MEMORANDUM OF CONVERSATION

PARTICIPANTS: The President
Congresswoman Margaret Heckler
Mr. Joseph E. Fernandes
Dr. Julio V. d'Oliviera
Mr. Richard S. Aldrich
Lieutenant General Brent Scowcroft
Dr. Theodore C. Marrs
Mr. A. Danie Clift, NSC

DATE AND TIME: Tuesday, September 9, 1975
5:10 - 5:34 p.m.

LOCATION: The Oval Office

SUBJECT: Developments in Portugal

President: I'm delighted to see you. Won't you all please sit down.

Congresswoman Heckler: Thank you, Mr. President. We're very pleased to be here for this meeting. We are here, in fact, for Mr. Joseph Fernandes who is a leading representative of the Portuguese community in the United States -- and, I might add, a very good Republican.

Mr. Fernandes is the leader of the Portuguese community in my district. Dr. d'Oliviera, President of the Portuguese-American Federation of the United States, represents the largest Portuguese-American organization in the country. This meeting has come about because of the concern which my constituents have expressed publicly and privately. They are not here, however, just to express concern. They want to present you with carefully thought-through views.
President: I'd be pleased to hear them. Let me say, Margaret, that I have been very outspoken in indicating my attitude on the direction in which the Portuguese Government is drifting. In Brussels, in my discussions with the other NATO leaders, I indicated that I would oppose a Communist government in Portugal as a member of NATO. Of course, we have to be careful not to give the appearance of intervening in Portuguese affairs. However, when we met in Brussels with Prime Minister Goncalves and the Admiral -- who is he, Coutinho, the red Admiral...

Fernandes: ...yes, the red Admiral...

President: ...and Antunes' deputy were there. We spoke very frankly. I also saw Schmidt, Giscard and others, and I told them that we are willing to work with them in making certain that democratic forces in Portugal have the leading role. The Communists, as I recall, got no more than 12 or 13 percent of the vote. The others got the remainder. We've been watching the ebb and flow of events in Portugal over the past many months. Nothing could please me more than to see further progress along the lines of the developments of the last 12 days.

Congresswoman Heckler:

President: You want us to be more active?

Congresswoman Heckler: I don't support activity such as assassinations. But espionage is important considering some of the countries we are dealing with.

President: That's right. When you look at how the Soviet Union operates, we're playing in the Big Leagues.

Fernandes: Mr. President, many lives also have been saved by the CIA.

President: We're not going to let Congress destroy the CIA.
Fernandes: In this connection, Mr. President, one of the greatest critics of the CIA is Representative Harrington who I am sad to say is from Massachusetts. We do not support his views, and I am happy to say that he has been properly reprimanded.

President: That's encouraging.

Congresswoman Heckler: Mr. President, you have my support for your policies as stated in your address to the American Legion convention.

I represent hundreds of thousands of Portuguese-Americans. Here is a resolution (shows the President a document) which I co-sponsored. That was before your Helsinki trip. There is a very large community of interest on this issue in America.

President: (to Mr. Fernandes) I would be glad to hear your suggestions.

Fernandes: Here are the suggestions I would like to leave with you, Mr. President (hands President documents, Tab A). We would like you to assume a strong role in expressing the views of the United States relating to Portugal. The Portuguese look to you, Mr. President. The Portuguese-Americans are clinging by their fingernails. The situation needs just a little to tip it over in the right direction.

We have evidence that the Socialists are considering a compromise with the Communists. No one can reach a compromise with the Communists; that's not the way they do business. This must be kept in mind. Word should go from the White House to the democratic forces in Portugal. If they have encouragement, they will rebel. Of course, there are demonstrations by the moderate parties, but unless they receive support and encouragement they will lose interest. The church is the last thing the Communists want to attack. But they are close, and if the church goes, Portugal goes -- and then maybe Spain and who knows what else in Europe.

President: When I was in Rome earlier this year, I had an audience with the Pope, and I talked personally with him about the need for a strong position on Portugal. Many European leaders are concerned. I believe the Socialist Parties in Europe just had a conclave in...

General Scowcroft: ... in Stockholm...

President: ... to bolster Soares. We have a very good Ambassador in Lisbon.
Fernandes: Yes, he is very courageous.

