME MINISTER, I SHOULD LIKE TO SEND YOU MY VERY BEST WISHES FOR THE FUTURE. IT WAS A GREAT PLEASURE TO WORK WITH YOU. I AM GRATEFUL FOR THE SUPPORT YOUR GOVERNMENT GAVE US DURING THE CRISIS IN THE SOUTH ATLANTIC LAST YEAR. ENDS.

HOWE

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10 DOWNING STREET

From the Private Secretary

14 June, 1983

MESSAGES TO DR SOARES AND DR BALSEMAO

Thank you for your letter of 13 June. The Prime Minister has approved the proposed messages to Dr. Soares and Dr. Balsemao, with, in the latter, the replacement of "appreciative of" by "grateful for". I should be grateful if you could arrange for the messages to be despatched.

A. J. COLES

J. Holmes, Esq.,
Foreign and Commonwealth Office



Prime Minister

Agree message to
Dr. Soares and Dr.

Balsemao?

A.J.C. 13/6.

Foreign and Commonwealth Office

London SW1A 2AH

13 June 1983

Dear Sir,

Yes

Message to the Portuguese Prime Minister

Dr Mario Soares was sworn in as Prime Minister of Portugal by President Eanes on 9 June. It would be appropriate for the Prime Minister to send a message of congratulations to him, for delivery by HM Embassy Lisbon. I enclose a draft.

This will be Dr Soares' second term as Prime Minister. He was Prime Minister, from 1976-79, of the first constitutional government to be formed after the 1974 revolution.

While outgoing Heads of Government do not usually expect to receive messages, Dr Balsemao gave us considerable support during the Falklands crisis and a message on this occasion would be much appreciated. I therefore enclose a draft.

Both messages are likely to be published unless you see objection.

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

File No.

Department

Drafted by
(Block Capitals)

Tel. Extn.

OUTWARD

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(Security Class.) RESTRICTED (Caveat/
Privacy marking)

(Codeword) (Deskby) Z

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AND TO (precedence/post)

AND TO SAVING

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INFO SAVING

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[TEXT]

NEW PORTUGUESE GOVERNMENT

Please pass the following messages from the Prime Minister to Dr Soares and Dr Balsemao respectively.

Copies to: -

(i) Begins. May I offer you my warmest
congratulations on your appointment as
Prime Minister for the second time. I look
forward to working with you and your colleagues
and to being able to welcome Britain's oldest
ally as a member of the European Community. Ends.

(ii) Begins. On your relinquishing the post of
Prime Minister, I should like to send you my

/very

very best wishes for the future. It was
a great pleasure to work with you. I am
particularly ~~appreciative~~ ^{grateful for} of the support
your Government gave us during the crisis
in the South Atlantic last year. Ends.

NOTHING TO BE WRITTEN IN THIS MARGIN

SUBJECT cc MASTER
OPS



PRESIDÊNCIA DO CONSELHO DE MINISTROS

Gabinete do Primeiro Ministro

PRIME MINISTER'S

Lisboa, 8 de Junho de 1983

PERSONAL MESSAGE

SERIAL No. 183B/83

António Pinheiro Pinto

No momento em que deixo as minhas funções de Primeiro-Ministro, desejo manifestar o meu muito sincero agradecimento pelo espírito de grande abertura que sempre encontrei em Vossa Excelência.

Recordo com particular agrado a minha visita a Londres e as conversas tidas com Vossa Excelência que tanto contribuíram para uma maior aproximação entre os nossos dois países e para uma mais profunda compreensão dos problemas que temos de enfrentar em conjunto.

Durante os dois anos e meio em que chefei o Governo Português foi possível, com a vontade política de todos, fazer progressos significativos no caminho que, estou certo, conduzirá Portugal a membro de pleno direito das Comunidades Europeias.

É, no entanto, necessário dar ainda alguns passos de grande importância, para o que o meu país continua a esperar poder contar com o valioso apoio e o empenho determinado do Governo de Vossa Excelência.

O Governo Português, ainda que empenhado, nestes últimos dois anos, em consolidar de forma decisiva a Democracia, e tendo de enfrentar uma grave crise económica, não deixou de se interessar activamente com o que se passava além-fronteiras.

.../...



PRESIDÊNCIA DO CONSELHO DE MINISTROS

Gabinete do Primeiro Ministro

.2.

Na verdade, aquele circunstancialismo não nos impediu de tentar contribuir de forma positiva para a instauração na Europa e no Mundo de um clima de diálogo, e para o lançamento das reformas necessárias ao progresso e ao desenvolvimento das relações internacionais, numa atmosfera de Paz e de respeito mútuo.

Como para tal fim considero mais importante do que as ideologias, o interesse e o empenhamento de todos os que detêm responsabilidades na formação, orientação e concretização de acções de política económica e social, continuarei a emprestar a minha activa colaboração, agora apenas na minha capacidade pessoal, bem como através da Presidência do Instituto Progresso Social e Democracia, organização afim do meu Partido.

*Acerte, Senhor Primeiro Ministro, os
meus respeitosos cumprimentos*

FRANCISCO PINTO BALSEMÃO

Primeiro-Ministro

A Sua Excelência
a Senhora Margaret Thatcher
Primeiro-Ministro da
GRÃ-BRETANHA

FREE TRANSLATION OF THE LETTER ADDRESSED TO THE RT. HON. MARGARET THATCHER
ON 8TH JUNE, 1983 BY SENHOR FRANCISCO PINTO BALSEMÃO.

Dear Prime Minister,

On relinquishing my premiership I would like to express my most sincere thanks for the openness you have shown on every occasion we met.

I have particularly good memories of my visit to London and of the conversations we had then, and how our exchange of views did contribute to a greater rapprochement between our two countries and a deeper understanding of the problems that our nations have to face together.

In the two and a half years I led the Portuguese Government it was possible, with the political will of all concerned to make significant progress along the path that I feel sure will take Portugal to full membership of the European Communities.

However, it is still necessary to take some other steps of great importance, and for that purpose my country is hoping to be able to depend on the valuable help and determination of Her Majesty's Government.

The Portuguese Government, although very much concerned, for the past two years, in definitively consolidating Democracy while facing a grave economic crisis, was nevertheless always actively interested in what was happening abroad.

As a matter of fact those circumstances did not prevent us from trying to give our positive contribution to create in Europe and in the World a political climate conducive to dialogue and to the necessary reforms for the progress and development of international relations in a framework of peace and mutual respect.

As, in order to attain such a goal, I consider more important than any ideology, the interest and commitment of all who have responsibilities in moulding, guiding and achieving economic and social policies, I shall continue to give my active co-operation, but now only on a personal basis and

as President of the "Instituto Progresso Social e Democracia" an organisation closely linked with my own Party.

Please accept, dear Prime Minister, my most respectful compliments,

s) Francisco Pinto Balsemão
Prime Minister.



Portugal
JLH

10 DOWNING STREET

From the Private Secretary

1 November 1982

LORD COCKFIELD'S VISIT TO JAPAN

The Prime Minister read with interest over the weekend your Secretary of State's report of 26 October on his visit to Japan.

A. J. COLES

John Rhodes, Esq.,
Department of Trade.

JLH



CONFIDENTIAL

Prime Minister

A.J.C. 25

PRIME MINISTER

VISIT TO LISBON: 21-22 OCTOBER

My visit followed shortly after the September settlement of the awkward issue of EC imports of Portuguese textiles which had complicated the enlargement negotiations. It was, therefore, possible to have a frank discussion of international trade issues and EC membership against the background of the preparations for the November GATT Ministerial meeting and negotiations for Portuguese accession. It also allowed significant opportunities for United Kingdom trade to be identified.

Although short, my visit included meetings with the Prime Minister, the Ministers for Industry, Energy and Exports (Eng Horta), for Foreign Affairs, and for Finance. I also addressed the Annual Dinner of the British-Portuguese Chamber of Commerce.

Trade Relations

The Portuguese Ministers were sceptical about the practical outcome of the GATT Ministerials. They are well placed to appreciate the effect of the world recession. They would like to emulate our own success in reducing inflation from a level which they are currently suffering. And, as a significant trading nation, share our frustration at the relative inaccessibility of overseas markets: Spain and the Far East in particular. Their trade deficit, accentuated by exports in devalued escudos and dollar imports, forces them towards a trade policy of reciprocity.

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CONFIDENTIAL

Portugal's overall international trade deficit includes a bilateral one with the United Kingdom. Many import licence applications remain outstanding, although following my personal representations, Minister Horta was encouraging that some relating to industrial orders would be expedited. Consumer goods exports will clearly continue to be difficult.

Minister Horta re-affirmed his support for an inward mission in the next six months covering electronics, automotive products and food processing. I asked, and he agreed, that fisheries should also be added. He also lent his support to a separate presentation of nuclear energy capabilities by NEI-Wimpey to the Energy Ministry and National Electricity Utility. He was anxious, however, that this proposed visit in December should be low-key to avoid exciting the anti-nuclear lobby at the very time Parliament is expected to debate Portugal's future energy policy.

Most promisingly, Minister Horta confided to me advance notice that his government had finally decided to proceed with the construction of a 100,000 ton per annum copper smelter on a joint venture basis. He very positively encouraged United Kingdom companies to tender for this substantial contract. The government is clearly now proceeding more cautiously on such major projects. But this is a significant opportunity to balance the existing French involvement in mining. Follow-up action is already in hand.

EC Accession

I probed Portugal's present position. The progress of Portugal's accession negotiations relative to Spain is clearly a source of national pride; but it also poses a dilemma. All the Ministers described accession positively, and as a challenge. Politically, it will consolidate Portugal as a European democracy; economically, it will help drive industry - spurred by inward

CONFIDENTIAL



CONFIDENTIAL

investment - into new sectors and technology. Ministers were more gloomy about the potential agricultural development and expect Portugal to remain - perhaps expensively under the CAP - a substantial food importer, particularly of cereals, oil and fats.

I welcomed the progress of the negotiations, and the prospect of Portugal's Community membership. I noted, both in my discussions and speech, that our own accession had posed similar challenges, some continuing.

On timing, the Foreign Minister considered that Portugal's negotiations could be completed by next Easter. But attention is increasingly focussing on Spain's delay. They clearly describe the negotiations as separate and view accession beyond 1 January 1985 (they still hope for 1984) as politically dangerous, particularly if ascribed to the Spanish problem. But they cannot ignore the risks of separate entry. Their existing potential to become a net EC Budget contributor could be substantially worsened by the possible terms of Spanish accession, and they could not accept the terms of the present imbalanced EC-Spain agreement.

Ministers expressed the hope that accommodation could be made by the EC to meet these problems, and the view that the position might possibly become clearer following this month's General Election in Spain. Nevertheless, there seems to be a growing realisation that the EC will not be able to move far enough, or Spain fast enough, to save the Portuguese government from having to make very difficult decisions in the next year about both the terms and timing of an EC accession which they undoubtedly remain determined to achieve.

CONFIDENTIAL



CONFIDENTIAL

I am sending copies of this to Geoffrey Howe, Francis Pym, Patrick Jenkin, Peter Walker, Nigel Lawson, Robert Armstrong, and to HM Ambassador (Lisbon), Mr Byatt. I am grateful to him, his wife and his staff for the hospitality and assistance which we received during the visit.

Department of Trade
1 Victoria Street
London, SW1H 0ET

Arthur Cockfield
LORD COCKFIELD

26 October 1982

CONFIDENTIAL

SUBJECT

ck Martin
Sp

10 DOWNING STREET

LPO
file CC: FCO
PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T/1714/81

THE PRIME MINISTER

4 December 1981

Dear Prime Minister,

Thank you for your message of 24 November. You will by now have seen that the European Council issued a statement on 27 November confirming the Community's political commitment to enlargement and for bringing the accession negotiations with Portugal and Spain to a successful conclusion. For our part, we shall do our best to work for an early conclusion to those negotiations, and I am very conscious of the fact that the Portuguese Government would like to complete the negotiations in 1982. I am glad that they appear to have made some useful progress during the last few months.

I look forward to discussing the state of the negotiations with you in more detail when you come to London on 9 December.

Yours sincerely,

(sgd) M T

His Excellency Dr. Francisco Pinto Balsemao.

BK



Foreign and Commonwealth Office

London SW1A 2AH

2 December 1981

Type for Richards
Signature

Richards

Dear Michael,

Message from the Prime Minister of Portugal

✓ Thank you for your letter of 25 November. I enclose a draft reply which the Prime Minister might send to Senhor Balsemao. When the Prime Minister has approved the draft, we will arrange for it to be transmitted through our Embassy at Lisbon.

Yours ever,

(F N Richards)
Private Secretary

Francis Richards

M O'D B Alexander Esq
10 Downing Street

- 2 DEC 1981



DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
PRIME MINISTER

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

His Excellency Dr Francisco Pinto
Balsemao
Prime Minister of Portugal

Copies to:

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SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your message of 24 November. You will by now have seen that the European Council issued a statement on 27 November confirming the Community's political commitment to enlargement and for bringing the accession negotiations with Portugal and Spain to a successful conclusion. For our part, we shall do our best to work for an early conclusion to those negotiations, and I am very conscious of the fact that the Portuguese Government would like to complete the negotiations in 1982. I am glad that they appear to have made some useful progress during the last few months.

I look forward to discussing the state of the negotiations with you in more detail when you come to London on 9 December.

Enclosures—flag(s).....

SS
Portugal

25 November 1981

MESSAGE FROM THE PRIME MINISTER OF PORTUGAL

I enclose a copy of a message which the Prime Minister has received from the Prime Minister of Portugal. I should be grateful if you would let me have, in due course, a draft reply which the Prime Minister might send to Senhor Balsemao.

MODBA

Francis Richards, Esq.,
Foreign and Commonwealth Office.

53

25 November 1981

Thank you for your letter of 24 November.
I have drawn the letter from the Prime Minister
of Portugal to Mrs. Thatcher's attention.

MDBA

Senhor J.M. de Macedo

010

Embaiscada de Portugal
em
Londres

✓^T Mr F Richards FCO

24th November, 1981

h. v. m.

Proc. 2,212

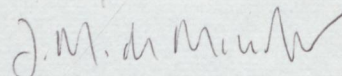
No. 209

Dear Mr. Alexander,

I have the pleasure of enclosing the text of a message received by telex today from the Portuguese Prime Minister addressed to the British Prime Minister.

I would be most grateful if you would bring the text to the Prime Minister's attention at your earliest convenience.

Yours sincerely,



(J. M. de Macedo)

Counsellor.

Michael Alexander, Esq.,
Private Secretary,
Office of the Prime Minister,
10 Downing Street,
London, S.W.1.

SUBJECT

de Mark
Op
Embaixada de Portugal
em
Londres

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 1610/81

M E S S A G E

Dear Prime Minister,

The meeting of the European Council to be held in London is of the highest importance for the future of Europe. Thus, it is only natural that Portugal, a country that is negotiating its accession, follow this summit with great attention and interest.

I think this is an appropriate occasion to, once more, underline my Government's desire to conclude the negotiations concerning our accession, in the shortest delay and in any case before the end of 1982.

