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As you know, I think approval of the supplemental would be an excellent foreign policy move. While I do not think it will meet with unmanageable opposition in the Congress, given the current mood of the Congress and the public of frustration over the relatively inability to influence events, I believe the President will be in a strong position even if it does run into opposition. He will have put the need to the Congress and to the Country for this additional assistance.

SALT

The President met with Dobrynin earlier this week. It is my understanding, based on very limited information, that we are continuing to peel away unresolved issues and that we are, in fact, very close to agreement on SALT II. The picture would seem to be increasingly complicated by doubts about Brezhnev's health:

- he was in very poor shape when he made his first television appearance presenting an award to Raul Castro;
- Prime Minister Desai has indicated to Warren Christopher that Brezhnev may not be up to a visit to Washington, and may prefer some other site because of health;
- Brezhnev is scheduled to give a "election speech" on Friday, March 2. This will give us another look at him;
- there is some discussion that the Soviets may be thinking of another Vladivostok-type arrangement, e.g., holding the summit in Hawaii.

Pakistan

The President will soon be faced with some very tough decisions vis-a-vis Pakistan, decisions requiring him to balance his non-proliferation policy against current arc-of-crisis concerns. You should ask Secretary Vance to lay out the issue.

Southern Africa - Namibia and Rhodesia

I recommend that you also ask Vance to report on Rhodesian developments. As you know, former Representative Lowenstein has just returned from the area and is telling members of

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Congress that he and only he can persuade Smith to setp down if sanctions are lifted. This is creating a stir on the Hill. State believes that we should be pushing the Rhodesians to accept a "Namibian model" in which they would publicly state that their April 20 elections will be internal elections to be followed by UN supervised elections.

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OFFICE OF THE VICE PRESIDENT  
WASHINGTON*file  
(M. J. East)*~~SECRET~~

INFORMATION

Memo No. 382-79

May 3, 1979

## MEMORANDUM FOR THE VICE PRESIDENT

FROM: Denis Clift *DC*

SUBJECT: Foreign Policy Breakfast,  
Friday, May 4, 1979

Middle East

The breakfast will include a review of preparations for the West Bank/Gaza negotiations, with Bob Strauss participating. Secretary Vance's paper for the meeting is at Tab I.

Portugal

I mentioned some days ago our Ambassador's concern that we are losing perspective above our real interest in strengthening Portugal as an ally and a democracy when we contemplate - as we are - termination of military assistance. This is serious. At my request David has done a paper for you (Tab II) offering his analysis. David's penned comment on page 2 is particularly relevant. In my view, termination of all MAP is as foolish and as misguided as termination of all monies from the President's foreign policy contingency fund. We have made ourselves isolationists when we terminate these funds, however many scholars we have working on international issues at Brookings. If a country such as Portugal cannot get a small boost in MAP/military equipment -- where is Portugal expected to turn? I think Vance will be prepared to comment on this.

*10/1/85*Cyprus

Warren Christopher takes off for Ankara this weekend. The most prominent aspect of his mission is the SALT verification/overflight issue. However, with Christopher in Turkey, you should ask Secretary Vance for the position Christopher will be taking on Cyprus, and I recommend that you note to the President and the other breakfast participants the growing

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Review 5/2/99

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*NWJC 2006-076*  
*per 7/14/06 NSC/H*  
*12* NARA DATE *7/24/06*

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unrest in the Greek-American community as the '80 campaign gets underway and there is still nothing to show on Cyprus.

Liberia

You should inform the President that you met with Foreign Minister Cecil Dennis on Thursday, May 3, that clearly the Liberian government is troubled and embarrassed by the extent of damage in Monrovia from the riots and by the complications this introduces generally for the Liberian economy -- but more specifically for the preparations for the OAU summit in Liberia this July. It is not in our interest to have this summit a failure. The Liberians need some money. They do not need the usual military equipment. Perhaps State, working with some private US African society and with management consultants, as well as with DOD, can help the Liberians get their patrol craft repaired, their troops into Monrovia, and their conference better organized. I think, for example, that we might be able to guide them in the chartering of some helicopters, funded by the U.S., for the conference.

Secretary Vance will be prepared to speak on this.

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THE WHITE HOUSE  
WASHINGTON

May 3, 1979

MEMORANDUM FOR THE VICE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI

Secretary Vance has asked that the attached be made available to you before our meeting with the President on this subject Friday morning.

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THE SECRETARY OF STATE  
WASHINGTON

May 2, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: Cyrus Vance *CRV*  
SUBJECT: The West Bank/Gaza Negotiations --  
Checklist of Preparations and Perspectives

The purpose of this memo is to provide the basis for the initial discussion we will have Friday morning with the Vice President, Bob Strauss, Ham and Zbig concerning the practical and substantive issues we will face in the West Bank/Gaza negotiations.

We have organized this memorandum along the following lines:

- There is first a brief status report on questions connected with US staffing of the negotiations.
- Second, we look at issues that arise with respect to the initial phase concerning arrangements, procedure, and agenda.
- Next, there is a brief discussion of several substantive issues on which we need early decisions if we are to have an effective strategy of winning Arab support for the negotiations.
- Finally, alternatives for our longer-term strategy toward the negotiations are discussed.

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STAFFING THE NEGOTIATIONS

We have before us the question of selecting a Deputy or two Deputies for the Special Negotiator. The fact that Bob Strauss will not be able to engage himself full-time until late summer makes it particularly important to get the right man soon. We are actively considering some prospects which we can discuss when we see you.

