

THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

14 May 1981

NEMORANDUM FOR THE PRESIDENT

While in Portugal I called on the President, Antonio Ramalho (Eanes was a career military officer. While he helped crush a Communist coup in 1975, his views are probably to the left of the Prime Minister and his government.) We talked for over an hour. I conveyed to him your personal greetings and mentioned the importance of preserving the strength of the relationships between our two countries, and he entirely agreed.

He spoke in strong anti-Communist terms and takes considerable pride in the fact that they have established in Portugal a more democratic government. Having experienced to all intents and purposes what Communist rule is like and having rejected it, he believes that both the present government of Centrists as well as the Socialists will be strongly anti-Communist.

He expressed particular interest in our views on Morocco and wanted to know if we felt that the Moroccan Government could succeed in its fight with the Polisario. I told him that we did and that we were strongly in support of the existing Moroccan Government.

He also inquired about Turkey, saying -- without being specific -- that he was concerned about Turkey's situation. I told him that we recognized that the Turkish armed forces needed modernization and strengthening, but that I thought the Turkish Government was stable and one of growing strength, and that they had talked to me in terms of forming stronger alliances with Saudi Arabia and other Arab countries, which I felt would add considerable stability and strength to their government.

I also talked with him about the importance of our conducting a survey for our air base in the Azores to get cost estimates of improvements, including the oil storage tanks we wish to build, mentioning to him that this was essential to obtain Congressional approval of the funds. He said he was not aware that there was any problem.

I told him that I had raised the matter with both the Prime Minister and the Defense Minister, and that the Ministry of Foreign Affairs appeared to be holding up permission for our survey team,

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because of the desire to negotiate and settle a range of issues at once, including the right to improve the Lajes airfield on the Azores and use of the Beja airfield in Portugal for our tankers, as well as Portugal's strong desire for greatly increased amounts of military assistance to enable them to build up their own armed forces. As you know from my other cables, we were told by the Deputy Minister of Foreign Affairs that this overall negotiation could start at any time and that they had designated their team. There certainly has been a fair amount of heel dragging on the part of the Portuguese on all of these issues. But we must not be put into position of having to renegotiate the Azores agreement a couple of years before it runs out. In fact, the Deputy Foreign Minister agreed in informal conversation that this should be our position.

By copy of this memo to Al Haig, and by previous cable, we are suggesting that our negotiating team be formed shortly and meet with the Portuguese to see if there is any possibility of obtaining Portugal's agreement to upgrade and improve the bases as quickly as possible.

Other talks with the Minister of Defense and the Prime Minister suggest that they may wish to have agreement to hold overall discussions before they will even grant permission for the survey which is the prerequisite to our obtaining any appropriations for this purpose.

I formed a very favorable impression of Ambassador Bloomfield, who has represented us in Portugal for about three years and who. speaks excellent Portuguese and seems to be highly respected by all parties. It may well be that he could conduct these negotiations himself, with experts from Washington as needed. In any event, the Minister of Defense, Azevedo Coutinho, arrives in Washington on June 8 to pay an official visit to me, and at that time we may get some additional information.

The atmosphere of my visit was very good. They seemed genuinely pleased to have us, and I think they were particularly pleased that we had come directly from the NATO meeting without going to other countries.

They have a historical suspicion and worry about Spain, and although they are quite willing to have them join NATO, they are convinced that Spain would shortly overshadow them in the Alliance. They don't want Spanish generals to be put in command of their troops within NATO.

The Portuguese were particularly pleased by the announcement that we agree that there will be a Portuguese admiral in command of IBERLANT, one of the subordinate NATO commands covering Portugal and adjacent waters, but with practically no forces.

Secretary of State Counsellor to the President Assistant to the President for National Security Affairs

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