This will be the logical outcome of a process initiated in March 1977 with the formal request by Portugal to join the Communities and which had been pursued for the last four years with firm determination.

This commitment to join the Communities has had, from the beginning, the full support of all Portuguese democratic parties, as it translates the idea that Portugal belongs in Europe and that the EEC, according to the spirit of the Treaty of Rome, does not fully attain its goals, unless it accepts those countries that, like Portugal, want to contribute to the construction of a free and democratic Europe.

This was the reason which led my predecessor, Mr. Francisco Sa Carneiro, to maintain close contact with the leaders of the EEC countries. This is also the reason why my Government and myself have tried to reaffirm our position along this year.

I feel sure that in the London summit talks the question of Portugal's accession to the Communities will be considered and merit your valuable support.

Yours sincerely,

Francisco Pinto Balsemão
Prime Minister.

24th November, 1981

no need to put
in to PM.

HL

Portugal

24 September 1981

Thank you for your letter of 23 September.
I shall ensure that the message which you
enclosed from the Prime Minister of Portugal
is placed before the Prime Minister.

MICHAEL ALEXANDER

Senhor Rui Lopes Aleixo

SL

016

SUBJECT *de Marti*
SPU

Embaixada de Portugal
em
Londres

23rd September, 1981

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T131/81

Proc. 2,212

No. 158

Dear Mr. Alexander,

I am enclosing a message of thanks addressed to the British Prime Minister by Senhor Francisco Pinto Balsemão, Prime Minister of Portugal, and would be most grateful if you would see that it reaches Mrs. Thatcher.

Yours sincerely,

R. Lopes Aleixo,
Secretary to the Embassy.

Michael Alexander, Esq.,
Private Secretary,
Office of the Prime Minister,
10 Downing Street,
London, S.W.1.

Embaixada de Portugal
em
Londres

Unofficial translation of message from the Portuguese Prime Minister
of 22nd September, 1981.

T 131/81

The Right Honourable Mrs. Margaret Thatcher, MP.,
Prime Minister of the United Kingdom.

I wish to thank you, Prime Minister, for the message you so kindly sent me on the occasion of my appointment as Prime Minister of Portugal. I would also like to reiterate the firm wish of my government to strengthen, namely in the context of the Atlantic Alliance and the process of European construction, the secular ties of friendship and fraternity which link our two countries.

s) Francisco Pinto Balsemão
Prime Minister of Portugal.

Embaixada de Portugal
em
Londres

Sua Excelência
Senhora Margaret Thatcher
Primeiro Ministro do Reino Unido

Desejo agradecer a Vossa Excelência a mensagem que teve a amabilidade de me dirigir por ocasião da minha nomeação para o cargo de Primeiro Ministro de Portugal e reiterar a firme vontade do meu Governo de estreitar os laços de amizade e fraternidade que há séculos unem os nossos dois países, nomeadamente no contexto da Aliança Atlântica e do processo de edificação europeia.

Francisco Pinto Balsemão
Primeiro Ministro de Portugal

Lisboa, 22 de Setembro de 1981

Portugal

TOP COPY

RESTRICTED

GRS 75

ps

RESTRICTED
FM FCO 031908Z SEPTEMBER 81
TO ROUTINE LISBON
TELEGRAM NUMBER 79 OF 3 SEPTEMBER 1981.

SHAKESPEARE'S TELELETTER OF 27 AUGUST TO HUNT

MESSAGE ON APPOINTMENT OF PORTUGUESE PRIME MINISTER

1. A MESSAGE FROM THE PRIME MINISTER TO BALSEMAO AS SUGGESTED IN PARAGRAPH 3 OF THE TELELETTER UNDER REFERENCE WILL FOLLOW BY BAG. PLEASE ARRANGE FOR ITS DELIVERY WHEN THE NEW GOVERNMENT IS SWORN IN.

2. I SHALL SEND A SIMILAR MESSAGE THROUGH YOU TO THE NEW FOREIGN MINISTER ON HIS APPOINTMENT.

CARRINGTON

LIMITED
SED
PS
MR FERGUSSON

RESTRICTED

FILE

ds

Portugal

3 September 1981

RF for tel. to T

Message to the Portuguese Prime Minister

The Prime Minister has seen and approved the draft message to Dr. Balsemao enclosed with your letter to me of 1 September. I should be grateful if you could arrange for its despatch.

MODBA

F.N. Richards, Esq.,
Foreign and Commonwealth Office.

RF

RESTRICTED

Foreign and Commonwealth Office

London SW1A 2AH



①

Prime Minister

1 September 1981

Apex list?

yes no

Phd 49

Dear Willie,

Message to the Portugues Prime Minister
in his Reappointment

Dr Francisco Pinto Balsemao was nominated Prime Minister designate of Portugal by President Eanes on 25 August. We expect the new government to be sworn in early in September (a date has not yet been fixed). Lord Carrington recommends that the Prime Minister should send a message of congratulations to Dr Balsemao for delivery by HM Embassy Lisbon when the Government is sworn in.

I enclose a draft.

Yours ever,

(F N Richards)
Private Secretary

W Rickett Esq
10 Downing Street

(RESTRICTED)

1-1 SEP 1981

11 12 1 2 3 4
5 6 7 8 9 10



UNITED STATES GOVERNMENT
OFFICE OF THE ATTORNEY GENERAL

DSR 11 (Revised)

DRAFT: ~~minute~~/letter/~~teletype~~/~~dispatch~~/~~note~~

TYPE: Draft/Final 1+

FROM: The Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: His Excellency Dr Francisco
Pinto Balsemão
Lisbon

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

May I offer you my warmest congratulations on your appointment as Prime Minister of the Eighth Constitutional Government. I look forward very much to working with you and your colleagues.

Enclosures—flag(s).....

OPS 251

RESTRICTED

TELELETTER

FROM J W R SHAKESPEARE, LISBON

014/1

27 AUGUST 1981

FOLLOWING FOR A C HUNT, SED, FCO

MESSAGE ON APPOINTMENT OF PORTUGUESE PRIME MINISTER

1. WE HAVE BEEN AGONISING TOGETHER WITH OTHER WESTERN EMBASSIES OVER THE PROBLEM OF WHETHER WE SHOULD OR SHOULD NOT SEND A MESSAGE OF CONGRATULATIONS TO PINTO BALSEMAO ON HIS APPOINTMENT AS PRIME MINISTER OF THE VIIIITH CONSTITUTIONAL GOVERNMENT.
2. OUR INITIAL REACTION WAS THAT THERE WAS NO NEED TO SEND A MESSAGE, AS BALSEMAO HAD NEVER TECHNICALLY CEASED TO BE PRIME MINISTER. HOWEVER WE UNDERSTAND THAT THE GERMAN AND AMERICAN EMBASSIES (AND NO DOUBT MOST OF THE OTHERS WHEN THEY HAVE PUT THEIR MINDS TO IT) WILL BE SENDING MESSAGES FROM THEIR GOVERNMENTS ON THE OCCASION OF THE VIII GOVERNMENT'S SWEARING IN. I THINK IT IMPORTANT, THEREFORE, THAT WE SEND ONE TOO.
3. A SUGGESTED TEXT FOR THE PRIME MINISTER'S MESSAGE MIGHT BE:
'MAY I OFFER YOU MY WARMEST CONGRATULATIONS ON YOUR APPOINTMENT AS PRIME MINISTER OF THE EIGHTH CONSTITUTIONAL GOVERNMENT. I LOOK FORWARD VERY MUCH TO WORKING WITH YOU AND YOUR COLLEAGUES'.
4. A SUITABLE MESSAGE FROM SECRETARY OF STATE TO GONCALVES PEREIRA, ASSUMING THAT HE RETURNS AS FOREIGN MINISTER MIGHT BE:
''MAY I SEND YOU MY WARMEST CONGRATULATIONS ON YOUR APPOINTMENT AS FOREIGN MINISTER IN THE VIIIITH CONSTITUTIONAL GOVERNMENT. I LOOK FORWARD VERY MUCH TO CONTINUING OUR CLOSE COLLABORATION''.
IF GONCALVES PEREIRA DOES NOT CONTINUE WE SHALL OBVIOUSLY HAVE TO DRAFT A DIFFERENT MESSAGE.
5. AS WE EXPECT THE GOVERNMENT TO TAKE OFFICE IN THE FIRST OR SECOND WEEK OF SEPTEMBER, I WOULD BE GRATEFUL FOR A TELEGRAPHIC REPLY.

SIGNED... J W R SHAKESPEARE

7 SEP 1981



GRS 330

CONFIDENTIAL

Portugal
Prime Minister

CONFIDENTIAL

FM LISBON 131050Z AUGUST

TO PRIORITY FCO

TELEGRAM NUMBER 088 OF 13 AUGUST 1981

SAVING TO: UKREP BRUSSELS, UKDEL NATO, MADRID AND MOD (D13 LT COL OXLEY)

MA 31 wa

PORTUGAL: THE AFTERMATH OF BALSEMAO'S RESIGNATION (MY TELNO 086)

ms

1. ON 11 AUGUST EANES ACCEPTED BALSEMAO'S RESIGNATION WHILST REAFFIRMING THAT THE PRIME MINISTER HAD NOT LOST HIS OWN CONFIDENCE SEMICOLON NEITHER HAD HE RESORTED TO A MOTION OF CONFIDENCE IN THE ASSEMBLY. THE GOVERNMENT WILL STAY IN THEIR FUNCTIONS UNTIL A SUCCESSOR IS SWORN IN.

2. THE NEXT SIGNIFICANT EVENT IS THE PSD NATIONAL COUNCIL MEETING WHICH STARTS ON 14 AUGUST AND COULD LAST THE WEEKEND. IT IS DUE TO CONSIDER THE ALTERNATIVES FOR THE PRIME MINISTER.

3. THE SITUATION IS STILL CONFUSED. BALSEMAO'S CRITICS HAVE BEEN PUT AT THE DISADVANTAGE OF HAVING TO SUBMIT THEIR CANDIDATE TO THE NATIONAL COUNCIL WHICH HAS A PRO-BALSEMAO MAJORITY DATING FROM THE FEBRUARY 1981 CONGRESS. AT THE SAME TIME THEY CANNOT REFUSE TO NOMINATE A CANDIDATE FOR FEAR OF BEING LABELLED IRRESPONSIBLE. WHICHEVER PRIME MINISTER EMERGES (WHETHER BALSEMAO HIMSELF, ONE OF THE CRITICS LIKE CAVACO E SILVA OR A COMPROMISE FIGURE) HE WILL HAVE TO FACE THE ENDORSEMENT OF A PSD CONGRESS WHICH IS STILL WHAT IS NEEDED TO CLEAR THE AIR. BALSEMAO REMAINS PRESIDENT OF THE PARTY UNTIL THEN.

4. THE DEMOCRATIC ALLIANCE STILL HAS THE NECESSARY CONDITIONS TO SURVIVE. INDEED IN SEVERAL OF THE POSSIBLE OUTCOMES IT WOULD EMERGE STRENGTHENED (THOUGH IT IS DIFFICULT TO SEE THE CDS REJOIC-
-ING ABOUT BALSEMAO'S RETURN). IT IS THEREFORE TOO EARLY TO TALK OF A CRISIS OF THE REGIME AS SECTIONS OF THE BRITISH PRESS HAVE TENDED TO DO. THE NEW PRIME MINISTER, HOWEVER, MUST BE ABLE TO IMPOSE PARTY DISCIPLINE AND SEEK TO CONVINCE THE ELECTORATE HE HAS THE TEAM TO PUT INTO EFFECT THE PROGRAMME OF LIBERAL REFORMS THEY VOTED FOR LAST OCTOBER.

5. WE DO NOT THINK THAT RECENT DIFFICULTIES WITHIN THE DEMOCRATIC ALLIANCE NEED SERIOUSLY THREATEN RETURNING STABILITY IN PORTUGAL. HOWEVER, AUSTERITY MEASURES ANNOUNCED LAST MONTH HAVE ALREADY HAD SOME EFFECT ON BUSINESS CONFIDENCE AND A NUMBER OF PURCHASING DECISIONS ARE LIKELY TO BE DELAYED AFTER THE AUGUST HOLIDAYS.

6. FCO PLEASE PASS TO SAVING ADDRESSEES.

BYATT

[REPEATED AS REQUESTED]

FCO/WHITEHALL
SED

[NOT ADVANCED]

CONFIDENTIAL

Portugal



Foreign and Commonwealth Office

London SW1A 2AH

9 March 1981

*MODBA seen.
Sofke
18/2/81*

Dear Michael,

I understand that the Duty Clerk asked our Resident Clerk over the weekend about the title and status of Dr Balsemao, the Prime Minister of Portugal.

I enclose an updated biographical note on Dr Balsemao.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON



CONFIDENTIAL

BALSEMAO, DR FRANCISCO DE CASTRO PEREIRA PINTO

Prime Minister of Portugal.

Born 1937. A law graduate from Lisbon Univeristy, where he also studied Political Economy. Editor of the Lisbon evening newspaper, Diário Popular 1966-71. He then founded the liberal weekly Expresso modelled on The Sunday Times. Thanks of Balsemao Expresso soon became, and remains, the foremost quality newspaper in Portugal.

Member of the 'liberal wing' of the ANP (the official party) in the National Assembly 1969-73, in which he was an active campaigner for human rights and abolition of press censorship.

A founder member of the Popular Democratic Party (PPD, later named PSD) after the overthrow of the Caetano regime in April 1974. Elected to the Constituent Assembly, of which he was Vice-President, in April 1975. Member of the PSD National Political Committee 1976. He understood and sympathised with the attitude of the dissidents who opposed Sá Carneiro and eventually left the Party but he himself stuck firmly to Sá Carneiro. In January 1979 he was made spokesman for Foreign Affairs in the PSD. In November 1979, together with Sá Carneiro, Freitas do Amaral and other members of the Democratic Alliance, he visited London for talks with the Prime Minister and Lord Carrington. Elected a deputy for Oporto in the December 1979 elections. Appointed Minister Assistant to the Prime Minister in the Sá Carneiro Government.

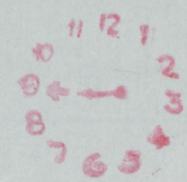
Elected President of the PSD and Prime Minister following the death of Sá Carneiro in December 1980. The decision was not regarded favourably by all the constituent parts of the Democratic Alliance - principally the CDS. But he was generally accepted as the man to carry on Sá Carneiro's policies, but in a more moderate and conciliatory way. He had difficulty in selecting his ministerial team; some members of the Sá Carneiro government declined to serve.

Balsemao speaks fluent English, and is well-disposed towards Britian. He has visited Britain often; attended a Wilton Park Conference in 1969.

Wealthy and widely-travelled. As a young man, very much a playboy and womaniser but has 'settled down'. His second wife, Tita, by whom he has two children, is charming and speaks good English.

CONFIDENTIAL

9 MAR 1981



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 9/81.

Mb
Portugal
Master
des

SUBJECT.