Beyond this, it is important to think through the kind of role the Ambassador should play once he engages himself full time. There is a strong argument that he should not think in terms of being present at the negotiations for all or even most of the time. The detailed negotiations over land ownership, security arrangements, etc., will be both painstaking and frustrating, and if Bob becomes too personally involved in this daily grind, his stature and prestige will be altered with the effect that there could also be a weakening of his ability to lean hard on the parties when we most need this. If this happened he would also be less able to save you from having to play the role of breaking the inevitable impasses.

Instead, I think you and he should consider, as a permanent arrangement, letting the Deputy head our team for day-to-day negotiations with Bob appearing for important plenary sessions, and for critical moments when his presence is required to break incipient impasses. I see his role in effect as being one that will be played out as much in the two capitals (and in places like Jordan and Saudi Arabia) as at the negotiating table, and also within the U.S. in Congress and with domestic groups as the negotiations reach later stages.

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With respect to U.S. representation at the opening ceremony, which will probably be scheduled for May 24 or 25, Bob is committed as you know to be in China at that time. I have agreed to attend the el-Arish handover ceremony May 27, and believe it would be desirable if I got out there a couple of days early to represent the U.S. side for the first two days of the negotiations. I would hope to have Bob's Deputy with me; he could then take over for subsequent sessions until Bob can engage himself.

INITIAL PHASE: ARRANGEMENTS, PROCEDURE, AGENDA

An immediate substantive question that requires decision soon is our posture toward these negotiations at the outset: How actively should we involve ourselves now? I believe we agree that we should leave Egypt and Israel out in front at the beginning. After a certain point, however, the U.S. will have to weigh carefully whether its interest in having these negotiations get off to a quick and effective start is not served by playing a more active role. How the negotiations are viewed in the Arab world at the beginning will have a lot to do with determining whether we will be able to win Arab support for the negotiations over time.

We have sent a telegram to our Ambassadors in Cairo and Tel Aviv asking them to sound out each side on a number of questions concerning arrangements and procedure. Among the questions that will have to be resolved before the negotiations can get underway are:

-- Arrangements. Who will be present on each side? What will be the schedule of meetings? How long in Beer-sheva before moving to El Arish? Will the negotiators return to capitals each night? Will there be any permanent staffs remaining in place at the negotiating site? We can presumably defer to the wishes of the parties on most of these items, but we may wish to review them to see whether we have any strong preferences on any specific point.

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-- Procedure. Will there be working groups? Will each side table papers on the main issues? Should we suggest that the two sides spend the first week talking through the issues without attempting to table texts? Should the U.S. table papers? Should the U.S. table a negotiating text, as it did at Blair House at the outset or wait? Since Egypt and Israel will rotate the chairmanship, what role should the U.S. play? Should we try to resolve differences, or let the two try to work things out themselves?

-- Agenda. We are telling Cairo and Tel Aviv to suggest that the two sides start working directly between themselves on an agenda, keeping us informed. We must, however, be prepared for the possibility that we will have to become involved in sorting out differences at even this early stage. Disagreement on the agenda is likely to arise on two counts: (1) The Israelis will propose, as they did at Blair House, that the modalities for the elections be dealt with first and then the powers and responsibilities of the self-governing authority. The Egyptians will see that as a stall and, we assume, will propose dealing with both subjects concurrently, presumably in separate working groups. We have favored concurrent discussion. The experts who would be involved would not seem to overlap. (2) As soon as the parties try to write an agenda, there will probably be a dispute over wording because each side will try to resolve issues in the way the agenda is written.

INITIAL PHASE: WINNING ARAB SUPPORT

Perhaps our primary substantive job at the outset is to build the credibility of the peace process with the Arab parties now opposed to it. They are unlikely to move away from the Baghdad decisions in the immediate future. Our best hope is that their position might change if we were able to demonstrate that the West Bank/Gaza negotiations are serious and could produce a respectable result. There are three ways of demonstrating the seriousness of the effort at the outset:

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-- Most of the friendly Arabs say that they would have a very different attitude towards these negotiations if the U.S. could produce an Israeli agreement to suspend the establishment of new settlements in the West Bank and Gaza during the negotiations. The Arabs watched the Israelis stand us off on this issue after Camp David and believe that, if we cannot resolve this key issue, there is little chance of our producing an agreement on Palestinian control over "their own" land.

-- Another area, critical throughout the Islamic world, is what can be said about Jerusalem. Muslims oppose the negotiations because they do not address the status of Jerusalem.

-- A third area where U.S. movement might persuade the Arabs we are serious would be a concrete move toward the Palestinians, particularly the PLO. Most Arabs tell us that a U.S. move in this direction would significantly enhance our credibility in the Arab world and hence begin a process of blunting Arab opposition to the negotiations.

These issues will be dealt with in greater detail in separate memoranda, but it is important to keep in mind that whatever we do at the beginning of the negotiations must be done partly with an eye toward persuading the Arabs that the negotiations can produce serious gains for the Palestinians.

Israeli Settlements. Now that the Treaty is ratified, there may be a new surge of settlement plans and activities. According to reports, Begin has already made a deal with the settlement zealots in the cabinet that in return for their support of the Treaty he would agree to their proceeding with plans for new settlements. We have to decide what our diplomatic response will be and what if anything we will say publicly--more than our present standard response--if new activity is resumed.

