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From the Private Secretary

19 May 1980

Dear Paul,

Call by the Portuguese Deputy Prime Minister

As you know, the Portuguese Deputy Prime Minister, Professor do Amaral, called on the Prime Minister this morning. The Portuguese Prime Minister, Signor Carneiro, was not present because of the injury he incurred yesterday in a car accident on the drive to central London from Heathrow. Professor do Amaral was accompanied by Dr. Rui Almeida Mendes, Signor J. Freitas-Cruz, Dr. Corte Real and Dr. Rogerio Martins.

A separate record is being prepared covering the discussion in the Plenary Session which preceded lunch. Much of the discussion at lunch, which was attended by the Minister for Agriculture and Mr. Cecil Parkinson as well as by the Foreign and Commonwealth Secretary, was social in content. However some of the points made may be worth recording.

On the Portuguese internal situation, Professor do Amaral made little attempt to disguise the differences between his Government and President Eanes. He said that President Eanes preferred minority governments since these allowed him to exert his own influence. He would be opposing therefore the efforts of the present Government to consolidate its position.

On international affairs, Professor do Amaral said that the situation in Morocco was deteriorating. King Hassan was committed to outright victory over the Polisario. However, he would not be able to achieve it. The Polisario would continue to receive the backing of African governments who were committed to the principle that colonial borders were sacred. The Libyans had their own reasons for backing the Polisario. The Spanish Government had already decided that the Polisario would eventually win the war and that the King would be overthrown. They had ceased to support him and were multiplying the signs of their goodwill towards the Polisario. If he were overthrown it would be by the Moroccan Army. There was a real risk that such an upheaval would eventually result in the establishment of Soviet bases in Morocco, i.e. very close to the Straits of Gibraltar. This should be a matter of acute concern to NATO.

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The Foreign and Commonwealth Secretary, commenting that he had heard several reports that Colonel Qadaafi was himself in trouble in Libya, asked whether Professor do Amaral had any information on the situation there. Professor do Amaral said that he did not. He asked how the Foreign and Commonwealth Secretary saw the situation in the Persian Gulf. Lord Carrington replied that he thought the most urgent problem in the Middle East was the Arab/Israeli dispute. The Camp David process was exhausted and there was mounting impatience on the Arab side for progress. It would be difficult for the United States to make a new start in the period between now and the elections. On the other hand, the West would be very ill-advised to allow a gap of six or more months to elapse without any serious activity. Europe would have to try to do something though whether they would be able to do enough was not clear. There were signs that the French would go it alone if Europe did not agree to a joint effort. Mr. Parkinson commented that on his recent trip to the Middle East he had found a great deal of interest in an EEC initiative.

Lord Moran said that the Portuguese Prime Minister had told him at the airport of his concern about President Giscard's meeting with Mr. Brezhnev. The Prime Minister commented that such meetings were liable to give rise to hopes which could not be satisfied. The West's objective was to secure Soviet withdrawal from Afghanistan and on acceptable terms. Before going into Summit meetings, it was essential to be clear about what one wanted to achieve, how it was to be achieved, and whether one's allies were content. Herr Schmidt had consulted his allies, but the latest meeting had come as a surprise. The Foreign and Commonwealth Secretary remarked that President Giscard needed Mr. Brezhnev more than Mr. Brezhnev needed President Giscard. French foreign policy worked on two levels. In private the French were very firm in their condemnation of Soviet activity; in public they appeared more concerned about the reaction of the Gaullists on the one flank and the Communists on the other. It was frequently difficult to reconcile the substance of French policy with the posture of the Government.

> Jones ever Nichael Alexander

Paul Lever, Esq., Foreign and Commonwealth Office.