NNNN

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GBLH BY PCLS 062

LISBOA 62/58 20 0215

②

Prime Minister
H.A.
And

LFZ 472

ETATPRIORITE

H.E. MARGARET THATCHER PRIME MINISTER OF GREAT-BRITAIN

LONDONSW1

GENERAL MANAGER
LONDON TELEGRAMS
20 JAN 1981
ST. BOTOLPHS ITO
ENQ 01-836 1222 Ex. 2068

PLEASE ACCEPT MY MOST SINCERE THANKS FOR THE KIND
WORDS YOU HAVE SENT ME UPON MY NOMINATION AS PRIME MINISTER
OF PORTUGAL. I AM CERTAIN THAT WE SHALL HAVE MANY OPPORTUNITIES
OF WORKING TOGETHER FOR THE WELL-BEING OF OUR TWO COUNTRIES
AND THE PROGRESS OF EUROPE.

FRANCISCO PINTO BALSEMAO

©L LONDONSW1

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POST OFFICE
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DIRECTORY OR TELEX DIALLING CARD

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To send Telegrams—

jfh

PORTUGAL

2 January 1981

The Portuguese Embassy have forwarded a letter from their Prime Minister in Office in response to the Prime Minister's message of condolence which was conveyed in your telegram number 196 to Lisbon on 5 December. I enclose a copy for your records.

MAP

Francis Richards, Esq.
Foreign and Commonwealth Office.



10 DOWNING STREET

From the Private Secretary

2 January 1981

In the absence of my colleague Michael Alexander I am writing to thank you for your letter of 30 December with which you enclosed one from the Portuguese Prime Minister in Office.

I will of course place Professor Freitas do Amaral's letter before the Prime Minister immediately.

Senhor J.M. de Macedo.

R3112

Embaixada de Portugal
em
Londres

30th December, 1980

Proc. 2,212

No. 204

Dear Mr. Alexander,

I am enclosing a letter addressed to the British Prime Minister from Professor Diogo Freitas do Amaral, Portuguese Prime Minister in Office, and would be most grateful if you would see that the letter reaches Mrs. Thatcher.

Yours sincerely,

J. M. de Macedo

(J. M. de Macedo)
Counsellor.

Michael Alexander, Esq.,
Private Secretary,
Office of the Prime Minister,
10 Downing Street,
London, S.W.1.

To send Telegrams—CONSULT TELEPHONE DIRECTORY OR TELEX DIALLING CARD TELEGRAPHS POST OFFICE INTERNATIONAL TELEGRAPHS

TELEGRAPHS To send Telegrams—CONSULT TELEPHONE DIRECTORY OR TELEX DIALLING CARD TELEGRAPHS POST OFFICE INTERNATIONAL TELEGRAPHS To send Telegrams—CONSULT TELEPHONE DIRECTORY OR TELEX DIALLING CARD

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 244A/80

SUBJECT

[Handwritten signature]

NNNN

*cc Master
Ops*

GENERAL MANAGER
LONDON TELEGRAMS
20 DEC 1980
ST. BOTOLPHS ITO
ENQ 01-836 1222 Ex. 2068

Portugal

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LISBOA 53/50 20 0023

LFZ3104

ETATPRIORITE

H.E. RT. HON. MARGARET TATCHER, M.P.

PRIME MINISTER

LONDONSW1

*R22/12
C22/12*

GOVERNMENT
(PRIORITY) Dd.

Prime Minister

M.P. - 22/12

I THANK YOU VERY MUCH FOR YOUR KIND WORDS OF CONGRATULATION ON MY RE-ELECTION. I AM SURE THAT THE SOLID FRIENDSHIP BETWEEN OUR TWO COUNTRIES WILL BE ENHANCED IN THE FUTURE.

ANTONIO RAMALHO EANES

PRESIDENT OF THE REPUBLIC OF PORTUGAL

[Handwritten initials]

Box

PRIME MINISTER'S
PERSONAL MESSAGE

SERIAL No. T 243 D/80.

MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS

Gabinete do Ministro

Subject

Lisbon, 16th December 1980

The RT Hon
Margareth Thatcher
Prime Minister

fa
P
orb

I thank you most sincerely for the kind message of condolences you sent me.

The terrible accident that caused the death of His Excellency the Prime Minister, Francisco Sá Carneiro, and His Excellency the Defense Minister Amaro da Costa, is a reason for deep mourning and sadness for our country and for the Government of Democratic Alliance.

In these difficult times we appreciate more than ever the cooperation and friendship towards Portugal that the United Kingdom always showed.

Diogo Freitas do Amaral

(Diogo Freitas do Amaral)
Prime Minister in office
Minister of Foreign Affairs and
Minister of Defense ad Interim
of Portugal

PRIME MINISTER

Lisbon telegrams 247 and 248 of 14 December 1980 refer to the appointment of a new Portuguese Prime Minister.

The Foreign Office are anxious to deliver a message of congratulation early tomorrow morning. A draft text for your consideration is contained in paragraph 2 of the second telegram.

Neill Mitchell

N.P.G. Mitchell
(Duty Clerk)

14 December 1980

*Copied to Chequers
and approved.*

*Resident Clerk informed
6.20 p.m. 14/12/80)*

GPS 180
UNCLASSIFIED

FM LISBON 141115Z

TO IMMEDIATE FCO

TELNO 248 OF 14 DECEMBER 80

MIPT

APPOINTMENT OF NEW PORTUGUESE PRIME MINISTER : MESSAGES

1. I THINK IT IMPORTANT THAT MESSAGES OF CONGRATULATIONS FROM YOURSELF AND THE PRIME MINISTER SHOULD BE DELIVERED QUICKLY. THERE IS NO NEED FOR US TO WAIT FOR THE OFFICIAL APPOINTMENT. I THINK THAT MESSAGES SHOULD BE DELIVERED TOMORROW MORNING IN WHICH CASE IT WOULD BE HELPFUL IF THEY COULD ARRIVE BY 1030.

2. A SUGGESTED TEXT FOR THE PRIME MINISTER'S MESSAGE:
QUOTE. MAY I OFFER YOU MY WARMEST CONGRATULATIONS ON YOUR ELECTION AS PRESIDENT OF THE SOCIAL DEMOCRATIC PARTY AND ON YOUR SELECTION BY YOUR PARTY FOR THE POST OF PRIME MINISTER. I LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE AND I HOPE THAT WE SHALL HAVE AN EARLY OPPORTUNITY TO MEET. UNQUOTE.

3. YOUR OWN MESSAGE MIGHT BE ALONG FOLLOWING LINES:
QUOTE. I WAS DELIGHTED TO LEARN THAT YOU HAVE BEEN ELECTED PRESIDENT OF THE SOCIAL DEMOCRATIC PARTY AND THAT YOUR PARTY HAVE CHOSEN YOU TO BE THE NEXT PRIME MINISTER OF PORTUGAL. I REMEMBER WITH PLEASURE OUR MEETINGS LAST YEAR IN LONDON AND THIS YEAR IN LISBON. WE SHALL LOOK FORWARD VERY MUCH TO WORKING WITH YOU AND YOUR COLLEAGUES. UNQUOTE.

MORAN

[COPIES SENT TO NO 10 DOWNING ST]

LIMITED

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PS

PS/LPS

PS/PUS

MR BULLARD

MR FERGUSSON

GPS 170
UNCLASSIFIED

FM LISBON 141059Z

TO IMMEDIATE FCO

TELNO 247 OF 14 DEC 88

APPOINTMENT OF NEW PORTUGUESE PRIME MINISTER

1. THE NATIONAL COUNCIL OF THE SOCIAL DEMOCRATIC PARTY LAST NIGHT ELECTED DR FRANCISCO PINTO BALSEMAO PRESIDENT OF THE PARTY AND DECIDED TO PUT HIS NAME FORWARD FOR PRIME MINISTER. THE FORMATION OF THE NEW GOVERNMENT IS TO BE DISCUSSED ON 15 DECEMBER BY THE DEMOCRATIC ALLIANCE BUT THE CENTRISTS AND MONARCHISTS HAVE ALREADY INDICATED THAT THEY CAN ACCEPT BALSEMAO. PRESIDENT EANES HAS ALREADY SAID THAT HE WILL ACCEPT WHOEVER THE ALLIANCE CHOOSE.
2. IT THEREFORE LOOKS VIRTUALLY CERTAIN THAT BALSEMAO WILL LEAD THE NEXT GOVERNMENT. BALSEMAO SAID LAST NIGHT THAT WOULD ONLY BE PREPARED TO LEAD A STRONG GOVERNMENT, TO CONTINUE SA CARNEIRO'S POLICIES. THIS MEANS I THINK THAT THE ONLY CIRCUMSTANCES IN WHICH HE WOULD DECLINE TO FORM A GOVERNMENT WOULD BE IN THE UNLIKELY EVENT OF A NUMBER OF SENIOR ALLIANCE FIGURES REFUSING TO SERVE UNDER HIM. FREITAS DO AMARAL LAST NIGHT REAFFIRMED, DESPITE LAST MINUTE PRESSURE FROM HIS PARTY, HIS DECISION NOT TO SERVE IN THE NEXT GOVERNMENT.
3. RECOMMENDATION S ON MESSAGES FOLLOW IN MIFT.

MORAN

FCO/WHITEHALL
SED

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FM LISBON 111420Z DEC

TO PRIORITY FCO

TELEGRAM NUMBER 244 OF 11 DECEMBER 1980

INFO SAVING TO : MADRID, UKDEL NATO, UKREP BRUSSELS, BRUSSELS,
THE HAGUE, LUXEMBOURG, BONN, PARIS, DUBLIN, COPENHAGEN, ROME AND
WASHINGTON

POLITICAL SITUATION

1. THE POLITICAL FUTURE OF PORTUGAL IS NOW POISED ON A KNIFE EDGE. IF THE DEMOCRATIC ALLIANCE CAN HOLD TOGETHER, CAN FIND A NEW, RESOLUTE BUT EMOLLIENT PRIME MINISTER AND CAN IN DUE COURSE MAKE AN AGREEMENT WITH THE SOCIALISTS SO AS TO SECURE A TWO-THIRDS MAJORITY FOR THE REVISION OF THE CONSTITUTION, WITH A REDUCTION OF THE PRESIDENT'S POWERS, THEN THERE IS NOTHING PRESIDENT EANES CAN DO TO STOP THEM. BUT IF THE ALLIANCE FALLS APART AND THE SOCIAL DEMOCRATS QUARREL WITH THE CENTRE DEMOCRATS THEN THE INITIATIVE WILL PASS TO EANES WHO HAS ALWAYS DISLIKED THE ALLIANCE AND WOULD PREFER A CENTRE GROUPING UNDER HIS OWN PATRONAGE.

2. THE PRESIDENT HAS ASKED TO SEE REPRESENTATIVES OF THE ALLIANCE PARTIES LATER TODAY TO HEAR THEIR VIEWS ON A SUCCESSOR TO SA CARNEIRO AS PRIME MINISTER. MEANWHILE, NEGOTIATIONS HAVE BEGUN WITHIN AND BETWEEN THE SOCIAL AND CENTRE DEMOCRATIC PARTIES ON THE COMPOSITION OF THE NEXT GOVERNMENT. THE KEY MEETING WILL BE HELD OVER THIS WEEKEND WHEN THE SOCIAL DEMOCRATS ARE DUE TO CHOOSE A NEW PARTY PRESIDENT. CONTACTS WITHIN THE PARTY HAVE TOLD US THAT WHILE BALSEMAO IS ALMOST CERTAIN TO TAKE OVER THE PARTY LEADERSHIP THERE IS RESISTANCE, ESPECIALLY AMONG CENTRE DEMOCRATS, TO HIS TAKING OVER AS PRIME MINISTER SINCE HE IS REGARDED AS TOO LIBERAL AND AS NOT TOUGH ENOUGH. THE CENTRISTS AND SOME SOCIAL DEMOCRATIC MINISTERS ARE BELIEVED TO HAVE EXPRESSED A PREFERENCE FOR EURICO DE MELO, THE PRESENT MINISTER OF INTERNAL ADMINISTRATION. HE IS ON THE RIGHT OF THE SOCIAL DEMOCRATIC PARTY BUT IS MUCH LESS WELL KNOWN THAN BALSEMAO OR MOTA AMARAL AND IS MORE OF AN ADMINISTRATOR THAN A POLITICIAN. HE WAS SA CARNEIRO'S CHOICE TO BE STOP-GAP PRIME MINISTER IF EANES WON THE ELECTIONS AND HE AND FREITAS RESIGNED AS PLANNED. IF EURICO DE MELO BECOMES PRIME MINISTER HIS FOREIGN MINISTER MAY BE BALSEMAO (WHO WOULD BE EXCELLENT IN THAT POST).

3. THERE IS NOW A DEBATE WITHIN THE ALLIANCE ABOUT WHETHER THE NEXT GOVERNMENT SHOULD APPEASE OR CONFRONT PRESIDENT EANES. WE UNDERSTAND FROM THE CENTRE DEMOCRAT SOURCES THAT FREITAS BELIEVES THAT THE NEXT GOVERNMENT WILL BE DESTROYED BY EANES WITHIN TWO OR THREE MONTHS. HE HAS HIS EYE, THEREFORE, ON LEADING THE GOVERNMENT AFTER THE NEXT. HE APPEARS TO HAVE ACCEPTED THAT THE TIME HAS COME TO TRY A DIALOGUE WITH EANES BUT RECOGNISES THAT HE IS NOT THE MAN TO DO THIS. HIS PLAN IS NOW TO GO TO THE ASSEMBLY (POSSIBLY AS PRESIDENT OF THE ASSEMBLY) AND SEE THROUGH THE CONSTITUTIONAL REVISION AS HE AND SA CARNEIRO HAD ORIGINALLY PLANNED. WE HAVE BEEN TOLD THAT HE HAS NO INTENTION OF WITHDRAWING FROM POLITICAL LIFE.

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4. MARIO SOARES WHO IS NOW ONCE MORE SECRETARY GENERAL OF THE SOCIALIST PARTY ISSUED A WARNING YESTERDAY AGAINST ATTEMPTS TO ESTABLISH "PERONISM" IN PORTUGAL. THE TEMPTATION TO INSTAL PRESIDENTIAL GOVERNMENTS MUST, HE SAID, BE RESISTED. THE ALLIANCE MUST GOVERN. SOARES' WORDS ARE BEING INTERPRETED BY THE ALLIANCE AS A WARNING TO EANES NOT TO EXCEED HIS AUTHORITY AS PRESIDENT AND A SIGN TO THE ALLIANCE THAT HE IS PREPARED TO TALK ABOUT CONSTITUTIONAL REVISION FOR WHICH THE ALLIANCE WOULD NEED THE VOTES OF ABOUT 33 SOCIALIST DEPUTIES TO MAKE UP THE REQUIRED TWO-THIRDS MAJORITY IN THE ASSEMBLY. MUCH DEPENDS ON HOW MUCH REAL AUTHORITY SOARES NOW RETAINS IN HIS OWN PARTY. THE ANSWER TO THIS MAY NOT BE KNOWN UNTIL MARCH WHEN THE SOCIALISTS ARE DUE TO HOLD THEIR NEXT CONGRESS.

