

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

COO.

27 March, 1985

IMPS.
3-4.

Dear Charles,

European Council: Briefing

Thank you for your letter of today's date.

I enclose revised speaking notes for use in the European Council on IMPs and on strengthening the technological base of the Community. You will already have had from David Williamson revised notes on the Environment and on the Report of the People's Europe Committee.

The gist of the speaking note on IMPs has been passed to the Germans, who asked to be given a full account of our position and will advise Chancellor Kohl to take a similar line.

As the Prime Minister knows, the Germans are strongly opposed to interest rate subsidies. The Germans agree, however, that to limit the overall cost, any package agreed for IMPs will have to include a substantial amount of loans, whether from the European Investment Bank's existing programme or also under a new tranche of the so-called Ortoli facility (the "new Community instrument") which the Commission are likely to propose soon. The European Regional Development Fund does already permit some degree of interest rate subsidy (for small and medium enterprises). We have assured the Germans that we will not argue against them on the question of interest rate subsidies, though they will come under some pressure from others on this point.

It is not going to be possible formally to disqualify Italy and France from qualifying in some measure for IMPs. Nor would it be in accordance with the conclusions of the Brussels European Council. The French are very well aware that they are going to be a substantial net contributor to IMPs. In practice we shall be seeking severely to limit Italian benefits. Any attempt to establish formally low percentages for Italy and France would drive them into the Greek camp. The Delors approach of not setting percentages is, therefore, sensible provided we get it clearly



Next 5 years (out of increased EIB required)

Area 2 1/2 billion.

Italy show 20 billion (Nature 45-20) EIB loan

← established that the major effort must be directed to the areas most in need, in particular in Greece. The Germans have undertaken to support this approach.

As agreed at the Prime Minister's meeting this morning, it is going to be necessary to try to establish an overall figure for IMPs. Most other Member States will support the Commission's proposals for 2.5 becu of EIB lending and 2.5 becu from the Structural Funds. The Germans have now told us that they will agree to these elements of the Commission approach.

New loan

← We too think that some 2.5 becu is likely to be available for IMPs from the existing Structural Funds (though, as set out in the speaking note, we shall wish to get the Commission to confirm their assurance that the Funds will continue to operate normally on a Community-wide basis). Our aim will be to minimise the additional sums. The Prime Minister offered 600 mecu at Dublin. We should aim to limit any increase to a maximum of 1 becu.

In addition, we could consider proposing a new tranche for Greece of up to 1 becu of loans out of the New Community Instrument, and Greece is anyway likely to get some 2 1/2 becu of loans from the EIB over the next 5 years.

Structural Funds

Italy 7.5 - 9 bn

Greece 3.3

If the above approach is agreed it should be possible to identify for IMPs:

- (i) about 2.5 becu from the existing Structural Funds, as a result of the latest arrangements;
- (ii) in addition, 600-1000 mecu;
- (iii) loans under the EIB;
- (iv)? a possible NIC loan to Greece of 1 becu.

Within that total Papandreou will want to pretend that he has secured 2.5 becu of "new" money for Greece (this is the amount he would have got under the earlier, absurd, Commission proposal). There is no question of Greece getting new money on anything like this scale, but counting the Community lending and the results of growth in the Structural Funds, plus whatever additional amount is agreed, it may be necessary to present the figures in a way which would enable Papandreou to save face if in fact he does want a settlement on acceptable terms. If he does not, our aim should be to isolate him.

We estimate that over the next five years Greece



would in any case receive 3,275 becu in commitments from Structural Funds - compared with 480 million ecu of commitments from the three funds in 1984 (1983 figure = 550 mecu). We should not however put too much emphasis on this in the discussion, as these "new" amounts are going to be part of the presentation of whatever is in fact agreed for Greece.

On the kind of acceptable package which might emerge, provided the Commission give satisfactory assurances about the general balance within the Structural Funds the Prime Minister might in a second table round indicate that we could in the context of a satisfactory overall agreement accept those elements of the Commission's proposals covering the Structural Funds and Community lending - so long as the overall agreement involved reduced additional amounts of money for IMPs compared with the Commission's proposal. A speaking note on this is also attached.