We will be in the strongest position to gain Israeli agreement for a freeze on further settlement activity in the context of the negotiations on land ownership, when some concessions to the Israelis--perhaps in the form of the right of individual Israelis to buy land in the West Bank and Gaza--might be offered. But if we try to avoid the issue until

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it comes up in the negotiations (and the Israelis will try to delay this as long as possible) we will incur losses on the Arab side. As you know, more than any other single issue, the Arabs see our position on the settlements as the litmus test of our intentions in the West Bank/Gaza negotiations. A position of silence or passivity on our part in the face of apparently unrestrained settlement activity will make it far more difficult to carry out an effective plan to draw Palestinians into the negotiations. A final factor to be kept in mind is that, of all the issues with Israel, this is the one on which we can expect the best support from the US public and Congress.

We have the following possible alternative approaches for dealing with this issue in the immediate future:

-- We can defer any diplomatic effort with Israel, or any public confrontation, taking the line publicly and with the Arabs that this issue can only be dealt with in the context of negotiations on the land issue.

-- We can keep our public posture on the issue low-key while we make a concerted effort through diplomatic channels to build a new approach to the Israeli government on this issue. Several members of the Israeli negotiating team may understand that the best way for Israel to negotiate the long-term right of Israelis to stay in the West Bank is to restrain new settlement activity during the negotiations. We might try both among Israeli officials and Israel's supporters here to build support around Begin for agreed limits on further activity pending and during the negotiations. While our chances of achieving a total freeze are slim, we might succeed by this method in getting Begin's agreement to manage further activity during the negotiations with restraint.

-- We could decide that, if we are serious about inducing a new Israeli decision on this issue, the best way to prepare the ground is to stake out our public position now. The weakness of this approach is that we have no follow-on in the way of action that we can plausibly take in the present context when the Israeli government digs in, as it is certain to. The Arabs would be initially encouraged but would be disillusioned when we failed to follow up with effective action. On the other hand, they are likely to misread silence on our part as signalling a new policy, more receptive to Israeli settlement activity.

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My own feeling is that the second option above represents our only practical course at this stage. As a first step I have authorized a telegram which would ask Sam Lewis to have an informal chat with Dayan to seek his personal ideas as to how this issue can best be handled.

Jerusalem. The deeper aspects of the Jerusalem problem concerning final arrangements for the city need not be addressed in these negotiations. But in at least two respects we will have to deal with Jerusalem early on.

The first and most immediate is the question of whether the formerly Jordanian-held sector is included when we speak of the geographic term "West Bank". The issue will probably arise in discussions about an agenda. Later in the negotiations it will of course occur in the process of addressing whether East Jerusalemites will be allowed to vote for the Self-Governing Authority and whether the powers and responsibilities of the Authority extend to East Jerusalem.

With respect to the agenda, we can take the position that the question of whether or not the SGA's writ extends to east Jerusalem, and whether its inhabitants should vote, is a legitimate topic of negotiation. The Egyptians will not be able to accept, nor should we, an Israeli position that no aspect of Jerusalem can be discussed.

Looking somewhat further down the road, we might think in terms of supporting a compromise on Jerusalem which would give the Arab East Jerusalemites the right to vote and run for election but, for the transitional period, did not extend the authority of the SGA to east Jerusalem. This would, however, still leave the problem of defining the geographic limits of the city. "Greater" east Jerusalem as defined by the present municipal borders, which were expanded by Israel following the 1967 war, sits astride the West Bank's major east-west and north-south roads and encompasses the only West Bank airport. One possibility might be to differentiate between the 1967 municipal boundary for East Jerusalem and the "greater" area allowing the SGA's authority to extend into the latter but not the former in some agreed ways. Probably a more realistic alternative would be to negotiate certain rights and functions for the SGA in the greater area (but not within the old east Jerusalem boundary.)

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Each of these issues will be dealt with in detail in the issues book that is being prepared. We felt the above would be sufficient for our discussions at this early stage in the preparations.

Bringing the Palestinians into the Negotiations. It appears doubtful that any Palestinians will be induced to appear at the negotiating table at the outset, or if they do, that they will be individuals who have important credentials with the Palestinian community as a whole. We should not be deterred by this but proceed with a long-range strategy of seeking gradually to draw representative Palestinians in through informal consultations with them. We can fix as an objective that at the end of the year we hope to achieve PLO acquiescence in (if not formal agreement to) the emergence of a West Bank moderate leadership in the West Bank and Gaza that is willing to participate in the elections. To reach this goal, we will need to work on three fronts:

- maintaining a substantive dialogue with key Palestinians resident in the West Bank and Gaza;

- keeping the PLO informed accurately and combating any suspicion that we are seeking to divide the Palestinians as the negotiations evolve;

- being alert for opportunities to articulate the US position on the issues of importance to Palestinians.

In coordinating the effort on the first two fronts, we believe the main emphasis should be on the dialogue with West Bank/Gaza leaders. We would not expect the PLO to make concessions in its present position for at least the time being. Rather we should see as our main goal building up a sufficient stake for the West Bankers and Gazans in the negotiated outcome to induce them to take a stand that they will not allow the PLO to block installation of the Self-Governing Authority.