5. FCO PLEASE PASS SAVING ADDRESSEES.

MORAN

~~REPEATED AS REQUESTED~~

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THIS TELEGRAM
WAS NOT
ADVANCED

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GRS 650

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CONFIDENTIAL

FM LISBON 091200Z DEC

TO PRIORITY FCO

TELEGRAM NUMBER 243 OF 10 DECEMBER 1980

INFO SAVING TO: UKREP BRUSSELS, UKDEL NATO, WASHINGTON, UKMIS NEW YORK, MADRID, PARIS AND BONN

MIPT

POLITICAL SITUATION

1. FREITAS DO AMARAL FORMALLY TENDERED THE RESIGNATION OF THE 6TH CONSTITUTIONAL GOVERNMENT TO PRESIDENT EANES YESTERDAY 9 DECEMBER. HE SAID AFTERWARDS THAT HE WOULD NOT BE A MEMBER OF THE NEXT GOVERNMENT. HE ADDED THAT THE RESULTS OF THE THE LEGISLATIVE AND PRESIDENTIAL ELECTIONS TAKEN TOGETHER MEANT THAT IT WAS NOW NECESSARY TO OPT FOR "INSTITUTIONAL COOPERATION" BETWEEN THE GOVERNMENT AND THE PRESIDENT OF THE REPUBLIC. HE THOUGHT THAT HIS ABSENCE FROM THE GOVERNMENT WOULD MAKE THIS PROCESS EASIER. HIS DECISION HAD BEEN A PERSONAL ONE AND WAS CONSISTENT WITH WHAT HE HAD SAID BEFORE THE PRESIDENTIAL ELECTIONS. AFTER THE TRAGIC LOSS OF ONE OF THE HISTORICAL LEADERS OF THE DEMOCRATIC ALLIANCE THE INCLUSION OF THE OTHER IN GOVERNMENT WOULD LEAD TO IMBALANCES.

2. FREITAS SAID THAT SUNDAY'S ELECTION RESULTS DID NOT CONSTITUTE A POSTHUMOUS DEFEAT FOR SA CARNEIRO BUT IT HAD BEEN A DEFEAT FOR THE ALLIANCE'S ELECTION STRATEGY. THIS WAS A POLITICAL DEFEAT FOR WHICH ALL CONCERNED SHARED THE RESPONSIBILITY. THE ALLIANCE'S STRATEGY FOR THE FUTURE WOULD BE BASED ON THE REINFORCEMENT OF THE ALLIANCE'S PARLIAMENTARY MAJORITY AND THE DEVELOPMENT OF COOPERATION WITH THE PRESIDENT OF THE REPUBLIC. THE EXTENT OF THIS COOPERATION WOULD DEPEND ON THE PRESIDENT'S BEHAVIOUR. THE ALLIANCE WOULD BE WATCHING HIS ACTIONS CAREFULLY AND WOULD OPPOSE ALL ATTEMPTS BY HIM OR HIS SUPPORTERS TO DESTROY THE DEMOCRATIC ALLIANCE OR PLACE OBSTACLES IN THE WAY OF THE GOVERNMENT. IF AN IMPASSE WERE CREATED THE ONLY SOLUTION WOULD BE MID-TERM ELECTIONS.

3. FREITAS'S DECISION OPENS THE WAY FOR A MAJOR CHANGE IN THE ALLIANCE'S STRATEGY. IMMEDIATELY AFTER THE PRESIDENTIAL ELECTION RESULTS WERE ANNOUNCED FREITAS MADE NO ATTEMPT TO CONCEAL HIS BITTERNESS ABOUT PRESIDENT EANES SAYING THAT THE GOVERNMENT WOULD NOT TOLERATE INTERFERENCE BY THE PRESIDENT IN MATTERS WITHIN ITS OWN COMPETENCE. HE SEEMED PREPARED TO CONTINUE THE STRUGGLE BETWEEN THE GOVERNMENT AND THE PRESIDENT. HE NOW APPEARS TO HAVE REALISED THAT EANES'S VICTORY BY SUCH A DECISIVE MAJORITY MEANS THAT THE PORTUGUESE PEOPLE HAVE CHOSEN DIALOGUE RATHER THAN CONFRONTATION. THE LOSS OF HIS CLOSE FRIEND AND POLITICAL STRATEGIST, AMARO DA COSTA, WILL ALSO HAVE BEEN A FACTOR IN THIS DECISION. BUT HE IS AN EMOTIONAL MAN AND HIS DECISION TO GO IS IN CHARACTER - A GESTURE OF DISGUST AT THE VICTORY OF EANES AND THE LEFT.

14. THE

CONFIDENTIAL

CONFIDENTIAL

4. THE NATIONAL COUNCIL OF THE SOCIAL DEMOCRATIC PARTY ARE TO MEET AT THE WEEKEND TO CHOSE A SUCCESSOR TO SA CARNEIRO AS PARTY LEADER. IT IS EXPECTED THAT WHOEVER IS CHOSEN WILL ALSO BE THE NEXT PRIME MINISTER AND THE FRONT RUNNER AT THE MOMENT IS THE PRESENT MINISTER ASSISTANT TO THE PRIME MINISTER, FRANCISCO PINTO BALSEMAO WHO IS VERY WELL DISPOSED TO US AND WHOM YOU MET AT MY HOUSE IN APRIL. THE PRESS HAVE SUGGESTED THAT TWO VICE PRIME MINISTERS MIGHT BE APPOINTED, THE PRESENT FINANCE MINISTER, CAVACO E SILVA FOR THE SOCIAL DEMOCRATS WITH OVERSIGHT OF ECONOMIC MATTERS, AND LUCAS PIRES FOR THE CENTRE DEMOCRATS. IF BALSEMAO IS CHOSEN WE WOULD EXPECT HIM TO ADOPT CONCILIATORY TACTICS TOWARDS EANES, WHO SHOULD ALSO FIND HIM EASY TO DEAL WITH. AS A MEMBER OF THE LEFT WING OF THE CENTRE DEMOCRATIC PARTY HE IS ALSO SEEN BY MANY AS A MAN BEST EQUIPPED TO OPEN NEGOTIATIONS WITH THE SOCIALIST PARTY WITH WHOM HE HAS GOOD RELATIONS OVER THE REVISION OF THE CONS-
-TITUTION. MARIO SOARES, WHO OPPOSED GENERAL EANES DURING THE ELECTION CAMPAIGN, YESTERDAY REASSUMED HIS POSITION AS SECRETARY GENERAL OF THE SOCIALIST PARTY. ALTHOUGH HE WILL, THEREFORE, REMAIN THE PARTY LEADER HIS AUTHORITY WITHIN THE PARTY WILL HAVE BEEN WEAK-
-ENED BY EANES'S VICTORY.

5. FCO PLEASE PASS-TO-SAVING ADDRESSEES.

MORAN

[REPEATED AS
REQUESTED]

FCO/WHITEHALL D
SED

2

CONFIDENTIAL

SUBJECT

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FILE COPY

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GR 70

RESTRICTED
DESKBY 110900Z
FM F C O 102320Z DEC 80
TO IMMEDIATE LISBON
TELEGRAM NUMBER 200 OF 10 DECEMBER

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T241/80

YOUR TELEGRAM NO 233.

PRESIDENTIAL ELECTION.

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER
TO PRESIDENT EANES:

BEGINS
MANY CONGRATULATIONS ON YOUR REELECTION AS PRESIDENT OF PORTUGAL.
I AM CONFIDENT THAT OUR TWO COUNTRIES WILL CONTINUE TO COOPERATE
AS CLOSELY IN THE YEARS AHEAD AS THEY HAVE DONE IN THE PAST.
ENDS

CARRINGTON

LIMITED
SED
PS
PS/KAS
PS/PUS
MR FERGUSON

RESTRICTED

010



Res only clear to send.

Prime Minister. /

Do you approve the attached text?

Foreign and Commonwealth Office

London SW1A 2AH

JR
9/12

9 December 1980

Portugal.

Dear Michael,

Portuguese Presidential Election

On 7 December General Eanes was decisively re-elected President of Portugal on the first round.

The Foreign and Commonwealth Secretary recommends that the Prime Minister should send a short message of congratulation, as in the attached draft telegram to Lisbon.

Yours ever

Rodric Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

File No. WSP 020/1

OUTWARD

Security Classification UNCLASSIFIED
Precedence PRIORITY
DESKBYZ

Department

TELEGRAM

Drafted by

(Block Capitals)

Tel. Extn.

FOR COMMS. DEPT. USE	Despatched (Date) (Time)Z	POSTBYZ
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PREAMBLE

(Time of Origin) Z (G.M.T.) (Restrictive Prefix)

(Security Class.) UNCLASSIFIED (Caveat/ Privacy marking)

(Codeword) (Deskby) Z

TO PRIORITY LISBON Tel. No. of
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AND TO (precedence/post)

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- PS/PUS
- Mr Bullard
- Mr Fergusson

[TEXT]

T 241/80

YOUR TELNO 233: PRESIDENTIAL ELECTION

1. Please pass following message from Prime Minister to President Eanes.

BEGINS

Many congratulations on your re-election as President of Portugal. I ^{am confident} have no doubt that our two countries will continue to cooperate as closely as ever in the years ahead as they have done in the past.

ENDS

MT.

Sent on 10/12/80

Copies to:-

GRS 90
UNCLASSIFIED
FM LISBON 081115Z DEC 80
TO PRIORITY FCO
TELEGRAM NUMBER 239 OF 8 DECEMBER 1980
INFO SAVING UKREP BRUSSELS, BRUSSELS, THE HAGUE, LUXEMBOURG,
BONN, PARIS, DUBLIN, COPENHAGEN, ROME, UKDEL NATO, WASHINGTON,
MADRID, UKMIS NEW YORK.

PORTUGAL : PRESIDENTIAL ELECTIONS.

PROVISIONAL RESULTS CONFIRM THAT EANES HAS WON EASILY ON
THE FIRST ROUND. TURNOUT WAS 84 PER CENT WITH PERCENTAGES
TO CANDIDATES AS FOLLOWS:

EANES	56.4
SOARES CARNEIRO	40.3
OTELO	1.48
GALVAO DE MELO	0.84
PIRES VELOSO	0.78
AIRES RODRIGUES	0.22

2. COMMENT IN MIFT.

FCO PLEASE PASS SAVINGS ADDRESSEES

MORAN
FCO/WH
SED

[PASSED AS REQUESTED]

SUBJECT.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 234/00

GRS 170
UNCLASSIFIED
DESKBY 050830Z
FM F C O 050026Z DEC 80
TO IMMEDIATE LISBON
TELEGRAM NUMBER 196 OF 5 DECEMBER

H. G. Amal

*See transfer act
opt*

TELECON AMBASSADOR/RESIDENT CLERK
DEATH OF SA CARNEIRO

1. PLEASE PASS FOLLOWING MESSAGE FROM THE PRIME MINISTER
TO FREITAS DO AMARAL AS SOON AS POSSIBLE:

BEGINS
I WAS DEEPLY DISTRESSED TO HEAR TONIGHT OF THE TRAGIC AND
UNTIMELY DEATHS OF PRIME MINISTER SA CARNEIRO, DEFENCE MINISTER
DA COSTA AND THOSE ACCOMPANYING THEM. MY HEARTFELT SYMPATHY
GOES OUT TO THE PORTUGUESE GOVERNMENT AND PEOPLE.

MARGARET THATCHER
ENDS

2. PLEASE PASS THE FOLLOWING FROM ME TO FREITAS DO AMARAL:
BEGINS

I HAVE LEARNT WITH GREAT SORROW OF THE DEATHS OF YOUR PRIME
MINISTER AND DEFENCE MINISTER AND THOSE ACCOMPANYING THEM
IN AN AIR CRASH TONIGHT. I EXTEND TO YOU AND YOUR COLLEAGUES
IN THE GOVERNMENT MY DEEPEST SYMPATHY AT THIS TRAGIC LOSS.

ENDS

3. GRATEFUL IF YOU WOULD NOTIFY NEWS DEPARTMENT IMMEDIATE WHEN
MESSAGES HAVE BEEN DELIVERED SO THAT THEY CAN BE RELEASED HERE.

CARRINGTON

[COPIES SENT TO NO 10 DOWNING ST]

LIMITED
SED
NEWS D
PS
PS/LPS
PS/PUS
MR FERGUSSON



10 DOWNING STREET

From the Private Secretary

5 December, 1980.

Dear Robin

I am writing to confirm that the Prime Minister is content with the arrangement for the Chancellor of the Duchy to represent HMG at the Lisbon funeral of the late Prime Minister of Portugal.

I am sending a copy of this letter to George Walden (Foreign and Commonwealth Office).

Yours ever

Mike Paterson

R.A. Birch, Esq.,
Office of the Chancellor of the Duchy of
Lancaster.

AS

CP
SMA
Foreign and Commonwealth Office



London SW1A 2AH

5 December 1980

Dear Michael,

As I told you on the telephone this morning, the Secretary of State has suggested, and Mr St John-Stevas has agreed, that the Chancellor of the Duchy of Lancaster should represent HMG at a Requiem Mass tomorrow in Lisbon for the Portuguese Prime Minister, Dr sa Carneiro.

I take it that the Prime Minister approves of this arrangement.

I am copying this to Mr St John-Stevas' office.

Tom
GGH
(G G H Walden)

M O'D B Alexander Esq
10 Downing Street



MB

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

5 December 1980

Dear Mike.

Following our telephone conversation, I write to confirm that the Secretary of State for Foreign and Commonwealth Affairs has asked the Chancellor of the Duchy to represent Her Majesty's Government at the funeral tomorrow in Lisbon for the Prime Minister of Portugal, and that the Chancellor of the Duchy has agreed to this, subject to the approval of the Prime Minister. He proposes to leave this evening at 9.30 pm and to return on Sunday. I should be glad to know if this arrangement is acceptable to the Prime Minister.

I am copying this letter to George Walden in the Foreign Office.

Yours ever,

Robin

R A BIRCH

Mike Pattison Esq
10 Downing Street

ADVANCE COPY

IMMEDIATE

LISFO 003/05

OO FCO

GRS 750

RESTRICTED

FM LISBON 051130Z DEC 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 235 OF 5 DECEMBER 1980

AND SAVING TO MOD, UKREP BRUSSELS, BRUSSELS, THE HAGUE,
DUBLIN, BONN, PARIS, ROME, LUXEMBOURG, COPENHAGEN, UKDEL NATO,
MADRID AND WASHINGTON.

IM. SED (FCO/WH),

Hd. Pcd

Ps

Is/LPs

Ps/Plus

Sir E. Youde

Mr. Bullard

Mr. Ferguson,

DI Cabinet Office,

Ps/No. 10, Downing St

R.C. (11x).

DEATH OF THE PRIME MINISTER.