I also attach a speaking note for the Prime Minister's use should Papandreu continue to block agreement on the new own resources decision. He is likely to be pressed hard by others to lift his reservation on the new own resources, which it would be self-defeating for him to maintain; and while we certainly want him to lift that reservation, we should not lead him to believe that by maintaining it he will be able to exert leverage on us. So far as possible, therefore, we should leave it to the Italian Presidency, Kohl, Mitterrand and others to take the lead in pressing the Greeks to lift their reserve - as they are likely to do.

I am copying this letter and enclosures to David Williamson (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street



2/3 for Brussels
2,000 added
top up 7 years

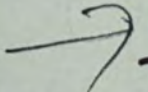
EUROPEAN COUNCIL

INTEGRATED MEDITERRANEAN PROGRAMMES

Points to Make

- Welcome Commission's recognition of the need for reappraisal.
- New proposals an improvement. Need now to settle this issue.
- Brussels European Council conclusions stated that IMPs would be
 - launched through coordination of activities of the structural funds;
 - operational in 1985;
 - of limited duration;
 - designed to prepare southern regions for enlargement; and to respond to Greek Memorandum;
 - financed through increases in the resources of the existing funds within the limits of financing possibilities.
- Against this background, should aim to implement IMPs in 1985. As President of the Commission confirmed in the Foreign Affairs Council last week, agreement on IMPs must also complete the Community's positive response to the Greek Memorandum.

①
②



- The main effort under IMPs should be directed towards Greece.

Financial Envelope

- Brussels European Council conclusions said that total cost of IMPs was to be "within the limit of financing possibilities".
- Brussels conclusions also stated that "the financial resources allocated to aid from the funds, having regard to IMPs, will be significantly increased in real terms within the limits of financing possibilities".
- Agreement on Regional and Social Fund, and recent agreement on



FEOGA Guidance, are in line with that decision.

- The Community must maintain a unified regional policy. Could not establish what would effectively be a separate structural fund for the Mediterranean.

- Mediterranean regions already have high priority in the structural funds. Other areas also have special needs.

①

- Need clarification of Commission proposal that 2.5 becu from the Structural Funds would be directed to the Mediterranean over seven years.

critic

- If this means that all of the projected increase in spending under the Structural Funds will go to the Mediterranean regions, that would be contrary to the intention of the European Council.

← 2

- If it means that financial support on this scale can be provided for integrated programmes from within the total sums available within the Structural Funds, then we could agree. Need to be clear about this.

- The European Council should confirm what M. Delors said in the Foreign Affairs Council, namely that the three Structural Funds must continue to operate normally on a Community wide basis.

Duration

- Agreed IMPs should be of "limited duration".

- Strong preference for IMPs to last five years. — 7 years could give

Loans

- Mediterranean countries can expect to be major beneficiaries from EIB resources over the next five years.

②

- On Commission proposal for a further 2.5 becu of EIB lending, could this be done without adversely affecting the balance of



lending policy within the EIB?

- Would also need to know how money would be raised and what credit terms would be agreed.

General

- These programmes must benefit the areas in greatest need. The main effort, therefore, should be directed to the particular need for structural assistance in Greece.

[If the President of the Commission has given assurances that the general balance of the Structural Funds will be maintained]

- 3
- On that understanding we could agree to the Commission proposal to use 2.5 becu from the existing Structural Funds and 2.5 becu in EIB lending for IMPs, provided a satisfactory overall amount is agreed.

- On that basis the maximum figure for additional finance we would consider appropriate would be X million ecu (the amount to be agreed in discussion with Chancellor Kohl).



EUROPEAN COUNCIL: OWN RESOURCES

[For use if Papandreou maintains the Greek reservation on the new Own Resources Decision]

There is now agreement on the terms of the new Own Resources Decision. It has taken several months of negotiation to reach this point. The Greek amendment is not acceptable to us or other members of the Council. If a different approach were adopted, our 1000 mecus correction for 1985 would have to be included in the same inter-governmental agreement as the budget overrun. Others have raised difficulties in relation to that. If Mr Papandreou were not to allow a common position now to be reached on the new Own Resources, this would mean that consultation with the Parliament could not take place and the decision could not therefore be adopted at the next Foreign Affairs Council. It would not then be possible to reach agreement on the financing of the 1985 overrun or the 1985 budget generally. Nor would it be possible for the Commission to bring forward proposals for the 1986 budget. All of this would directly affect Greece's interests in terms of the revenues it derives from the Community. It most certainly is not in Greece's interests, or that of other members of the Council, for the Community to have to continue on the basis of provisional twelfths for this year and next.