#### U.S. STRATEGY IN THE NEGOTIATIONS

Beyond the question of how actively we should involve ourselves at the outset is the question of what strategy we will follow throughout the negotiations over the next year. Broadly defined we can think of the autonomy negotiations in terms of two possible approaches:

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-- We can decide that, aside from Egyptian objectives, our own interests in the area require a certain minimal level of achievement on the West Bank/Gaza front. If we choose this approach we assume that before the year is out a significant difference of view with Israel will develop over the issue of settlements and land ownership, and possibly over the powers and responsibilities of the self-governing authority as well. Under this option we would need to begin now to consider when and how to come to grips with these issues so as to have the best chance of resolving them in our favor. This approach would lead to a relatively active U.S. role in managing the negotiations; the negotiations would in fact be essentially a U.S.-Israeli negotiation with the Egyptians playing a secondary role.

-- The alternative would be for the U.S. to play a more passive role, allowing the Egyptians to bear the brunt of achieving something from the Israelis, and deciding that we ourselves could live with whatever outcome the Egyptian-Israeli negotiation produced. Under this option we would avoid major disagreement with Israel but run a serious risk that the outcome at the end of the year would not be enough to sustain momentum in the peace process, or be seen by the Arabs as a sufficient accomplishment to gain some credibility for the Camp David process and prevent Arab opinion from swinging further against us.

Each of these strategies needs to be examined closely, from the standpoint of how it affects our own interests and the goals we can realistically expect to accomplish. Possibly the outcome of the second approach--of allowing Egypt to take the lead--would be more likely to result in a deal on Gaza with agreement to defer a solution for the West Bank. Would such a limited outcome persuade the Saudis and other key Arabs that we had "done our best" on the Palestinian issue, and would we stand any chance of subsequently getting anywhere in the West Bank once Gaza had been dealt with separately?

On the other hand, would we be justified in deciding our minimum requirements are a negotiated outcome on both the West Bank and Gaza--with all the difficulties this will entail in our relations with Israel--when we still face the considerable risk that West Bankers and Jordanians could see

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even this outcome as inadequate, bringing the process to a halt at this point by their refusal to participate in the elections?

We will probably not want or be able to make final decisions on these divergent courses until we see what the prospects for the negotiations are. Realistically, any U.S. proposals designed to bridge gaps, if they are to have the maximum chance of being accepted by Israel, should be withheld until most Israelis can sense the benefits to be gained from the Treaty with Egypt and from the West Bank/Gaza negotiations themselves and recognize as well their potential vulnerability. It is at that time that our influence with Israel will be the greatest.

On the other hand, we will probably want to begin as soon as possible to build a case on certain key issues, so that we can expect a significant body of public support in this country for our position when the time comes to come to grips with these issues in the negotiations. I think the best way to do this will be to have a systematic exchange with Congressional leaders as the negotiations proceed. We should also consider opportunities to reiterate publicly our known positions on key issues, lest Arabs read our silence as implying a change in position.

#### THE NEGOTIATIONS IN THE PERSPECTIVE OF ALTERNATIVES

Should we accept now the apparent judgment of much of the Arab world that autonomy as a transitional device will not be enough, at least without a commitment to eventual self-determination? On the other hand, do we really have an alternative to the Camp David design for the West Bank/Gaza negotiations to provide full autonomy for the inhabitants as a transitional device?

We start these negotiations with two facts clearly in mind:

-- Most of the Arab world is firmly opposed to the negotiations, partly because they expect Israel to block progress and produce an early stalemate and partly because they do not accept an objective which is less than unrestricted Palestinian self-determination or an independent Palestinian state.

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-- Most Arabs urge us to scrap our present course and broaden the negotiations to include other parties to the confrontation and to move on toward a comprehensive peace. King Hussein, for instance, talks about going to the UN or to Geneva. Apart from these vaguely stated thoughts none of the critics has put forward a precise proposal for a different way of proceeding.

We want to make every effort to succeed in the West Bank/Gaza negotiations, but even in that context I believe we should keep open minds about a broader negotiation in another forum which could be complementary or an alternative. Giving thought to this now is important because we may need something along those lines to involve the Palestinians, to involve the Jordanians, to begin negotiations with Syria, to deal with the Soviets, or to keep hope of negotiations alive if there is a stalemate. Further thought will be given to the possibilities in a separate memorandum.

At the moment, however, we do not have a workable alternative. Moreover, there is much to be gained from the work that will be done in the early stages of these negotiations. Even if these negotiations stalemate, we will need that fact and our understanding of the issues to construct further efforts on the Palestinian issues.

#### DEALING WITH THE USSR

My latest meeting with Dobrynin gave some slight hope that the Soviet position of threatening to veto an extension of UNEF might change as the date for the U.S.-Soviet summit approaches. In a broader sense, we want to look carefully at possible ways whereby we might draw the Soviets into closer consultations on the next stage of negotiations in the hopes this could lessen to some extent Soviet opposition to the peace process. I will be sharing some ideas we have developed with Bob Strauss and of course will consult with you about any change in our present posture in the event we decide to recommend one.