1. AS I TOLD THE RESIDENT CLERK ON THE TELEPHONE IMMEDIATELY
AFTERWARDS, THE PRIME MINISTER, DR FRANCISCO SA CARNEIRO,
WAS KILLED LAST NIGHT IN A LIGHT TWIN-ENGINEED AIRCRAFT WHICH CRASHED
INTO A BUILDING ONE MINUTE AFTER TAKING OFF FROM LISBON FOR OPORTO.
THE OTHER OCCUPANTS OF THE PLANE, THE PRIME MINISTER'S LADY,
SNU ABECASSIS, THE MINISTER OF NATIONAL DEFENCE ENGINEER ADELINO
AMARO DA COSTA AND HIS WIFE, THE PRIME MINISTER'S PRIVATE SECRETARY
ANTONIO PATRICIO GOUVEIA, ALL OF THEM OUR FRIENDS, AND THE
TWO PILOTS, WERE KILLED. THE INFORMATION GIVEN BY THE TELEVISION
LAST NIGHT THAT GOUVEIA'S WIFE WAS ON THE PLANE IS APPARENTLY
INCORRECT. THE CAUSE OF THE ACCIDENT IS AS YET UNKNOWN. THERE IS
NO EVIDENCE OF SABOTAGE AND I DOUBT IF ANY WILL BE FORTHCOMING
BUT IT IS UNIVERSALLY SUSPECTED BY THE PORTUGUESE AND THE VICE
PRIME MINISTER SAID ON TELEVISION LAST NIGHT THAT THERE
WOULD BE A RIGOROUS ENQUIRY INTO THE CAUSES OF THE CRASH. THE
BODIES ARE BURNT BEYOND RECOGNITION. SA CARNEIRO LEAVES A
WIDOW, FROM WHOM HE HAS BEEN SEPARATED FOR SOME YEARS AND SEVERAL
CHILDREN, INCLUDING A DAUGHTER AT SCHOOL IN ENGLAND.

2. I RECOMMENDED TO THE RESIDENT CLERK THAT YOU, THE PRIME
MINISTER AND THE SECRETARY OF STATE FOR DEFENCE IF HE WISHED
SHOULD SEND MESSAGES TO PROF FREITAS DO AMARAL AS VICE PRIME
MINISTER. WE HAVE NOW RECEIVED THE MESSAGES FROM YOURSELF AND
THE PRIME MINISTER AND HAVE SENT THEM ON. I HAVE MYSELF WRITTEN
TO HIM, TO FRANCISCO PINTO BALSEMAO (SA CARNEIRO'S CLOSE FRIEND
AND POLITICAL COLLEAGUE) AND TO GOUVEIA'S FATHER AND WIDOW.

Read in full, ml

AND POLITICAL COLLEAGUE) AND TO GOUVEIA'S FATHER AND WIDOW.

3. THE LOSS OF HER OUTSTANDING POLITICAL LEADER IS A TRAGEDY FOR PORTUGAL. THIS IS A COUNTRY WHICH TENDS TO DRIFT AND FALL INTO CONFUSION WITHOUT FIRM LEADERSHIP AND SA CARNEIRO WAS THE ONE MAN WHO HAD THE DRIVE, DETERMINATION AND POLITICAL GENIUS TO PUSH THROUGH THE BIG CHANGES NEEDED IN PORTUGAL IN THE NEXT FEW YEARS. THERE IS NO-ONE IN SIGHT AT PRESENT WHO CAN REPLACE HIM. AMARO DA COSTA WAS THE MOST EFFECTIVE POLITICIAN IN THE CENTRE DEMOCRAT PARTY.

4. IN THE SHORT TERM AND I THINK UNTIL AFTER THE PRESIDENTIAL ELECTION FREITAS DO AMARAL AS VICE PRIME MINISTER AND NO 2 TO SA CARNEIRO IN THE DEMOCRATIC ALLIANCE WILL BE IN CHARGE OF THE GOVERNMENT. BUT IN DUE COURSE THE SOCIAL DEMOCRATS AS THE LARGER PARTY WILL, I THINK, INSIST ON PROVIDING THE NEXT PRIME MINISTER. BALSEMAO WOULD, IN MY JUDGEMENT BE A LIKELY CHOICE THOUGH MOTA AMARAL OR MOTA PINTO (EITHER OF WHOM WOULD BE GOOD) MIGHT BE PREFERRED.

5. THE ELECTORAL COMMISSION IS TO DECIDE TODAY WHETHER THE PRESIDENTIAL ELECTION ON SUNDAY WILL GO FORWARD AS PLANNED. IF IT DOES THE DEATH OF SA CARNEIRO MAY AND I THINK PROBABLY WILL PRODUCE A REACTION WHICH WOULD HELP HIS CANDIDATE, SOARES CARNEIRO. AS AGAINST THIS, THE SHOCK MIGHT CAUSE VOTERS TO CLING TO THE MAN THEY KNOW AND VOTE FOR EANES. THE APPARENTLY WIDESPREAD BELIEF THAT THE AIRCRAFT MAY HAVE BEEN TAMPERED WITH BY, SAY, A LEFT-WING EXTREMIST OR BY THE COMMUNISTS, WILL BE LIKELY TO DAMAGE EANES'S CHANCES ESPECIALLY IF THE FIRST ROUND IS HELD AS PLANNED ON SUNDAY, SINCE IT IS HE THAT THE COMMUNISTS ARE SUPPORTING. THE COMMUNISTS HAVE NOW INEPTLY CALLED FOR THE RESIGNATION OF THE GOVERNMENT ON THE GROUNDS THAT THERE IS NO PRIME MINISTER. IN A DIGNIFIED TELEVISION SPEECH AT MIDNIGHT, FREITAS DO AMARAL TWICE CALLED FOR CALM AND SERENITY - FOR THE AUTHORITIES FEAR THAT FRUSTRATION AMONG SUPPORTERS OF SA CARNEIRO MIGHT TAKE A VIOLENT FORM - AND DECLARED THAT SA CARNEIRO'S POLICIES WOULD BE CARRIED ON. IN THE MEANTIME THE CAMPAIGN HAS BEEN SUSPENDED AND A LARGE OUTDOOR MEETING IN LISBON TO HAVE BEEN ADDRESSED BY EANES WAS CANCELLED.

6. IT HAS NOW BEEN ANNOUNCED THAT THERE WILL BE AN OFFICIAL REQUIEM MASS TOMORROW MORNING (SATURDAY) FOLLOWED BY PRIVATE FUNERALS. THE PORTUGUESE HAVE TOLD US THAT THEY WILL WELCOME GUESTS FROM OVERSEAS FOR THE MASS BUT WILL NOT SPECIFICALLY INVITE THEM. MY NETHERLANDS, BELGIAN, FRENCH AND GERMAN COLLEAGUES ARE ALL RECOMMENDING THAT IF POSSIBLE A MINISTER SHOULD COME TO

6. IT HAS NOW BEEN ANNOUNCED THAT THERE WILL BE AN OFFICIAL REQUIEM MASS TOMORROW MORNING (SATURDAY) FOLLOWED BY PRIVATE FUNERALS. THE PORTUGUESE HAVE TOLD US THAT THEY WILL WELCOME GUESTS FROM OVERSEAS FOR THE MASS BUT WILL NOT SPECIFICALLY INVITE THEM. MY NETHERLANDS, BELGIAN, FRENCH AND GERMAN COLLEAGUES ARE ALL RECOMMENDING THAT IF POSSIBLE A MINISTER SHOULD COME TO LISBON AND I HAVE DONE THE SAME (TELECON WITH HEAD OF SED). THIS IS IMPORTANT IN THE LIGHT OF OUR SPECIAL RELATIONSHIP WITH PORTUGAL AND WITH SA CARNEIRO AND HIS GOVERNMENT. APART FROM THE TAP FLIGHT AT 13.40 FROM HEATHROW, THE ONLY OTHER FLIGHT WE KNOW OF WHICH WOULD GET HERE IN TIME IS THE VARIG FLIGHT FROM GATWICK AT 21.30 HRS.

FCO PLEASE PASS [✓] SAVINGS ADDRESSEES.

MORAN

[Passes Savings, as requested]

NNNN



SENT/RECD AT 05/1242Z PJF/~~XXXXXXXXXXXX~~ITF

E. R.
PRIME MINISTER

h
Pike

se P
PM agreed message.
Resident Clerk informed 1150 pm.

As you know, the Prime Minister of Portugal was killed this evening in a light aircraft crash at Lisbon. The Foreign Office have suggested the following message of condolence to be telegraphed to our Embassy and passed to Freitas do Amaral (Foreign Minister and No.2 in the Government):-

I was deeply distressed to hear tonight of the tragic and untimely deaths of Prime Minister Sa Carneiro, Defence Minister da Costa and those accompanying them. My heartfelt sympathy goes out to the Portuguese Government and people.

Are you content with this message?

S. J. Pike

Duty Clerk

4 December, 1980

The Foreign Secretary's proposed message
to Freitas do Amaral:-

" I have learned with great
sorrow of the deaths of Prime Minister
Ja Carneiro, Defence Minister da Costa
and those accompanying them, in an
air crash tonight.

I extend to you and all your
colleagues in the Government my
deepest sympathy at this tragic
loss. "

4. 12. 80

R H

Portugal

3 November, 1980

Thank you for your letter of 30 October.
I have drawn the enclosed message from the
Portuguese Prime Minister to Mrs Thatcher's
attention.

M. O'D. B. ALEXANDER

Senhor J M de Macedo

KRB

T 215/80

010
Embaixada de Portugal
em
Londres

30th October, 1980.

Proc. 2,212
No. 182.

Dear Mr. Alexander,

I am enclosing a message received by telex today from the Portuguese Prime Minister with instructions that the message should be transmitted to the British Prime Minister.

I would, therefore, be most grateful if you would bring the said text to the attention of the Prime Minister at your earliest convenience.

Yours sincerely,

J.M. de Macedo

(J.M. de Macedo)
Counsellor.

Michael Alexander, Esq.,
Private Secretary,
Office of the Prime Minister,
10 Downing Street,
London, S.W.1.

SUBJECT

*Embaixada de Portugal
em
Londres*

T 215/80

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 215/80**

cc Master
op

MESSAGE

The Rt. Hon. Mrs. Margaret Thatcher
Prime Minister of Great Britain.

I wish to thank you for the kind message I received on the occasion of the victory of the Alianca Democratica in the recent election.

This second victory is another step towards the strengthening and consolidation of democracy in Portugal, and the proof of the Portuguese people's wish to live in freedom and progress.

(S) Francisco Sa Carneiro
Prime Minister of Portugal.

30th October, 1980.

SUBJECT

RESTRICTED

GP 100

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 148C/80

RESTRICTED

FM FCO 071500Z OCT 80

TO PRIORITY LISBON

TELEGRAM NUMBER 173 OF 7 OCTOBER

1. PLEASE ARRANGE DELIVERY OF THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO DR SA CARNEIRO AS SOON AS CONVENIENTLY POSSIBLE BEGINS:

I SEND MY SINCERE CONGRATULATIONS ON THE FINE VICTORY BY THE DEMOCRATIC ALLIANCE AT THE ELECTIONS LAST SUNDAY. I LOOK FORWARD TO CONTINUING TO WORK CLOSELY TOGETHER TO STRENGTHEN THE CLOSE AND FRIENDLY LINKS WHICH OUR TWO COUNTRIES HAVE ENJOYED FOR SO LONG ENDS.

PLEASE REPORT DELIVERY BY TELEGRAM.

CARRINGTON

LIMITED

SED
NEWS D
ECD (E)
PS
PS/LPS
PS/PUS
SIR E YOUDE
MR FERGUSSON

RESTRICTED



Portugal

10 DOWNING STREET

From the Private Secretary

7 October, 1980.

Dear Paul,

Portuguese Elections

As I have told Roderic Lyne on the telephone, the Prime Minister has approved for despatch the message to Dr. Sa Carneiro enclosed with your letter to me of 6 October.

Yours ever

Michael Alexander

Paul Lever, Esq.,
Foreign and Commonwealth Office.

Ab

RESTRICTED

no



Foreign and Commonwealth Office

London SW1A 2AH

6 October 1980

Dear Mr Alexander,

Prime Minister

(1)

Agree attached text?

Yes no

Handwritten initials

Portuguese Election

According to provisional results, which will not be materially affected by the counting of overseas votes etc, the ruling Democratic Alliance in Portugal won an increased majority in the General Election on 5 October.

Full official results will not be available for about a week. There may be a wrangle over the procedures for Dr Sa Carneiro's re-appointment as Prime Minister (which is certain). The Foreign and Commonwealth Secretary recommends that the Prime Minister should send Dr Sa Carneiro a short message of congratulations without awaiting developments. You will doubtless recall that she sent him congratulations on his previous victory at the polls in December 1979.

I attach a draft telegram to Lisbon. Please let me know by telephone if it may be despatched. Lord Carrington will at the same time wish to send messages to the other two party leaders in the ruling Democratic Alliance.

Yours sincerely
B Pitts

P.P. (P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

RESTRICTED

File No.

Department

Drafted by

(Block Capital)

Tel. Extn.

OUTWARD

TELEGRAM

Security Classification
RESTRICTED

Precedence
PRIORITY

DESKBY Z

FOR
COMMS. DEPT.
USE

Despatched (Date) Z
(Time) Z

POSTBY Z

PREAMBLE

(Time of Origin) Z (G.M.T.)

(Restrictive Prefix)

(Security Class.) RESTRICTED

(Caveat/ Privacy marking)

(Codeword) (Deskby) Z

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Distribution: -

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News Dept
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PS/LPS
Mr Fergusson
ECD(E)

[TEXT]

1. Please arrange delivery of the following message from the Prime Minister to Dr Sá Carneiro as soon as conveniently possible.

Begins:

I send my sincere congratulations on the fine victory by the Democratic Alliance at the elections last Sunday. I look forward to continuing to work closely together to strengthen the close and friendly links which our two countries have enjoyed for so long.

Ends.

Please report delivery by telegram.

Copies to: -

- 6 OCT 1980



RESTRICTED

FM LISBON 061230Z OCT 80

TO PRIORITY FCO

TELEGRAM NUMBER 198 OF 6 OCTOBER 1980

INFO UKREP BRUSSELS

INFO SAVING MADRID, UKMIS NEW YORK, UKDEL NATO, WASHINGTON,
D13 (WEST) MOD, PARIS, BONN.PORTUGUESE GENERAL ELECTIONS.