EUROPEAN COUNCIL

STRENGTHENING THE TECHNOLOGICAL BASE AND COMPETITIVENESS OF THE
COMMUNITY

Points to Make

- Welcome Commission paper in response to remit from Dublin
European Council to prepare an action programme.
- We have long argued the need to direct Community activity
towards completion of the internal market and improving the
technological, and thereby competitive, base of the Community.
- Welcome emphasis in the Commission's paper on creating unified
internal market; opening up public contracts and ensuring a
balance in Community spending that enables resources to be devoted
to research and development.
- In creating basic conditions in which European firms can
compete, must take care to preserve free trade. Protectionism has
no place in a strategy designed to make our industries competitive
with their principal rivals.
- The Community's commitment to a major research and development
effort is not in doubt. We agreed in Brussels a year ago "on the
need to increase the proportion of Community resources devoted to
financing priority Community R & D activities".
- Against this background, the Research Council in December
agreed new programmes worth 1225 mecu (£735m) over four to five
years covering: nuclear fusion; non-nuclear energy; handling of
radioactive waste; reactor safety; basic industrial research
(BRITE); biotechnology; and stimulation of scientific exchanges.
- Have also launched the ESPRIT programme worth 1.5 becu over
five year period. This is a major experiment in



government/industry collaboration and collaboration between European firms.

- Have supported commitment to gradual increase in proportion of Community budget spent on research.

- Before we make any new commitment Research Council should assess effectiveness of Community R & D expenditure to date.

Telecommunications

- Achieving a common market in telecommunications highly desirable.

- Agree that this is an area where Community already has strength and expertise.

- To maintain this position, first priority must be to agree:

- common standards

- mutual recognition of national type approval procedures

- more open market by opening up public procurement policies.

- Key area for progress must be collaboration between telecommunications companies.

- Major initiative recently taken by UK, Italians, French and German companies to pool research and development. Agreement represents most significant degree of collaboration yet achieved in the industry.

- In case of ESPRIT, action was needed to generate necessary industrial collaboration in Europe. In case of telecommunications industry already leading the way and has ability to finance its effort.

- Case for EC financing and role of any Community programme should be thoroughly examined by Research Council.



10 DOWNING STREET

From the Private Secretary

27 March 1985

European Council: Briefing

There are one or two points which need to be followed up as a result of the Prime Minister's briefing meeting this morning.

On Integrated Mediterranean Programmes the Prime Minister would like a short speaking note prepared which would set out the elements of what we would consider a reasonable package. It should go on to deploy the points which could be used with Papandreou to convince him that a decision by Greece to maintain its reserve on the Own Resources Decision would be more damaging to Greece itself than to anyone else.

We also need a revised speaking note on strengthening the technological base of the Community to take account of the points made in this morning's discussion. The general thrust of this should be that the Community has only just agreed a five year research programme and any new proposals must be judged in the context of this programme. This is a task for the Research Council in June and we shall not be ready to agree at the European Council either to an increased level of funding for research or to endorsement of specific programmes. As regards telecommunications, we attach more importance to opening up of procurement, attainment of European standards and mutual recognition of national type approval than to further research coordinated by the Commission.

Lastly the speaking note on pages 23 and 24 of the steering brief, dealing with the Committee of a Peoples Europe, needs to be revised to make it clear that harmonisation of taxation forms no part of our concept of completion of the internal market or the achievement of a 'Europe without frontiers'. We shall not subscribe to

anything which could be held to commit the Community to such harmonisation.

BF | May I leave it to the Department and David Williamson, to whom I am copying this letter, to sort out between them who does what. It would be helpful to have the speaking notes by lunch-time on 28 March.

(C.D. Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

010



26 March 1985

MR POWELL, NO 10 *CH*

PRIME MINISTER'S BRIEFING FOR EUROPEAN COUNCIL 27 MARCH, 10.30 am

I have seen the briefing material prepared for tomorrow's meeting and note that there are scientific aspects of both the Community paper on Strengthening the Technological Base of the Community and the Telecommunications proposal. Perhaps you could advise me whether my attendance at the meeting is desirable. Alternatively I could be on call in my room in the Cabinet Office.