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## THE WHITE HOUSE

WASHINGTON

INFORMATION

May 2, 1979

MEMORANDUM FOR:

THE VICE PRESIDENT

FROM:

DAVID AARON *DA*

SUBJECT:

Portugal (U)

*Denis asked that I report on the current situation!*

Both Ambassador Bloomfield and General Haig (Tabs A and B) have cabled dire warnings about the ability of the Portuguese government to survive in the near future. (S)

The burden of the cables is that the effort to reintegrate the Portuguese armed forces into NATO -- as agreed within the Alliance -- threatens to come up short, with serious political consequences for Mota Pinto and Eanes. This scenario would unfold essentially because of limits on our military assistance. (S)

The situation is that we will be providing \$30 million in FY 80, and \$51 million in FY 81 -- of which total \$60 million is the military "quid" for the use of the Lajes base (from 1974-1983). After FY 81, MAP comes to a complete end, before the Portuguese air force has been able to acquire a NATO-approved squadron of 20 F-5Es, and leaving the navy and army high and dry in future years. (C)

Bloomfield and Haig both argue that this situation of little hope for the Portuguese military could also lead in the near future to restrictions on the use of Lajes (as well as on mainland bases) -- where the Portuguese so far have been extraordinarily forthcoming, even while others (like the Spanish) have not. And we could see the price tag for the next agreement go up steeply. (S)

Our analysis in Washington supports the seriousness of this issue. (C)

The President's expressed intention is to terminate MAP worldwide after FY 81; OMB takes an even stronger position, and fought against even the \$21 million in MAP in FY 81 beyond the Lajes quid. There is a point: MAP has had a checkered history in some parts of the world. But it is also true that we need some means to help countries like Portugal -- with the high stakes involved -- to meet military and political requirements that we support. (C)

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Review April 25, 1985

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Per 7/1/06 NSC/tr  
BY 60 NARA, DATE 7/21/06

Bloomfield (and others here) argue that all that is required now is for a "commitment in principle" to continuing a MAP program for Portugal beyond FY 81 -- say, at the \$30 million level. This would provide the continuity for the Portuguese services to see that their minimal needs will be met during the 1980s, and would shore up Mota Pinto and Eanes at a particularly difficult time. (C)

As Bloomfield points out, the alternative could be very expensive indeed -- in money and political turmoil. (C)

(As a way of helping to tide the Portuguese Air Force over, we are trying to find some F-5s -- the As and Bs, not the more advanced Es that the Air Force wants -- to "lend" to Portugal. This will be raised by State at the next V-B-B lunch.) (C)

FYI - The main problem is the President's determination to discontinue MAP. There is no political strategic or economic basis for this position. Only OMB favors it among the agencies of Government. We will pay an extremely high price for disarming our selves of this useful weapon of peaceful competition - not only in Portugal but throughout the world.

I urge you to try to get the President to ~~re~~consider his position.

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E.O. 12065: RDS-3 4/23/99 (BLOOMFIELD, R.J.) OR-M  
TAGS: PINT MASS NATO PO

~~SUBJ: MILITARY ASSISTANCE AND THE SAFEGUARDING OF U.S.  
INTERESTS IN PORTUGAL~~

REF: (A) '78 LISBON 5530 (DTG 261657Z JUL 78)  
(B) USNMR SHAPE BE DTG 121905Z APR 79

1. (S-ENTIRE TEXT)

2. SUMMARY: I HAVE BECOME INCREASINGLY CONVINCED THAT RECENT WASHINGTON DECISIONS ON THE FUTURE OF MAP THREATEN TO UNDERMINE OUR INTERESTS BOTH IN SECURITY AND DEMOCRACY. OUR USE OF THE LAJES BASE AND OTHER PORTUGUESE FACILITIES WILL VERY LIKELY BECOME RESTRICTED AT A TIME WHEN THEY ARE MORE NEEDED THAN EVER. POLITICALLY, THIS YOUNG DEMOCRACY IS LOOKING EXTREMELY FRAGILE AND A MILITARY DEMORALIZED BY THE LACK OF AN INSTITUTIONAL FUTURE WILL BE LESS INCLINED TO CONTINUE TO PLAY A STABILIZING ROLE. PORTUGAL IS STILL IN ITS POST-REVOLUTIONARY PHASE AND CANNOT BE CHECKED OFF AS A PROBLEM SOLVED. I RUGE A NEW LOOK AT MAP. END SUMMARY.

3. OUR PRESENT SITUATION:  
PORTUGAL'S DEMOCRATIC PARTIES AND LEADERS HAVE BEEN UNABLE TO FORM A STABLE, EFFECTIVE EXECUTIVE. THERE ARE DAILY ATTACKS IN THE PRESS ON THE POLITICIANS AS A GROUP AND ON THE POLITICAL PARTIES. THE MAN ON THE STREET IS DISENCHANTED WITH "THE POLITICIANS" AND, WHILE STILL IN FAVOR OF DEMOCRACY, IS INCREASINGLY SKEPTICAL THAT IT

\*\*\*\*\*WHSR COMMENT\*\*\*\*\*

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AAR, DEN, GA, ODOM  
EOB: HUNT, BARTH, UTG

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per 7/11/06 NRC/Tr  
BY: [signature] NARA, DATE 7/21/06