1. WITH MOST OF THE RESULTS NOW IN, IT IS CLEAR THAT THE DEMOCRATIC ALLIANCE HAVE WON A CONVINCING VICTORY AND MORE THAN DOUBLED THEIR MAJORITY. THE LATEST PREDICTION SUGGESTS THAT THEY WILL HAVE A MAJORITY OVER ALL THE LEFT WING PARTIES OF 15 SEATS (COMPARED WITH 6 IN THE OLD PARLIAMENT). LIKELY COMPOSITION OF NEW ASSEMBLY IS ALLIANCE 134 SEATS, SOCIALISTS 73, COMMUNISTS 42, UDP 1.
2. THE BIG LOSERS HAVE BEEN THE COMMUNISTS WHOSE SHARE OF THE VOTE IS DOWN FROM 19 PER CENT TO ABOUT 16 PER CENT AND WHO WILL PROBABLY LOSE 5 SEATS DESPITE AN INTENSIVE AND WELL-FINANCED CAMPAIGN. THE SOCIALISTS ALSO LOST SEATS - PROBABLY 3. FOR MARIO SOARES THIS RESULT, DESPITE SKILFUL TELEVISION REPORTEDLY ORGANISED BY THE GERMAN SOCIALISTS, MUST BE A BITTER BLOW.
3. AT A PRESS CONFERENCE AT 3.30 THIS MORNING, SA CARNEIRO SAID THAT THE RESULTS SIGNIFIED NOT ONLY A VOTE OF CONFIDENCE IN HIS GOVERNMENT BUT A MAJOR DEFEAT FOR PRESIDENT EANES, WHO HAD OPENLY SUPPORTED THE SOCIALISTS IN THE ELECTIONS. SA CARNEIRO SAID THAT THE WAY WAS NOW OPEN FOR THE ELECTION OF THE DEMOCRATIC ALLIANCE'S PRESIDENTIAL CANDIDATE, GENERAL SOARES CARNIERO. GENERAL EANES, WHO WAS GIVEN TELEVISION TIME THE DAY BEFORE THE VOTE AS PRESIDENT, USED THIS, QUITE IMPROPERLY IN MY VIEW, TO MAKE A THINLY VEILED AND STRONG ATTACK ON THE DEMOCRATIC ALLIANCE. AFTER THIS I SEE NO POSSIBILITY OF A RECONCILIATION.
4. THE RESULTS EXCEED THE EXPECTATIONS OF THE ALLIANCE AND ARE A PERSONAL TRIUMPH FOR SA CARNEIRO. THE PERSONAL ATTACKS ON HIM BY THE COMMUNISTS AND SOCIALISTS HAVE FAILED AND HE HAS CLEARLY CONVINCED THE ELECTORATE, AFTER NINE MONTHS IN OFFICE, THAT HIS IS A SERIOUS GOVERNMENT WHICH HAS MADE A GOOD START AND CAN TACKLE PORTUGAL'S PROBLEMS EFFECTIVELY. ALTHOUGH THE ALLIANCE STILL HAVE A LONG WAY TO GO IN ELECTING SOARES CARNEIRO, LAST NIGHT'S RESULTS MEAN THAT HE IS NOW AT LEAST IN WITH A CHANCE. EANES STILL ENJOYS WIDE POPULAR SUPPORT BUT HIS LINKS WITH THE SOCIALISTS AND OPEN HOSTILITY TO THE NOW VICTORIOUS ALLIANCE MAY HAVE DAMAGED HIS CHANCES AND HAVE CERTAINLY TARNISHED HIS IMAGE. THE CAMPAIGN FOR THE PRESIDENTIAL ELECTION HAS NOW BEGUN AND SA CARNEIRO WILL THROW EVERYTHING INTO IT. IN THIS CONTEXT, PRE-ACCESSION AID FROM THE COMMUNITY WILL BE HELPFUL.

RESTRICTED

5. AT THE PRESS CONFERENCE FREITAS DO AMARAL POINTED OUT THAT THE NEGATIVE CAMPAIGN OF THE OPPOSITION PARTIES HAD FAILED, THAT THE ALLIANCE, PURSUING A POLICY OF SOCIAL JUSTICE, HAD WON IN THE POOREST DISTRICTS OF LISBON AND THAT VOTERS MAY HAVE BEEN PERSUADED TO FORSAKE THE COMMUNIST PARTY BY EVENTS IN AFGHANISTAN AND POLAND.

6. SA CARNEIRO MADE IT CLEAR THAT THE ALLIANCE REMAINED COMMITTED TO REVISION OF THE CONSTITUTION - BY TWO THIRDS MAJORITY IF POSSIBLE, IF NOT BY REFERENDUM; AND THAT PORTUGAL MUST NOW PROGRESS TO FULL DEMOCRACY, WHICH INVOLVED DISAPPEARANCE OF COUNCIL OF THE REVOLUTION AND SUBORDINATION OF THE ARMED FORCES TO CIVILIAN CONTROL.

7. MY AMERICAN COLLEAGUE HAD MARIO SOARES TO A WELL-PUBLICISED LUNCH TWO DAYS BEFORE THE ELECTION. I DO NOT THINK THIS WAS WISE.

FCO PLEASE PASS SAVINGS ADDRESSEES

MORAN

FCO/WHITEHALL
SED

[REPEATED AS REQUESTED]

THIS TELEGRAM
WAS NOT
ADVANCED

-2-
RESTRICTED

NOTE OF A MEETING HELD AT 9.30 am on WEDNESDAY 30 APRIL 1980
in ROOM 11.01 ASHDOWN HOUSE

Present

Secretary of State
Mr Rhodes
Mr Cassidy

Portuguese Ambassador
Commercial Attaché, Portuguese Embassy

1 The meeting was part of an introductory round of calls on Ministers by the recently appointed Portuguese Ambassador.

2 The Ambassador said that the Portuguese economy was not out of the woods but was recovering. Britain was Portugal's main trading partner and he was therefore particularly pleased that the Secretary of State was able to see him. He had hoped that the visit could simply be one to pay his respects but he had also to mention the state of Portugal's EEC negotiations. The plan was that negotiations should be finished early in 1981 with full membership in 1983 and negotiations were going at a reasonable pace. There was however the problem of textiles in which the UK was particularly involved. He had seen the Minister for Trade and knew the UK's problem but Portugal was a little worried that the UK had raised in Brussels the possibility of quantitative restrictions on textiles after accession. That would make Portugal the first country to accede to the Community with trade restrictions during the transitional period. The Secretary of State replied that the need for such arrangements was a tribute to the formidable nature of the Portuguese textile industry. He was afraid he could give the Portuguese Ambassador little comfort in this matter as the UK industry needed to be given a breathing space to adjust itself to Portuguese competition. The Commercial Councillor explained that Portugal's textile exports in 1978 had been lower than in 1973/74. There had been a breakdown in production after the Revolution and pre-revolutionary figures had only been re-attained in 1978/79. The Secretary of State replied that the UK had a large textile industry, which had been much larger. The Government had to allow time for this to adjust but the matter was mainly one for his colleagues in the Department of

/Trade ...

Trade. He would make sure that what the Ambassador had said would be reported to the Secretary of State for Trade and to the Prime Minister. He welcomed the return to vitality of the Portuguese economy.

3 The Ambassador went on to say that Portugal exported around 50% of its textiles to the UK whereas only 6% of UK imports were from Portugal. The Secretary of State replied that the position varied considerably from sector to sector. For example in cotton yarn 1/3rd of UK imports were from Portugal. The intention was only to quota specific sectors and there was no suggestion of a cut in imports. The Ambassador replied that Portugal had received enthusiastic support from its allies including the UK in its efforts to join the EEC. The present Portuguese Government saw eye to eye on policy with the British Government but would find it politically difficult to accept such a unique restriction. The Secretary of State replied that there were always transitional arrangements when new countries acceded to the EEC. The UK itself had been subject to many such arrangements. He accepted the political importance of the matter to the Portuguese Government and said that it was primarily for the Secretary of State for Foreign & Commonwealth Affairs.

4 The Ambassador said that he had had instructions from his Government to make clear to the British Government that failure to achieve^a satisfactory position in textiles might make Portugal suspend negotiations for entry to the EEC. All the indications from Lisbon were that this was not a negotiating stance but that the Government was holding fast to this position. He had to make it clear that Portugal would take a firm line on this matter.

X The Secretary of State replied that he was ^{not} the negotiating Minister in this matter. He would pass on the Ambassador's comments. The UK also regarded this matter as one of importance.

5 The Ambassador mentioned that the Portuguese Prime Minister would be paying a short visit to the UK on 19 May when he would meet the Prime Minister and other Ministers. He also said that he regretted that agreement had not yet been reached in Brussels

/on ...

on the VRA arrangements for 1980. But he did not regard this as a major problem. Before leaving, at the request of the Secretary of State, he suggested a book entitled "Contemporary Portugal" as giving a scholarly and authoritative account of Portuguese history since the revolution.

Peter Stredder

PETER STREDDER
PS/Secretary of State for Industry
Rm 11.01 Ashdown Ext 3301

1 May 1980

Circulation

PS/Ministers
PS/Secretary

Mr Manzie
Mr Ridley
Mr Benjamin
Mr Hudson
Mr Ingram

PS/Prime Minister
PS/SoS for Foreign &
Commonwealth Affairs
PS/Lord Privy Seal
PS/SoS for Trade

File

ds

PORTUGAL

28 February 1980

Thank you for your letter of 26 February.
I have of course brought the enclosed message
from the Prime Minister of Portugal to the
Prime Minister's immediate attention.

MICHAEL ALEXANDER

Senhor Pedro Alves Machado, C.V.O.

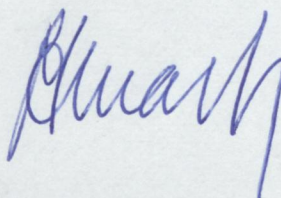
Embaixada de Portugal
em
Londres

London, 26th February 1980

Dear Private Secretary,

I have the honour to enclose a message addressed to Mrs. Thatcher which I am forwarding at the request of the Portuguese Prime Minister's Office in Lisbon.

Yours faithfully,



(Pedro Alves Machado)

Minister-Counsellor

The Private Secretary to

The Rt. Hon. Mrs. Margaret Thatcher. M.P.,

10, Downing Street,

London SW1-

Embaidada de Portugal
em
Londres

SUBJECT

T 38A/80

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T38A/80**

Exellency,

I thank you most sincerely for the message of congratulations you kindly addressed to me on the occasion of my appoitment as Prime Minister of Portugal.

I highly value the strong ties which have bound our two countries and I look forward to continuing cooperation in areas of mutual interest and to the strenghtening of the friendly relations which exist between the United Kingdom and Portugal.

Please accept my warmest regards and the assurance of my highest consideration.

Francisco de Sá Carneiro
Prime Minister of Portugal

The Rt. Hon. Margaret Thatcher, M.P.,
10, Downing Street,
London SW1-

TO: [Illegible]
FROM: [Illegible]

[Illegible]

[Illegible]

[Illegible]



[Illegible]

T164 G/79 T
ex.

Subject

R E S T R I C T E D

Portugal

13100 - 2

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL NO. T164 G/79 T

PP LISBON
GRS 145
RESTRICTED
FM FCO 111215Z DECEMBER 79
TO PRIORITY LISBON
TELEGRAM NUMBER 222 OF 11 DECEMBER
MESSAGE TO NEW PRIME MINISTER

1. ON THE ASSUMPTION THAT DR SA CARNEIRO IS APPOINTED PRIME MINISTER OF PORTUGAL, PLEASE TRANSMIT THE FOLLOWING MESSAGE TO HIM FROM THE PRIME MINISTER AS SOON AS CONVENIENTLY POSSIBLE AFTER THE APPOINTMENT IS MADE.

BEGINS.

PLEASE ACCEPT THE WARM CONGRATULATIONS OF THE BRITISH GOVERNMENT ON YOUR APPOINTMENT AS PRIME MINISTER TO HEAD PORTUGAL'S FIRST MAJORITY GOVERNMENT SINCE THE REVOLUTION. I VERY MUCH HOPE THAT THE LINKS WHICH WERE REINFORCED DURING YOUR RECENT VISIT TO LONDON WILL PROSPER NOW THAT YOU HAVE ASSUMED OFFICE AND I LOOK FORWARD TO BUILDING ON THE SPIRIT OF CLOSE FRIENDSHIP AND COOPERATION BETWEEN OUR TWO COUNTRIES. I SEND BEST WISHES FOR THE SUCCESS OF YOUR GOVERNMENT. ENDS.

2. PLEASE REPORT DELIVERY BY TELEGRAM.

CARRINGTON

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OID	MR FERGUSSON
PS	

RESTRICTED

HS

Portugal

10 December 1979

Portuguese Elections

The Prime Minister has seen and approved the message from her to Dr. Sa Carneiro enclosed with your letter to me of 7 December.

MICHAEL ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

RESTRICTED

QB



Foreign and Commonwealth Office

London SW1A 2AH

7 December 1979

①

Pamie Nindler

Dear Michael,

PORTUGUESE ELECTIONS

Yes - excellent
pub. Agree with? Pam

You will have seen the results of the Portuguese elections of 2 December, which gave the Democratic Alliance a majority of seats in the Assembly.

It is virtually certain that the Alliance leader, Dr Francisco Sa Carneiro, will be invited to form a government. However, the President will not act until the Portuguese emigrant votes are counted and the official results published, which will probably be in about a week's time.

Following the visit to London by the leaders of the Democratic Alliance, during which the Prime Minister received Dr Sa Carneiro and his colleagues on 7 November, the United Kingdom is likely to have a particular place in the eyes of the new Government. The Foreign and Commonwealth Secretary thinks that it would be appropriate if the normal message of congratulation to a new Prime Minister was couched in warm terms and delivered promptly. I enclose a draft telegram which, if you agree, will be despatched to Lisbon. In addition Lord Carrington proposes himself to send messages of congratulation to Dr Sa Carneiro and to Professor Freitas do Amaral of the Centre Democratic party on their success in the elections.

Yours ever

Paul

(P Lever)

M O'D B Alexander Esq
10 Downing Street

File No.

Department SED

Drafted by
(Block Capitals)

Tel. Extn. 233 4031

OUTWARD

TELEGRAM

Security Classification
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(Security Class.) RESTRICTED

(Caveat/
Privacy Marking).....

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- Mr Bullard
- Mr Fergusson

[TEXT]

MESSAGE TO NEW PRIME MINISTER

1. On the assumption that Dr Sa Carneiro is appointed Prime Minister of Portugal, please transmit the following message to him from the Prime Minister as soon as conveniently possible after the appointment is made.

Begins

Please accept the warm congratulations of the British Government on your appointment as Prime Minister to head Portugal's first majority government since the revolution. I very much hope that the links which were reinforced during your recent visit to London will prosper now that you have assumed office and I look forward to building on the spirit of close friendship and cooperation between our two countries. I send best

Copies to:-

wishes for the success of your government. Ends.

2. Please report delivery by telegram.

ms

NOTHING TO BE WRITTEN IN THIS MARGIN

ET DEC 1979



Portugal

CONFIDENTIAL

FM LISBON 041400Z DEC

TO PRIORITY FCO

TELNO 351 OF 4 DEC.

*Prime Minister**ms.*

SAVING TO WASHINGTON, MADRID, UKDEL NATO, UKREP BRUSSELS.

MYTELNOs 349 AND 350: PORTUGUESE GENERAL ELECTION.