MSN

ROBIN NICHOLSON

CONQUEROR
LONDON

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER MAJESTY'S BRITANNIC GOVERNMENT

EHG(B)(85)4

COPY NO

26 MARCH 1985

1

Recd. for high % of Regional Fund. (Pam.)
 EUROPEAN COUNCIL, BRUSSELS
C.A.P. 2502 on Tech Products. F.E.O.A.G.A.
 29/30 MARCH 1985
Must be taken to on Direct Ag from Structural Funds.

INTEGRATED MEDITERRANEAN PROGRAMMES

Brief by Foreign and Commonwealth Office

Can't in addition till these funds still further to Mediterranean. i.e. continue that 3

Reference: A: Commission's proposals for IMPs *funds will*
 B: March 1984 European Council Conclusions

1. The main features of the Commission's proposals for IMPs are:

2 per cent - normally (EU raised in last year)
 Greece - £3.2 billion over next five years.

- provision for additional funding of 2 billion ecu over 7 years in a separate budget line;

- additional EIB loans to Mediterranean regions totalling a possible 2.5 becu over 7 years;

- greater concentration of the existing structural funds on Mediterranean regions, though M. Delors had said there will be no distortion in the operation of the Structural Funds.

CONFIDENTIAL

- IMPs money would not be divided according to fixed percentages between the three beneficiary states (Italy, Greece and France) but would be called on to supplement existing sources of finance, eg by increasing rates of grant from the regional fund or providing soft credit for EIB loans.

- The Commission would be responsible for administering IMPs without detailed control by the Council of Ministers.

2. The Commission have indicated that their new proposal could involve as much as 6.8 becu spending on IMPs although only part of this would be in the form of additional grants. We understand that this total is made up as follows:

becu

- 2.0 new money from latest proposal
- 2.5 new EIB loans
- 0.9 already identified by Commission from within FEOGA Guidance ceiling
- 1.1 envisaged from within Social (50-60 mecu per annum) and Regional Funds (100 mecu per annum)
- 0.36 from FEOGA Guidance in 6th and 7th year.

Position of other Member States

3. The reaction of other Member States to the new proposal, has been as follows:-

(a) Greece has expressed willingness to negotiate on the new proposals but is still aiming to receive the 2.5 becu (38% of 6.6 becu) "promised" for Greece in the original proposal.

(b) Italy is concerned that the new proposal would cut her IMPs benefits disproportionately.

(c) France considers a figure of the order of 2 becu additional funding will be necessary but sympathises with our view that the existing funds should not be tilted to the Mediterranean. The French also agree that the major share of IMPs should go to Greece; and are live to the dangers of Spain and Portugal seeking to qualify.

(d) The Dutch broadly support the proposals and can no longer be considered as an ally on IMPs.

(e) Germany and Denmark have expressed reservations over the scale of the latest proposals and stressed

the need to concentrate IMPs on responding to the Greek Memorandum. Subsidized loans also causes difficulties for the Germans, though they are less exercised about the proposed tilting of the structural funds.

(f) Ireland and Belgium can support the bulk of the commission's proposals but are opposed to any reweighting of the structural funds in favour of Mediterranean.

Structural Funds

4. The Commission are suggesting that 2.5 becu for IMPs could be found from within the expected growth of the Structural Funds in real terms. The Commission argue that this is in line with the European Council conclusions that: "the financial resources allocated to aid from the Funds, having regard to the IMPs, will be significantly increased in real terms". We need to clarify the Commission's intentions. If all of the expected increase in real terms under the Regional and Social Fund were devoted to IMPs, the share in the Funds enjoyed by other Member States would diminish (see below). Greece has a rather narrow quota range and can expect to be at the top of it. The problem

CONFIDENTIAL

would arise if France and Italy were to move up their quota ranges since this would force everyone else on to their minimum share.

