Surtell 10 DOWNING STREET 24 April 1984 From the Private Secretary

Dear Roger,

Professor Freitas do Amaral called on the Prime Minister at 1800 on Wednesday 18 April. Most of their discussion centred upon a review of the current Portuguese political situation.

Professor Freitas do Amaral indicated that he had resigned his offices in 1982 partly because he was tired after nine years of continuous political involvement and partly because he believed that his Party, the Centre Social Democrats, was unlikely to be successful in the forthcoming elections. He was considering, however the possibility of running in the Presidential elections which were expected in the late autumn of 1985. The CSD were likely to support him and he hoped for the support of a sizeable proportion of the Social Democrats' electorate especially if the latter supported Dr. Soares instead of running their own candidate. Professor Freitas do Amaral considered that it was certain that Dr. Soares would indeed run in the Presidential elections but to avoid a potentially disruptive split in the Socialist Party would retain office as Prime Minister until the elections themselves. If Dr. Soares won there would nevertheless be a major succession battle within the Socialist Party; it was however possible that as part of a deal Dr. Soares might promise the office of Prime Minister to the Social Democrats in return for their support in the Presidential elections. Such a situation, he believed, would be untenable in the long term. If Dr. Soares lost the Presidential elections and a candidate of the right was elected he believed that there would have to be new legislative elections.

Professor Freitas do Amaral concluded by saying that although he supported the economic policies introduced by Dr. Soares' Government, they would impose enormous strains on the coalition. It was partly these strains and partly the increasing right wing strength shown by opinion polls which gave him a good outside chance in the elections. These were however not for another 18 months and he, like other candidates, would no doubt be making final decisions by the end of 1984.

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