1. THE DEMOCRATIC ALLIANCE HAVE ONLY OBTAINED A NARROW OVERALL MAJORITY IN THE NEW ASSEMBLY AND WILL FACE FORMIDABLE PROBLEMS, ESPECIALLY WITH THE COMMUNIST-CONTROLLED UNIONS, IN THE NEW YEAR. ALTHOUGH THEY HAVE WON, A GOOD DEAL LESS THAN HALF OF THE ELECTORATE HAVE VOTED FOR CONSERVATIVE POLICIES AND MORE ELECTORS VOTED FOR EITHER THE SOCIALISTS OR THE COMMUNISTS THAN FOR THE ALLIANCE. ON THE LEFT THE EXTREMISTS HAVE GAINED CONSIDERABLY AT THE EXPENSE OF THE MODERATES. THE COMMUNISTS (AN UNASHEDLY STALINIST PARTY) HAVE FOR THE FIRST TIME SECURED MORE THAN A MILLION VOTES AND HAVE MADE GAINS IN ALL PARTS OF THE COUNTRY, NOTABLY THE POORER REGIONS OF THE NORTH. THE SOCIALISTS (A MODERATE, PRO-EUROPEAN PARTY) HAVE LOST 33 SEATS AND SUFFERED A SEVERE SET-BACK.
2. SA CARNEIRO'S IMMEDIATE PROBLEMS WILL BE
 - (A) TO KEEP HIS RELATIVELY NEW AND FRAGILE ALLIANCE TOGETHER. IT HAS THREE CONSTITUENT PARTIES PLUS THE EX-SOCIALIST "REFORMERS" AND THE SELECTION OF MINISTERS FOR THE NEW GOVERNMENT WILL BE A DELICATE PROBLEM.
 - (B) TO MAINTAIN A REASONABLE RELATIONSHIP WITH PRESIDENT EANES, TO WHOM THE ELECTION RESULT MUST BE A BLOW, WHILE SELECTING A NEW PRESIDENTIAL CANDIDATE FOR THE ELECTION TO TAKE PLACE AT THE END OF 1980.
3. IN THE MEDIUM TERM, SA CARNEIRO FACES THE PROBLEM OF PROMOTING FREE ENTERPRISE IN AN UNFAVOURABLE INTERNATIONAL AND INTERNAL ECONOMIC ENVIRONMENT AND RESISTING WRECKING EFFORTS BY THE TRADE UNIONS AND THE COMMUNISTS BOTH IN THE FACTORIES AND IN THE ALENTEJO. HW WILL ALSO PURSUE HIS DECLARED OBJECTIVE OF CHANGING THE ELECTORAL LAW AND REVISING THE CONSTITUTION WITH THE HELP OF A REFERENDUM. THIS OBJECTIVE IS PERHAPS THE MOST IMPORTANT FOR HIM (AS WELL AS THE MOST DIFFICULT), BUT FOR THIS HE MAY NEED THE GOODWILL OF THE SOCIALISTS IN A FAIRLY EVENLY BALANCED ASSEMBLY, AND IN ANY EVENT HE WILL WANT TO AVOID DRIVING THE SOCIALISTS INTO THE ARMS OF THE COMMUNISTS. MARIO SOARES MIGHT NOW RESPOND TO AN OLIVE BRANCH, AND TWO PROSPECTIVE MEMBERS OF SA CARNEIRO'S GOVT HAVE ALREADY TOLD ME THAT THEY WERE GREATLY STRUCK BY THE GENEROSITY AND STATESMANSHIP OF SOARES'S STATEMENT CONCEDING DEFEAT AFTER THE ELECTION.

CONFIDENTIAL

4. FOR SA CARNEIRO PERSONALLY THE ELECTION RESULT IS A TRIUMPH. TO HAVE LED A COALITION TO VICTORY ONLY EIGHT MONTHS AFTER BEING DESERTED BY HALFHIS OWN PARTY AND WIDELY REGARDED (BY FOR EXAMPLE THE AMERICANS) AS A WILD MAN IS AN EXTRAORDINARY POLITICAL FEAT. BUT SA CARNEIRO HAS AN ACHILLES HEEL. HE IS SEPARATED FROM HIS WIFE AND CIRCULATES WITH A FOREIGN LADY TO WHOM HE IS NOT MARRIED. NO MENTION OF THIS HAS

BEEN MADE DURING THE ELECTION CAMPAIGN AND THE SITUATION DOES NOT SEEM TO WORRY MOST PORTUGUESE, BUT PROBLEMS MAY ARISE WHEN SA CARNEIRO HAS, AS PRIME MINISTER, TO ENTERTAIN FOREIGN VISITORS WHO COME WITH THEIR WIVES AND FOREIGN JOURNALISTS ARE ON HAND LOOKING FOR A STORY.

5. MANY OBSERVERS HERE WERE STRUCK BY THE APPARENT APATHY OF THE PORTUGUESE POPULATION DURING THE ELECTION CAMPAIGN,

BUT THE REMARKABLY HIGH TURN-OUT- CONFIRMED AS 87.5% - GIVES THE LIE TO THIS. THE ELECTION TOOK PLACE IN A NOTABLY CALM AND ORDERLY WAY AND IT IS I THINK A TRIBUTE TO PORTUGUESE DEMOCRACY THAT THIS SHOULD BE POSSIBLE ONLY FOUR YEARS AFTER THE TURNOIL OF 1974 AND 1975. THE RESULT IS, I THINK, A FAIR REFLECTION OF POLITICAL OPINION IN THE COUNTRY.

MORAN

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FM LISBON 031400Z DEC

TO IMMEDIATEFCO

TELNO 357 OF 3 DECEMBER

RPTD FOR INFO IMMEDIATE D13 (WEST) MOD AND MADRID

PRIORITY UKREP BRUSSELS, UKMIS NEW YORK, UKDEL NATO, PARIS
BONN, WASHINGTON, MOSCOW.

PORTUGUESE GENERAL ELECTION RESULT.

1. WITH MOST RESULTS NOW DECLARED IT IS CLEAR THAT THE CENTRE-RIGHT DEMOCRATIC ALLIANCE WILL HAVE AN ABSOLUTE MAJORITY IN THE ASSEMBLY OF THE REPUBLIC. SO FAR THE INTERIM OFFICIAL RESULTS HAVE ONLY BEEN EXPRESSED IN TERMS OF PERCENTAGES, WHICH FOLLOW. THE UNOFFICIAL ESTIMATE FOR THE TURNOUT IS 87% (HELPED BY FINE WEATHER).

DEMOCRATIC ALLIANCE (AD) 42.2 (TO WHICH MUST BE ADDED THE VOTES OBTAINED BY THE SOCIAL AND CENTRE DEMOCRATS STANDING SEPARATELY IN THE AZORES AND MADEIRA GIVING A TOTAL OF 45.5%).

SOCIALIST PARTY 27.4%

UNITED PEOPLES' ALLIANCE (COMMUNISTS) 19.0%

POPULAR DEMOCRATIC PARTY (EXTREME LEFT) 2.2%

IN BROAD TERMS THE DEMOCRATIC ALLIANCE HAS BEEN SUPPORTED BY TWO AND A HALF MILLION PORTUGUESE, THE SOCIALISTS BY A MILLION AND A HALF AND THE COMMUNISTS BY A MILLION.

2. THE PRESS AND THE PARTIES HAVE ALREADY PRODUCED UNOFFICIAL ESTIMATES OF THE NUMBER OF SEATS EACH PARTY WILL HAVE IN THE NEW ASSEMBLY. THE ELECTORAL COALITIONS HAVE NOW CEASED TO EXIST AND EXPECTED COMPOSITION OF THE ASSEMBLY WILL BE:

PARTY	LIKELY SEATS	1976 RESULT
SOCIAL DEMOCRATS	80	71
SOCIALISTS	73	106
COMMUNISTS	47	40
CENTRE DEMOCRATS	44	41
MONARCHISTS	5	-
UDP	1	1

3. THE SOCIALISTS HAVE SUFFERED A SEVERE REVERSE, WORSE THAN THEY FEARED OF I EXPECTED(MARIO SOARES TOLD ME THAT HE WOULD REGARD ANYTHING UNDER 30% AS A DEFEAT).. THE COMMUNISTS, WHOSE ORGANISATION AND PUBLICITY WERE SUPERB, HAVE INCREASED THEIR SHARE OF THE VOTE FROM 15% TO 19% (ONE BETTER THAN I PREDICTED IN MY DESPATCH OF 18 OCTOBER) AND THE

(TOTAL STRENGTH)

TOTAL STRENGTH OF THE LEFT IN THE ASSEMBLY SEEMS NOW LIKELY TO BE 121 AS AGAINST THE EXPECTED 129 OF THE ALLIANCE PARTIES. THE COMMUNISTS DID WELL IN THE NORTH WHERE, SURPRISINGLY, THE DEMOCRATIC ALLIANCE SHOWING WAS LESS GOOD THAN THEY HAD HOPED FOR. THE ALLIANCE PICKED UP MOST OF THEIR GAINS IN LISBON (WHERE THEY WON SIX EXTRA SEATS) AND IN THE SOUTH.

4. THE PRESIDENT WILL MAKE NO MOVE ON THE APPOINTMENT OF A NEW PRIME MINISTER UNTIL THE OFFICIAL RESULTS ARE PUBLISHED. THIS COULD BE IN ABOUT TEN DAYS TIME AFTER THE POSTAL VOTES FROM THE EMIGRANTS HAVE BEEN COUNTED, THOUGH THE FULL UNOFFICIAL RESULTS SHOULD BE AVAILABLE THREE OR FOUR DAYS FROM NOW.

5. SA CARNEIRO, IN A PRESS CONFERENCE IN THE SMALL HOURS WAS ASKED ABOUT A POSSIBLE CONFRONTATION WITH PRESIDENT EANES BUT SAID THAT THERE WOULD BE NO CONFRONTATIONS.

6. ON THE FUTURE GOVT'S POLICIES YOU MAY LIKE TO LOOK AGAIN AT MY TELNO 54. SAVING AND AT MY MINUTE OF 28 AUGUST, COPIED TO BORDEN SED, RECORDING WHAT SA CARNEIRO SAID WHEN HE LUNCHED WITH ME THEN.

MORAN

FCO

SED

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FM LISBON 031230Z DEC
TO IMMEDIATE FCO
TELNO 349 OF 3 DECEMBER

PORTUGUESE GENERAL ELECTION RESULT

1. ALTHOUGH THE OFFICIAL RESULTS IN TERMS OF SEATS DO NOT YET GIVE THE DEMOCRATIC ALLIANCE AN OVERALL MAJORITY, IT NOW SEEMS CERTAIN THAT THEY WILL OBTAIN THAT MAJORITY AND WILL CONSEQUENTLY FORM THE NEXT GOVERNMENT WITH SA CARNEIRO AS PRIME MINISTER.

2. THE ALLIANCE LEADERS ARE WELL DISPOSED TO BRITAIN. THE FACT THAT THE PRIME MINISTER SAW THEM BEFORE THE ELECTIONS, WHEREAS PRESIDENT CARTER, PRESIDENT GISCARD D'ESTAING AND CHANCELLOR SCHMIDT ALL FOR DIFFERENT REASONS REFUSED TO DO SO, GIVES US AN OBVIOUS OPPORTUNITY HERE AND I HAVE SUGGESTED IN MY DESPATCH OF 23 OCTOBER AND MY LETTER OF 7 NOVEMBER TO THE DEPARTMENT OF TRADE HOW I THINK THIS OPPORTUNITY CAN BEST BE EXPLOITED IN TERMS OF BRITISH INTERESTS. BUT WHATEVER WE DO NEEDS TO BE CONSISTENT AND I HOPE WE SHALL NOT THROW AWAY THE OPPORTUNITY. ON THE COMMERCIAL FRONT THE IMMINENT COLLAPSE OF THE LOCAL PLESSEY COMPANY WILL INEVITABLY DAMAGE OUR STANDING AND OUR PROSPECTS OF OBTAINING MAJOR CONTRACTS.

3. THINGS MOVE VERY SLOWLY IN PORTUGAL AND IT IS LIKELY TO BE SOME TIME BEFORE THE FULL RESULTS ARE CONFIRMED, THE NECESSARY CONSULTATIONS GONE THROUGH AND SA CARNEIRO INVITED TO FORM A GOVERNMENT, BUT I SEE NO REASON WHY THE PRIME MINISTER SHOULD NOT NOW SEND A MESSAGE TO THE THREE ALLIANCE LEADERS SHE SAW ON 7 NOVEMBER SIMPLY CONGRATULATING THEM ON THE SUCCESS OF THE DEMOCRATIC ALLIANCE IN THE ELECTIONS. I RECOMMEND THAT SUCH A MESSAGE SHOULD BE SENT STRAIGHT AWAY- WE CAN TRANSMIT IT. BUT I THINK IT SHOULD NOT AT THIS STAGE MAKE ANY MENTION OF A FUTURE PORTUGUESE GOVERNMENT.

MORAN

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Portugal

24 August 1979

I am writing on the Prime Minister's behalf to thank you for your letter of 22 August, with which you were good enough to enclose a message to the Prime Minister from the Prime Minister of Portugal, D. Maria de Lourdes Pintasilgo.

I have of course brought Senhora Pintasilgo's message to the Prime Minister's attention.

BGC

His Excellency Senhor Armando Martins, G.C.V.O.

Embaixada de Portugal
em
Londres

cc FCO

2

See

Prime Minister

London, 22nd August 1979.

BHM
24/8

Dear Prime Minister,

I have much pleasure in enclosing a message I received today from the Prime Minister of Portugal, D. Maria de Lourdes Pintasilgo.

With best wishes,

I remain

Yours sincerely

Anthony Wedgwood Benn

The Prime Minister,
The Rt. Hon. Mrs. Margaret Thatcher, MP,
10 Downing Street,
London SW1.

awb

SUBJECT

Embaixada de Portugal
em
Londres

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 183^b/79^r

TRANSLATION

"The Rt. Hon. Margaret Thatcher, MP
Prime Minister of the United Kingdom.

My warmest thanks for the message of congratulations you so kindly sent me. I should like, in thanking you, to reiterate my sincere desire to contribute towards the active reinforcement of the traditional ties of friendship between our countries, united for centuries by a common historical alliance.

Maria de Lourdes Pintasilgo
Prime Minister of
Portugal."

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Patricio

GR 30

RESTRICTED

FM LISBON 090830Z AUG

TO PRIORITY FCO

TELNO 230 OF 9 AUGUST.

LUSAKA TELNO 3 TO LISBON: PRIME MINISTER'S MESSAGE

1. HEAD OF CHANCERY DELIVERED MESSAGE TO PRIME MINISTER'S
CHEFE DE GABINETE EARLY YESTERDAY EVENING.

*Ende m
6/11
13/8*

MORAN

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MR BULLARD

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Portugal

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FM LUSAKA 071550Z AUG 79

TO IMMEDIATE LISBON

TELEGRAM NUMBER 003 OF 7 AUGUST

INFO FCO

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 60A/79T

YOUR TELNO 219: MESSAGE TO NEW PRIME MINISTER

1. PLEASE DELIVER THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO SENHORITA PINTASILGO.

BEGINS

PLEASE ACCEPT MY WARM CONGRATULATIONS ON YOUR APPOINTMENT AS PRIME MINISTER OF PORTUGAL. I HAVE EVERY CONFIDENCE THAT THE CLOSE FRIENDSHIP AND COOPERATION BETWEEN OUR TWO COUNTRIES WILL CONTINUE.

