

SECRET

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W

RELEASED IN FULL

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R 201548Z MAY 75
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 1272
INFO AMEMBASSY LISBON
USMISSION NATO BRUSSELS

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EXDIS DECAPTIONED

E.O. 11652: XGDS-1
TAGS: PFOR, PORT, UK
SUBJECT: PORTUGAL

1. DURING MY CONVERSATION WITH THE FOREIGN SECRETARY MAY 19 HE BROUGHT UP PORTUGAL, REFERRING TO HIS CONVERSATION ON MAY 7 WITH THE SECRETARY. HE SAID FRANKLY THAT HE DISAGREED WITH THE SECRETARY'S ESTIMATE OF THE SITUATION IN PORTUGAL AND, LIKE OTHER EUROPEAN LEADERS, PERSONALLY BELIEVED THAT PORTUGAL IS NOT YET BEYOND SAVING. CALLAGHAN INDICATED HE FELT VERY STRONGLY THAT AT THE NATO SUMMIT THE PRESIDENT AND SECRETARY SHOULD MAKE A POINT OF SPENDING SOME TIME WITH THE LEADERS OF THE PORTUGUESE DELEGATION IN ORDER TO STRENGTHEN THE HANDS OF THE MODERATES IN LISBON. HE NOTED THAT THERE IS A WIDE SPECTRUM OF POLITICAL OPINION IN THE ARMED FORCES MOVEMENT AND THAT SOME MODERATE LEADERS HAVE INDICATED TO THE BRITISH THAT THEY THINK THEY CAN HOLD THE SITUATION. CALLAGHAN'S SUMMARY CONCLUSION WAS THAT UNTIL THE SITUATION IS IRREDEMIABLY LOST WE SHOULD TRY TO HOLD ON TO PORTUGAL.

2. I SAID I WOULD UNDERScore CALLAGHAN'S VIEWS IN MY REPORT, AND ADDED THAT THE EUROPEAN COUNTRIES MIGHT BE ABLE TO DO SOMETHING TO HELP. HATTERSLEY, WHO WAS PRESENT, INDICATED THAT THE COUNTRIES OF THE EUROPEAN

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COMMUNITY HAVE SHOWN ENTHUSIASM FOR UNDERTAKING PRACTICAL MEASURES (E.G. ECONOMIC ASSISTANCE, VISITS, ETC.) TO SUPPORT THE HAND OF THE MODERATES IN PORTUGAL.

RICHARDSON

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