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WILL SUCCEED HERE. PRESIDENT EANES' POPULARITY IS SLIPPING; HE IS PERCEIVED BY MANY AS A HAMLET. THERE IS SOME GRUMBLING AMONG THE MILITARY ABOUT EANES' INABILITY TO KEEP THE POLITICIANS FROM MUCKING IT UP. LEFTIST AND RIGHTIST OFFICERS, INCLUDING MEMBERS OF THE COUNCIL OF THE REVOLUTION, ARE GETTING ACTIVE IN POLITICS AGAIN. IN SHORT, THE PORTUGUESE ARE GOING THROUGH A CRISIS OF CONFIDENCE IN THEIR NEW INSTITUTIONS, THEIR LEADERS, AND THEMSELVES. IN THE MIDST OF THIS, THE UNITED STATES HAS INFORMED THE MILITARY THAT MAP WILL WEND AFTER NEXT YEAR, EXCEPT FOR THE LAJES QUID. THIS LEAVES THE AIR FORCE WITHOUT HOPE OF GETTING EVEN A SHORT SQUADRON OF F-5S (20) AND THE NAVY (THIRD IN LINE) WITHOUT HOPE, PERIOD. PRODDED IN PART BY THIS FRUSTRATION, THE AIR FORCE CHIEF HAS BEEN MAKING VAGUELY THREATENING POLITICAL NOISES IN PUBLIC, WHICH HAS CAUSED SOME DISSENSION IN MILITARY CIRCLES AND HAS EMBARRASSED EANES. THE PORTUGUESE HAVE READ ABOUT EMERGENCY AID TO TURKEY AND YEMEN, AND BILLIONS FOR ISRAEL AND EGYPT. EANES RECENTLY PLED WITH GENERAL HAIG FOR A RELAXATION OF US POLICY ON MAP, FOR ESSENTIALLY POLITICAL REASONS (REF B). THE MILITARY DO NOT BELIEVE THAT THE U.S. IS UNABLE TO MEET PORTUGAL'S RELATIVELY MODEST NEEDS, ESPECIALLY SINCE PORTUGAL HAS REAFFIRMED ITS COMMITMENT TO NATO AND HAS BEEN GRANTING US VIRTUALLY UNLIMITED USE OF LAJES AND OTHER FACILITIES. ||

4. IN THIS SITUATION THE FOLLOWING KIND OF SCENARIO IS NOW WELL WITHIN THE RANGE OF THE POSSIBLE:  
A. SUMMER, 1979. ON TWENTY-FOUR HOURS NOTICE, THE U.S. AMBASSADOR ASKS THE PORTUGUESE FOR CLEARANCE TO USE LAJES AIR BASE FOR THE REFUELING OF U.S. TRANSPORTS AND F-15S ON THEIR WAY TO THE MIDDLE EAST. INSTEAD OF A QUICK ASSENT AS IN THE PAST, THE GOP EQUIVOCATES, RAISES QUESTIONS. THE OPERATION IS DELAYED. ALTERNATIVE PLANS FOR REFUELING HAVE TO BE MADE. ONE GROUP OF PLANES, HAVING TAKEN OFF WITHOUT WAITING FOR PORTUGUESE CLEARANCE LANDS AT LAJES. THE GOP LODGES A PROTEST AND ASKS FOR DISCUSSIONS ON THE FUTURE USE OF THE BASE. IT BECOMES CLEAR THAT HENCEFORTH THE GOP WILL CONFINE U.S. REFUELING AT LAJES TO NATO MISSIONS AND LIMITED ROUTINE LOGISTIC FLIGHTS ELSEWHERE.  
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O R 230939Z APR 79  
FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 9214

INFO SECDEF WASH DC  
USMISSION USNATO 3969  
USNMR SHAPE BE  
USCINCEUR VAIHINGEN GE  
WHITE HOUSE (SIT ROOM) WASH DC  
CINCLANT NORFOLK VA

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## B. AUTUMN 1979:

THE MOTA PINTO GOVERNMENT FALLS BUT NO PARTY ALLIANCE EMERGES IN THE ASSEMBLY TO PROVIDE A BASIS FOR A MAJORITY OR STABLE GOVERNMENT. EANES COMES UNDER HEAVY PRESSURE FROM LEFT AND RIGHT POLITICIANS, BUSINESS ELITES AND SOME DISGRUNTLED MILITARY TO TAKE RADICAL MEASURES, SOME OF DUBIOUS CONSTITUTIONALITY, TO END THE POLITICAL INSTABILITY AND GOVERNMENT INEFFECTIVENESS THAT HAVE PREVAILED SINCE EARLY 1978. THE EUROPEAN COMMUNITY NEGOTIATIONS ON PORTUGAL'S ACCESSION CEASE UNTIL THE SITUATION "CLARIFIES". CAPITAL FLIGHT INCREASES. THE ESCUDO DROPS RAPIDLY ON EXCHANGE MARKETS AND INFLATION ACCELERATES. THE UNITED STATES DECIDES ITS ONLY REAL OPTION, GIVEN THE INTERESTS AT STAKE IN PORTUGAL, IS TO MOUNT A RESCUE OPERATION: CONGRESS IS ASKED FOR A SUPPLEMENTAL APPROPRIATION OF \$300 MILLION IN SUPPORTING ASSISTANCE AND \$100 MILLION IN MAP GRANT. IN THE MEANTIME, THE U.S. CONTINUES TO URGE EANES TO STAY IN OFFICE AND ADHERE TO CONSTITUTIONAL PROCESSES. HE IS BITTER TOWARD US FOR LEANING ON HIM IN A CRISIS WHILE WE WERE UNWILLING TO SUPPORT HIM WHEN HE ASKED FOR IT EARLIER.

5. NONE OF THE FOREGOING IS FANCIFUL. INDEED, THE SCENARIO AS FAR AS LIMITATIONS ON THE USE OF LAJES IS CONCERNED IS PROBABLE. WE CAME CLOSE TO IT DURING THE CONTINGENCY PLANNING ON YEMEN. THE POLITICAL DENOUCEMENT DESCRIBED IN 4-B, WHILE

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DEBATABLE IN ITS DETAILS, IS NOW SUFFICIENTLY WITHIN THE REALM OF POSSIBILITY AS TO CAUSE US REAL CONCERN. WHILE WE MAY DIFFER AMONG OURSELVES AS TO DETAILS OF LIKELY SCENARIOS, THE COUNTRY TEAM IS IN ACCORD THAT THE TRENDS ARE IN THE WRONG DIRECTION, AND THAT PORTUGAL SIMPLY CANNOT BE CHECKED OFF AS A PROBLEM SOLVED.