ENDS.

2. PLEASE REPORT DELIVERY OF MESSAGE.

ALLINSON

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MR BULLARD

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Foreign and Commonwealth Office

London SW1A 2AH

5 August 1979

Dea Bryan,

*FCO informed.
By 7/8 p.m.*

Prime Minister

Agree to send this message?

*Yes
6/8
mb*

PORTUGAL: MESSAGE TO THE NEW PRIME MINISTER

On 19 July the President of Portugal nominated Senhorita Maria de Lurdes Pintasilgo as Prime Minister.

Senhorita Pintasilgo was appointed following the President's decision on 13 July to dissolve the Assembly of the Republic and to hold early elections, which will probably take place in November. She was until recently the Portuguese representative at UNESCO and will be the third "technocrat" Prime Minister in Portugal since October 1978. A message of congratulation was sent by the then Prime Minister on the appointment of the outgoing Prime Minister, Dr Mota Pinto; the latter sent the Prime Minister a telegram of congratulation on her appointment in May.

There is no absolute necessity for a message of congratulation to the new Portuguese Prime Minister but the absence of one might be noted and a message would doubtless give pleasure - Senhorita Pintasilgo will be Portugal's first woman Prime Minister. I enclose a draft telegram to Lisbon.

*Jan evn.
Steph*

(J S Wall)

B G Cartledge Esq
PS/10 Downing Street

Department SED
Drafted by
(Block Capitals)
Tel. Extn. 233 5639

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Mr Bullard

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[TEXT]

YOUR TELNO 219: MESSAGE TO NEW PRIME MINISTER

1. Please deliver the following message from the Prime Minister to Senhorita Pintasilgo.

Begins

Please accept my warm congratulations on your appointment as Prime Minister of Portugal. I have every confidence that the close friendship and cooperation between our two countries will continue.

Ends.

2. Please report delivery of message.

GPS 220

PRIME MINISTER

2

UNCLASSIFIED

FM LISBON 311030Z

MAD Stan

TO PRIORITY FCO

TELNO 217 OF 31 JULY

RPTD FOR INFO TO MADRID, WASHINGTON, UKREP BRUSSELS AND
MOD FOR D13 WEST.

MY TELNO 214: POLITICAL SITUATION

1. ENGINEER PINTASILGO ANNOUNCED THE FORMATION OF HER
GOVERNMENT LAST NIGHT:

PRIME MINISTER: MARIA DE LURDES PINTASILGO (LPR 1978 NO 84

AND MY TELNO 203)

MINISTER FOR INTERNAL ADMINISTRATION: LT COL COSTA BRAS
(LPR 1977, NO19)

MINISTER OF NATIONAL DEFENCE: LT COL LOUREIRO DOS SANTOS
(LPR 1979, NO 37)

MINISTER OF JUSTICE: PEDRO MACEDO

MINISTER OF FINANCE: ANTONIO SOUSA FRANCO (LPR 1979, NO 35)

MINISTER OF ECONOMIC COORDINATION AND THE PLAN: CORREIA GAGO
(LPR 1978, NO 42)

MINISTER OF AGRICULTURE AND FISHERIES: JOAQUIM LOURENCO

MINISTER OF INDUSTRY: FERNANDO MARQUES VIDEIRA

MINISTER OF COMMERCE AND TOURISM: ACACIO MANUEL PEREIRA MAGRO
(LPR 1979, NO 59)

MINISTER OF SOCIAL COORDINATION AND MINISTER OF SOCIAL MATTERS:
BRUTO DA COSTA

MINISTER OF LABOUR: JORGE SA BORGES

MINISTER OF TRANSPORT AND COMMUNICATIONS: FREDERICO MONTEIRO
DA SILVA

MINISTER OF HOUSING AND PUBLIC WORKS: MARIO DE AZEVEDO

MINISTER OF COORDINATION OF CULTURAL AFFAIRS AND MINISTER OF
CULTURE AND SCIENCE: ADERITO SEDAS NUNES

MINISTER OF EDUCATION: LUIS EUGENIO CALDAS VEIGA DA CUNHA

MINISTER OF SOCIAL COMMUNICATION: MAJOR JOAO FIGUEIREDO
(LPR 1978, NO 38)

SECRETARY OF STATE ASSISTANT TO THE PRIME MINISTER: MARIA
TERESA DORIA MONTEIRO SANTA CLARA GOMES

/2. THE MINISTER

2. THE MINISTER OF FOREIGN AFFAIRS AND DEFENCE HELD THE SAME
POSTS IN THE MOTA PINTO GOVERNMENT.

3. SEE MIFT.

MORAN

BT

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NEWS D

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EID

CABINET OFFICE

ADDITIONAL DISTN.

PORTUGAL

OR 350

CONFIDENTIAL

FM LISBON 071400Z

CONFIDENTIAL

TO IMMEDIATE FCO

TELNO 145 OF 7 JUNE

INFO MADRID UKDEL NATO, UKREP BRUSSELS, WASHINGTON, MODUK FOR D13 WEST
MY TELNO 144: POLITICAL SITUATION

1. THE MINISTER OF INDUSTRY ALVARO BARRETO, TOLD ME THIS MORNING HE THOUGHT THE PRESIDENT WOULD TODAY ACCEPT MOTA PINTO'S RESIGNATION AND THEN INVITE THE POLITICAL PARTIES TO PUT FORWARD PROPOSALS FOR A NEW PARTY-BASED GOVERNMENT (IE OPTION (C) IN TUR). HE AGREED THAT THE SOCIALISTS WANTED TO GET BACK INTO GOVERNMENT (THOUGH HE THOUGHT THAT THIS WOULD BE SUICIDE FOR THEM, GIVEN THE UNPOPULAR ECONOMIC MEASURES THAT ANY GOVERNMENT WOULD HAVE TO TAKE OVER THE NEXT FEW MONTHS) BUT HE DOUBTED WHETHER THEY WOULD BE ABLE TO CONVINCЕ THE PRESIDENT THAT THE BASIS FOR A STABLE GOVERNMENT EXISTED. THE SOCIAL DEMOCRATIC INDEPENDENTS WERE SIMPLY NOT A COHERENT POLITICAL FORCE. HE THOUGHT THEREFORE THAT IN TWO OR THREE WEEKS THE PRESIDENT WOULD COME TO THE CONCLUSION THAT THERE WAS NO ALTERNATIVE TO DISSOLVING THE ASSEMBLY, BUT THAT HE WOULD ASK THE PRESENT GOVERNMENT TO REMAIN IN OFFICE UNTIL ELECTIONS IN OCTOBER. IN BARRETO'S VIEW THE GOVERNMENT WOULD IN THESE CIRCUMSTANCES HAVE ENOUGH POLITICAL AUTHORITY TO CONCLUDE THE AGREEMENT WITH THE IMF AND TO TAKE OTHER MAJOR ECONOMIC DECISIONS.

2. HE SAID THAT JACINTO NUNES'S RESIGNATION (MYTELNO 143) HAD NOTHING TO DO WITH HIS POSSIBLE NOMINATION AS PRIME MINISTER OF THE NEXT GOVERNMENT, THOUGH IT WAS POSSIBLE THAT THE SOCIALISTS' FIRST PROPOSAL TO THE PRESIDENT MIGHT BE FOR THE CONTINUATION OF THE PRESENT GOVERNMENT WITH JACINTO NUNES AS PRIME MINISTER AND SUBSTITUTION OF A FEW OF THE MORE UNPOPULAR MINISTERS. JACINTO NUNES WOULD NEVER HOWEVER ACCEPT SUCH A POSITION. HIS RESIGNATION WAS SOLELY DUE TO HIS FRUSTRATION, AS A NON-POLITICIAN, AT THE ASSEMBLY'S OBSTRUCTION OF THE GOVERNMENT. HE HAD TOLD THE PRESIDENT AFTER THE FIRST BUDGET WAS REJECTED IN MARCH THAT HE WISHED TO RESIGN BUT THE PRESIDENT HAD PERSUADED HIM TO STAY ON UNTIL THE SECOND BUDGET WAS PASSED. I AM SURE THAT THIS IS THE TRUE EXPLANATION.

GOLDING

EUROPEAN POLITICAL DISTN

SED.

CONFIDENTIAL

Portugal

[COLLAR] CONFIDENTIAL

GR 630

CONFIDENTIAL UK COMMS ONLY

FM LISBON 070930Z

CONFIDENTIAL [COLLAR]

TO IMMEDIATE FCO

TELNO 144 OF 7 JUNE.

RPTD FOR INFO TO MADRID, UKREP BRUSSELS, UKDEL NATO,
WASHINGTON, UKDEL IMF/IBRD WASHINGTON, PARIS, BONN, MODUK (DIB WEST)

Prime Minister

AW
9/6

mi

MY TELNO 143 (NOT TO ALL):

POLITICAL SITUATION

1. LAST NIGHT MOTA PINTO PRESENTED TO THE PRESIDENT HIS GOVERNMENT'S RESIGNATION. HE SAID THAT THE OBSTRUCTION OF THE SOCIALISTS AND THE COMMUNISTS IN THE ASSEMBLY, BOTH IN CHANGING GOVERNMENT BILLS AND IN MORE THAN DOUBLING THE CURRENT ACCOUNT DEFICIT IN THE BUDGET, HAD MADE IT IMPOSSIBLE FOR HIS GOVERNMENT TO CONTINUE TO GOVERN EFFECTIVELY.
2. THE PRESIDENT HAS NOT YET ACCEPTED MOTA PINTO'S RESIGNATION. HE HAS FOUR OPTIONS:
 - A) HE COULD ASK MOTA PINTO TO SOLDIER ON. THERE IS LITTLE ATTRACTION IN THIS AS THE GOVERNMENT WOULD BE BOUND TO FALL IN A MONTH'S TIME WHEN THE SOCIALISTS' SECOND CENSURE MOTION IS VOTED. MEANWHILE IT WOULD LACK ALL POLITICAL AUTHORITY.
 - B) HE COULD ASK ANOTHER INDEPENDENT TO FORM A FURTHER NON-PARTY GOVERNMENT. ALL PARTIES WOULD OPPOSE THIS AND SUCH A GOVERNMENT WOULD ALMOST CERTAINLY BE REJECTED BY THE ASSEMBLY.
 - C) HE COULD WORK FOR A GOVERNMENT BASED ON THE SUPPORT OF THE SOCIALISTS AND THE SOCIAL DEMOCRATIC INDEPENDENTS, WHO BETWEEN THEM COMMAND A MAJORITY IN THE ASSEMBLY. THIS SOLUTION IS FAVOURED BY MARIO SOARES, THOUGH HE WOULD PROBABLY FEEL IT NECESSARY TO REACH SOME UNDERSTANDING WITH THE COMMUNISTS IN ORDER TO BALANCE HIS AGREEMENT WITH THE SOCIAL DEMOCRATIC INDEPENDENTS ON HIS RIGHT.
 - D) HE COULD DISSOLVE THE ASSEMBLY AND CALL EARLY ELECTIONS. HE WOULD BE OBLIGED BY THE CONSTITUTION TO OBTAIN THE PRIOR CONSENT OF THE COUNCIL OF THE REVOLUTION WHICH COULD NOT BE TAKEN FOR GRANTED IF (C) ABOVE WAS A VIABLE ALTERNATIVE. SO FAR EANES HAS ALWAYS RESISTED EARLY ELECTIONS FOR A VARIETY

OF REASONS, INCLUDING THE FACT THAT FURTHER ELECTIONS TO THE ASSEMBLY WILL ANYWAY HAVE TO BE HELD NEXT SUMMER.

3. THE PARTIES OF THE RIGHT (THE SOCIAL DEMOCRATS AND ANDTHE CENTRE DEMOCRATS) ARE URGING THE PRESIDENT TO DISSOLVE THE ASSEMBLY. THE COMMUNISTS HAVE NOT YET DECLARED THEIR HAND BUT WILL PROBABLY TAKE THE SAME VIEW. THE SOCIALISTS ARE OPPOSED TO EARLY ELECTIONS. I THINK THAT EANES WOULD PROBABLY PREFER A SOCIALIST-BASED GOVERNMENT PROVIDED THAT HE CAN BE CONVINCED THAT IT WILL LAST UNTIL ELECTIONS ARE DUE NEXT YEAR AND NOT FALL APART IN THE WAY THE SOCIALIST/CENTRE DEMOCRAT GOVERNMENT DID LAST SUMMER. RELATIONS BETWEEN THE SOCIALISTS AND THE SOCIAL DEMOCRATIC INDEPENDENTS HAVE BEEN STRAINED BY DIFFERENCES OVER AMENDMENTS TO THE AGRARIAN REFORM LAW PROPOSED BY THE SOCIALISTS AND THE INDEPENDENTS NOW SEEM LESS KEEN ON THEIR FORMING A GOVERNMENT TOGETHER. SO THE PRESIDENT MAY HAVE NO ALTERNATIVE TO DISSOLVING THE ASSEMBLY.

4. THE MOST WORRYING IMMEDIATE CONSEQUENCE OF THE GOVERNMENT'S RESIGNATION IS FOR THE AGREEMENT WITH THE IMF (MY TELNO 131). THE BUDGET CHANGES IMPOSED BY THE ASSEMBLY HAVE ADDED A FURTHER 9 MILLION ESCUDOS TO THE DEFICIT AND IT IS UNLIKELY THAT THE PARTIES, IN THEIR PRESENT MOOD, WOULD ALLOW THROUGH THE REMEDIAL DECREE LAW AGREED WITH THE IMF. NOR IS IT LIKELY THAT THE MOTA PINTO GOVERNMENT (ASSUMING IT CONTINUES FOR THE NEXT FEW WEEKS IN A CARETAKER CAPACITY) WILL HAVE THE POLITICAL AUTHORITY TO IMPOSE THE AGREED INCREASES IN ADMINISTERED PRICES. THE MONETARY AUTHORITIES WILL CONTINUE TO APPLY THE CREDIT CEILINGS AGREED WITH THE FUND AND MORE THAN HALF THE EXTERNAL FINANCING NEEDED FOR 1979 HAS ALREADY BEEN NEGOTIATED. BUT PORTUGAL WILL NEED TO CONCLUDE A NEW STAND-BY AGREEMENT WITH THE FUND BEFORE LONG IF HER INTERNATIONAL CREDIT-WORTHINESS IS NOT TO SUFFER.

5. IN THE LONGER RUN THE PARTIES APPARENT INCONSISTENCY IN FIRST APPROVING THE BUDGET AND MAKING RADICAL CHANGES TO IT WILL HAVE ADDED TO THE GROWING POPULAR DISENCHANTMENT WITH THE WORKINGS OF DEMOCRACY.

GOULDING

Grey Scale #13



A 1 2 3 4 5 6 **M** 8 9 10 11 12 13 14 15 **B** 17 18 19