FEOGA Guidance

5. There may be greater scope within FEOGA Guidance. ECOFIN agreed on 11 March on a financial framework for FEOGA Guidance of 5.25 becu, excluding new IMPs money, for the five year period 1985-89. This represents a real terms increase of around 6% compared with the 1980-84 figure of 3.755 becu. The Commission had identified a possible 900 mecu within their original proposal (5.7 becu) that could go towards IMPs, as part of the weighting of the funds towards the Mediterranean. On a pro-rata basis, the Commission are still likely to identify 700-800 mecu for IMPs from within the new figure for FEOGA Guidance. The money would be on two lines: appropriations for specific regional measures and measures for processing and marketing. If all of the 700 or 800 mecu involved were earmarked for the Mediterranean, there would be a loss to the UK of between 100-120 mecu of anticipated receipts. But there could be considerable scope for finding money for Greece within FEOGA Guidance from the 800 mecu identified by the Commission.

CONFIDENTIAL

Regional and Social Funds

6. The Commission estimate that the weighting of the Regional and Social Funds in favour of the Mediterranean region could provide a further 1.1 becu spending on IMPs. This would involve 50-60 mecu per year from the Social Fund which would lead to a small cut in UK receipts; and about 100 mecu per year from the Regional Fund through the Commission ensuring that Greece and Italy got substantially more than their minimum quota.

7. The ERDF quota ranges are as follows:

Quota Ranges Agreed in 1984

	Minimum	Maximum
	%	%
Belgium	0.90	1.20
Denmark	0.51	0.67
Germany	3.76	4.81
Greece	12.35	15.74
France	11.05	14.74
Ireland	5.64	6.83
Italy	31.94	42.59
Luxembourg	0.06	0.08
Netherlands	1.00	1.34
UK	21.42	28.56
Total	88.63	116.56

CONFIDENTIAL

8. The Fund's 1984 budget was 2240 mecu. The distribution of the 11.37% of the Fund not taken up by Member States' minimum quotas is at the Commission's discretion. We have always recognised that our approach to IMPs - that they should come from the existing structural funds - implied that Greece would be towards the upper end of her quota range.

Expected Greek Receipts from Structural Funds

9. Minimum Greek receipts under the Structural Funds over the next 5 years (1985-89) are expected to be:

ERDF (minimum quota)	1,555 mecu
ESF (6% take)	700 mecu
FEOGA Guidance	<u>625 mecu</u>
	<u>2,875 mecu</u>

10. If Greece moves to the top of its quota range under the ERDF (probable anyway since the Greek Government have submitted a large number of payments for approval) this would ensure Greece received an extra 80 mecu per annum over next 5 years, ie a total of 400 mecu.

CONFIDENTIAL

11. If the Commission went ahead with its proposal (paragraph 5 above) to reweight FEOGA guidance towards the Mediterranean, this could provide around a further 400 mecu for Greece over five years.

Possible level of Community lending

12. Greece and Italy are already major beneficiaries from the Community's lending instruments. Greece is likely to receive 2.0-2.5 becu over the next 5 years. Italy up to 20 becu. The Commission proposal for lending of 2.5 becu for IMPs is in addition to these figures. We could consider further lending of up to 1 becu under a new tranche of the New Community Instrument but we would want most of this to go to Greece. We need to be cautious about putting this forward given our wish to act in concert with the Germans who oppose soft credit terms for Community lending. The Germans could probably accept further NIC lending to Greece but would find it hard to accept that any of the additional money for IMPs should be used to soften NIC credit terms.

Duration

13. The Brussels European Council agreed IMPs should be of "limited duration". Original Commission proposal

CONFIDENTIAL

suggested 6 years which we argued was too long. At Dublin we were prepared to agree to 5 years. The latest Commission proposal suggests a duration of 7 years in order to spread the total cost. The danger of agreeing to 7 years is that it makes it more difficult to resist Spanish and Portuguese claims. But we could accept 7 years if this was necessary to clinch final agreement.

EUROPEAN COMMUNITY DEPARTMENT (INTERNAL)

26 March 1985

CONFIDENTIAL

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT
EHG(B)(85)8 COPY NO 1

26 March 1985

R.O. from 32 to 62.
Telecom Corp. Proj. R.A.C.E.

EUROPEAN COUNCIL, BRUSSELS

29/30 MARCH 1985

Point de
Reunion Council.
vi Turen

STRENGTHENING THE TECHNOLOGICAL BASE OF THE COMMUNITY

Agreed on 5-year programme.