6. THE MAJOR POLICY OBJECTIVES IN PORTUGAL ARE AT RISK:
- PORUGAL'S FULL PARTICIPATION AS A MODERN DEMOCRATIC STATE IN THE NATO ALLIANCE AND THE WESTERN COMMUNITY; AND
  - CONTINUED ACCESS TO PORTUGUESE BASE FACILITIES, ESP. LAJES, IN SUPPORT OF OUR LARGER STRATEGIC INTERESTS IN THE MIDDLE EAST AND ELSEWHERE.

THIS EMBASSY HAS CONSISTENTLY ARGUED THAT A MODEST MILITARY ASSISTANCE PROGRAM REMAINS ESSENTIAL TO BOTH OBJECTIVES. WE THEREFORE BELIEVE THAT BOTH OBJECTIVES HAVE BEEN JEOPARDIZED BY THE DECISION TO TERMINATE GRANT MILITARY ASSISTANCE UNRELATED TO LAJES AFTER FY-80 AND ALL MAP AFTER FY-81. THE REMAINING MAP IS NOT ENOUGH TO COMPLETE THE BARE MINIMUM OF THE ARMY AND AIR FORCE REQUIPMENT PROGRAM AGREED UPON BY NATO MEMBERS IN 1976, MUCH LESS MAKE A START ON NAVY NEEDS. IN LISBON 5530 (JULY 1978), I SET FORTH THE BASIC RATIONALE FOR A CONTINUED MILITARY ASSISTANCE PROGRAM BEYOND FY-79 IN ADDITION TO THE LAJES QUID. THAT RATIONALE IS THAT THE PORTUGUESE MILITARY WILL CONTINUE FOR SOME YEARS TO COME TO BE A MAJOR FACTOR IN DETERMINING POLITICAL OUTCOMES HERE. THEY NEED A MINIMUM AMOUNT OF EQUIPMENT TO ENGENDER SELF-RESPECT AND BELIEF IN A NATO-ORIENTED INSTITUTIONAL FUTURE, EQUIPMENT THAT THE COUNTRY'S ECONOMIC DIFFICULTIES SIMPLY MAKE IT IMPOSSIBLE FOR THEM TO ACQUIRE WITHOUT U.S. HELP. THE PROBLEM IS MOST ACUTE IN THE AIR FORCE AND THE NAVY, THOUGH EVEN IN THE ARMY THE NATO "BRIGADE" WILL STILL ONLY BE PARTIALLY EQUIPPED BY 1980.

7. OBVIOUSLY, NO LEVEL OF ASSISTANCE WILL GUARANTEE THE SURVIVAL OF PORTUGUESE DEMOCRACY. NOR WILL THE MILITARY OVERTHROW DEMOCRACY JUST BECAUSE ASSISTANCE IS ENDED. BUT THE MILITARY'S ATTITUDE CAN BE DECISIVE IF THE POLITICAL SITUATION CONTINUES TO DETERIORATE AS IT HAS OVER THE PAST YEAR—AND THERE IS A REAL POSSIBILITY THAT IT WILL. IN THESE CIRCUMSTANCES, IF THE MILITARY HAVE LOST THEIR BELIEF IN THEIR INSTITUTIONAL FUTURE THEY ARE NOT LIKELY TO BE SOURCE OF STABILITY, A ROLE THEY HAVE PLAYED SUCCESSFULLY FOR THE PAST SEVERAL YEARS. THUS, OUR PROPOSALS ARE NOT "BUYING OFF THE MILITARY". THE MILITARY ARE NOT ASKING TO BE BOUGHT, THEY ARE ASKING FOR THE ESSENTIAL TOOLS TO MAKE THEIR NATO ROLE A CREDIBLE

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ALTERNATIVE TO THE THIRD-WORLD ROAD ADVOCATED BY SOME IN THE ARMED FORCES--AND IN THE COUNCIL OF THE REVOLUTION--WHO WOULD LIKE TO GRAB THE DRIVER'S SEAT. IF OUR MILITARY ASSISTANCE POLICIES ALIENATE OR DEMORALIZE THE MODERATE MILITARY, WE COULD CONTRIBUTE TO A COALESCING OF LEFTISTS AND MODERATES AROUND A NON-NATO, NEUTRALIST POSITION.

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USMISSION USNATO 3970  
USNMR SHAPE BE  
USCINCEUR VAHINGEN GE  
WHITE HOUSE (SIT ROOM) WASH DC  
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SECRET SECTION 3 OF 3 LISBON 2631

8. I HAVE HEARD THAT SOME IN WASHINGTON HAVE ASSERTED THAT THE PORTUGUESE WERE ACTING LIKE "RUG MERCHANTS" ON THE LAJES QUID. THIS IS SIMPLY NOT TRUE. SUFFICE IT TO NOTE THAT THE GOP IS NOT ATTEMPTING TO SQUIRM OUT OF ITS ACCEPTANCE OF OUR PROFERRED LAJES QUID, EVEN THOUGH ITS ASSENT WAS GIVEN ON THE ASSUMPTION THAT MAP WOULD CONTINUE OVER AND ABOVE ANY QUID.

