



10 DOWNING STREET

THE PRIME MINISTER

25 July 1980

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T150/80

Dear Prime Minister,

Thank you for your message of 15 July about Community pre-accession aid for Portugal.

Your message and those sent to the Foreign and Commonwealth Secretary by Professor Freitas do Amaral, brought out very clearly the immense political importance which you and your colleagues attach to this issue. It was with this in mind that we were able, together with our Community partners, to agree at the Foreign Affairs Council on 21/22 July to offer aid, including both a loan and a grant element, in the terms which have now been communicated to your Government. I hope that the decision will have been welcome and helpful to you.

It was however a difficult decision for us to take. We are having to apply severe constraints to public expenditure generally. Our existing aid programme, from which the British share of any grant assistance to Portugal has to come, is under considerable pressure. These factors will inevitably limit the extent of our ability to contribute to a Community programme of the kind envisaged. We shall of course do our best to help: but I hope you will bear our own very real difficulties in mind when we discuss in the autumn the details of the aid package.

(sgd) MT

His Excellency Dr. Francisco S Carneiro

cc FCO . SK
CC . 2417

Enro PA

Subject filed as ~~Enro~~ Portugal
March 1980. Vint A P.M. + Foreign
Minister.