Brief by the Foreign and Commonwealth Office

Limit £25m over
5 years.

Too soon to gauge L'Esprit
programme.

BACKGROUND TO STEERING BRIEF

Reference: Commission paper to the European Council

1. In response to a Dutch initiative at the last European Council the Dublin conclusions included a section which urged the Council of Ministers to "adopt further measures to strengthen the technological base of the Community and restore competitiveness"; and added, "to this end, the Commission is asked to submit an appropriate draft action programme to the next

CONFIDENTIAL

CONFIDENTIAL

European Council". The attached paper, which is based to a large extent on a Dutch paper following up their initiatives at Dublin, is the Commission's response to this request.

2. As the steering brief makes clear, most of the paper usefully supports our emphasis on the internal market and on strengthening the Community's competitive base. The most contentious section is the one concerning Community R & D. On a number of different occasions in the last few years the United Kingdom has agreed that the Community's involvement in R&D should grow.

"The European Council agrees on the need to increase the proportion of Community resources devoted to financing priority Community R & D activities." (Brussels European Council conclusions)

"The Commission has suggested that the Community now look at possible programmes in telecommunications and biotechnology. We should examine these and similar proposals carefully to see whether they would be more effective at the

CONFIDENTIAL

CONFIDENTIAL

Community level. In doing so we should give high priority to facilitating collaboration at the industrial level." ("Europe - The Future")

"We want to see greater unity in the development and application of new technology." (Prime Minister's speech at Avignon 30.11.84)

3. Towards the end of 1984, the Research Council agreed that R & D spending should "gradually increase". The Council subsequently agreed to seven new/replacement R & D programmes involving a further 1225 mecu expenditure over the next four to five years. These programmes will ensure a slow but steady increase in R & D spending until 1987/88, thereby maintaining the proportion of the Community budget devoted to R&D at its present level of just under 3%. The Commission now aim to double this by 1989, subject to keeping other Community spending under control. It is questionable whether the Commission could produce sufficient proposals for worthwhile new programmes to take up this proposed increase. Sir Robin Nicholson has advised that the Commission should first be asked to review past and present R&D spending to assess its contribution to industrial competitiveness. We should

CONFIDENTIAL

CONFIDENTIAL

then have a sound basis for estimating future requirements.

4. One area where the Commission are eager to make progress is in Community involvement in telecommunications. The UK has strongly supported Commission efforts to secure more open public procurement policies and common standards for telecommunications equipment and some progress has been achieved on these fronts. The Commission itself now gives top priority to securing agreement to an R & D programme entitled 'RACE' (Research into Advanced Communications in Europe). Having gained generally favourable responses from other Member States and the industry, the Commission is now proposing to embark on an 18 month "definition phase" costing 43 mecu, 23 mecu of which will come from the Community budget, to establish the real needs of the telecommunications industry in Europe. This would lead to firm proposals for a Community programme to be finalised during the latter half of 1986.

5. The Minister of State for Industry and High Technology has written to the Chief Secretary at the Treasury, arguing that the UK should be able to agree

CONFIDENTIAL

CONFIDENTIAL

to the definition phase of RACE but without commitment to an eventual programme. Mr Pattie's view is based on the warm support the proposal has received from the UK industry and telecommunications operators; and his belief that telecommunications is an obvious area for European co-operation due to the fragmentation of the industry in Europe. The Treasury's initial view is inclined towards opposing both a substantive programme and the definition phase arguing that telecommunications is a wealthy industry in which the operators are fully able to co-ordinate research amongst themselves; and that if we agree to the definition phase, it would be more difficult to oppose the RACE programme proper, acceptance of which would run counter to HMG's efforts to keep tight control of Community expenditure.

6. The Commission paper concludes that "the RACE programme will be the first stage in the implementation in the Community of future-generation telecommunication services". While we need not take a definitive view at the European Council, we shall need to avoid specifically endorsing this part of the Commission's report. We should argue that the RACE programme will be discussed in the June Research Council and that the

CONFIDENTIAL

CONFIDENTIAL

European Council cannot be expected to preempt that
Council's decisions.

FOREIGN AND COMMONWEALTH OFFICE

26 MARCH 1985

CONFIDENTIAL