9. THE LAJES QUESTION BRINGS ME TO A POINT ABOUT WHICH WASHINGTON SHOULD BE MIGHTILY CONCERNED EVEN IF MY FEARS FOR POLITICAL INSTABILITY ARE DISCOUNTED. WE SHOULD RECOGNIZE THAT AT A LOW COST WE ENJOY A UNIQUE ASSET IN LAJES-- AN EXTREMELY USEFUL, STRATEGICALLY-LOCATED BASE FOR BOTH RE-SUPPLY AND ASW OPERATIONS AND, MOST IMPORTANT, ONE ON WHICH UP TO NOW THE PORTUGUESE HAVE PLACED NO POLITICAL RESTRICTIONS AS TO ITS USE. OUR INTENTION TO TERMINATE MAP HAS ALREADY GENERATED STRONG REACTIONS WITHIN THE PORTUGUESE ARMED FORCES WHICH, IF NOT COUNTERED, WILL CHANGE ALL THAT. WITHIN MILITARY COUNCILS, AF CHIEF OF STAFF LEMOS FERREIRA HAS QUESTIONED THE U.S. COMMITMENT TO PORTUGAL, WHILE ASSERTING THAT NON-NATO SPAIN WAS GETTING A BETTER DEAL. HE REFERRED DIRECTLY TO THE LAJES BASE. THE ASSUMPTION THAT THE U.S. HAS GOTTEN A GREAT DEAL FOR VERY LITTLE COULD GAIN GROUND RAPIDLY IN THE FRAGILE DOMESTIC POLITICAL SITUATION. PRESIDENT EANES FOR ONE SEEMS TO BE UNWILLING TO TANGLE WITH THE AF CHIEF. WHEN IN MY LAST CONVERSATION WITH HIM I MENTIONED LEMOS FERREIRA'S VEILED WARNING ABOUT OUR USE OF BASE FACILITIES,

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EANES WAS NOT REASSURING, AS HE WAS NOT IN HIS LATER CONVERSATION WITH GENERAL HAIG. NOR IS THE DIILLUSIONMENT CONFINED TO THE AIR FORCE. BOTH EANES AND ADMIRAL SOUTO CRUZ HAVE EXPRESSED TO ME THEIR CONCERN WITH THE EFFECT ON THE OTHER TWO SERVICES.

10. IN MY JUDGEMENT, TERMINATION OF THE MAP WILL HAVE THE FOLLOWING CONSEQUENCES:

- OUR ABILITY TO USE PORTUGUESE FACILITIES FOR STAGING OPERATIONS FOR THE MIDDLE EAST (LIKE "PRIZED EAGLE") WILL BE DIMINISHED. WE FORESEE DELAYS AND POSSIBLY OUTRIGHT REFUSALS TO ALLOW USE OF LAJES FOR MIDDLE-EASTERN OPERATIONS.
- THE PRICE TAG ON LAJES (FOR WHICH WE WILL HAVE TOO BEGIN RENEGOTIATION IN 1982) WILL INCREASE DRAMATICALLY WHEN THE PORTUGUESE CONCLUDE THAT THEIR FORTHCOMING FRIENDLY POSTURE IN THE PAST HAS NOT PRODUCED ADEQUATE RESULTS IN MILITARY ASSISTANCE.
- THE INFLUENCE IN THE ARMED FORCES AND IN THE POLITICAL ARENA OF MODERATES LIKE PRESIDENT EANES AND OTHER PRO-NATO OFFICERS WILL DECLINE JUST AT A TIME WHEN PORTUGAL IS ENTERING ANOTHER PERIOD OF POLITICAL TENSION AND UNCERTAINTY.

11. WE HAVE COME A LONG WAY SINCE 1976 IN NURTURING THE DEVELOPMENT OF PORTUGUESE DEMOCRACY AND PROTECTING OUR OWN STRATEGIC INTERESTS--BOTH OF WHICH CONVENIENTLY COINCIDE. TO GIVE UP THE GAME NOW--EITHER BECAUSE WE THINK THE LAST HAND HAS BEEN PLAYED OR TO PURSUE FALSE ECONOMIES--IS TO IGNORE OUR OWN LONG-RANGE INTERESTS. AS FOR SPECIFIC FUNDING LEVELS I REMAIN CONVINCED, AS I HAVE BEEN ALL ALONG, THAT IN ADDITION TO THE LAJES QUID 30 MILLION DOLLARS IN MAP THROUGH THE MID-80S REMAINS THE BARE MINIMUM NECESSARY. A COMMITMENT BY THE ADMINISTRATION TO SEEK CONGRESSIONAL FUNDING AT THOSE LEVELS WILL PERMIT THE AIR FORCE TO PLACE AN ORDER FOR A SHORT F-5 SQUADRON AND WILL GIVE THE ARMY AND NAVY ASSURANCE THAT THEY WILL NOT BE LEFT HIGH AND DRY AFTER 1981.

12. I ASK THAT THE DECISION ON MILITARY ASSISTANCE FOR PORTUGAL BE REOPENED TO LOOK AT PORTUGUESE AND U.S. NEEDS THROUGH THE MID-1980S. U.S. STRATEGIC INTERESTS HERE ARE IMPORTANT. THE PRICE TAG FOR SAFEGUARDING THEM IS NOT EXCESSIVE.

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