President: I am also pleased that the Portuguese Air Force and Army have taken the position they have, although as an ex-Navy man, I am sad that their Navy has not done better.

I can assure you that through government action we are doing everything we can to encourage and assist the democratic forces. In the foreign aid bill, we are authorizing a sum of money which appears to coincide with the figure you mention in your letter. In Angola, we have made available $5 million for the airlift. We tried to exert a little leverage there; I don't know if it had an effect.

We are concerned about the Azores, too. Lajes is of very great importance. We have to be careful at this moment with the Portuguese going from a Communist government under Goncalves to a democratic government -- we can't take action that might undercut the new government. If the Azores should go for independence now, it would be an adverse reflection on the new government.

Fernandes: We agree.

President: We would have been happy if it had happened under the Communist government, but with a better Portuguese government, care is required.

Fernandes: Mr. President, a committee is being formed, the American Committee for a Free Democratic Portugal.

President: Good.

Fernandes: George Meany, a strong anti-Communist, will be involved. On Friday, he'll make an important speech about Portugal in San Francisco. In Portugal, in the votes in the unions, more than 70 percent have voted against the Communists, and the American labor movement is concerned.

President: It would be helpful if Meany and the AFL-CIO could get some people over there.

Fernandes: Mr. President, would you receive the committee when it is formed?
President: My inclination is yes. Let me first look at the list. We have to relate this to the right time for the Portuguese government.

Fernandes: One other request, Mr. President. At the appropriate time, would you make a major statement against Communist tyranny in Portugal?

President: I think it would be better to be on the affirmative side and look at the improving democratic situation.

Congresswoman Heckler: I agree, Mr. President. Can you make a statement?

President: We'll look at this material that you have given us.

Congresswoman Heckler: Most of my constituents are Azoreans. We would hope that when the United States gives financial assistance there could be an equitable distribution by the Portuguese to the Azoreans.

Aldrich: Mr. President, with reference to your euphoria over developments in Portugal during the last ten days, the Portuguese I have spoken to seem to think that what has happened is disastrous. We are still faced with the prospect of Communists in the government. Iceland is the only place this has happened before in NATO, and I don't think it is good.

President: We would prefer not to have the Communist element, and I would not say I'm euphoric.

Aldrich: No, no, happy, then.

President: We are pleased by the trend, and I admire that General in the North. I can't think of his name at the moment.

General Scowcroft: We are working on this, Mr. President, the problem of Communists in the coalition. We're working on it with our European friends.

d'Oliveira: I would like to add, Mr. President, that the world is watching not only Portugal, but also the United States.
President: I think you all would be interested to know that in my speech to
the NATO conference, I was the only one who spoke out -- with Goncalves
and his assistant in the room -- on the problem of Communism in Portugal.
We have taken the lead. We have also gotten the West Europeans to move.
They didn't seem to understand the significance of a Portuguese government
being dominated by the Communists.

We'll continue our efforts. Thank you all. I'll take a look at your material.

* * * * *
In reference to the letter dated September 9, 1975 to President Gerald R. Ford by Joseph E. Fernandes Dr. Julio d'Oliveira Dr. Manuel Antunes de Siva

SUBJECT: Current and Political Developments in Portugal

1. A committee is being established entitled "American Committee for a Free Democratic Portugal". This committee is being endorsed by a good cross-section of Americans, including major leaders of the AFL-CIO. Would you, Mr. President, receive the committee when it is formed?

2. Whom should we contact in the Executive Branch in pursuit of our goals for a free democratic Portugal?

3. We will appreciate a major policy statement by you, Mr. President, or the Secretary of State in support of the Portuguese people against the Communist takeover as soon as possible.

4. Our committee welcomes any suggestions by the Executive Department and our group would be delighted to make specific recommendations if requested.
September 9, 1975
The President
The White House
Washington, D.C.

Dear Mr. President:

We are profoundly grateful to you for your favorable response to our request for this meeting to discuss Portugal and current Portuguese affairs.

Mr. President, the position and posture of the United States, leader of the free world, with respect to current political developments in Portugal has become a matter of great concern to Portuguese-Americans and, indeed, to the Portuguese people -- particularly in view of the President's remarks following the Helsinki Conference and Secretary of State Dr. Henry Kissinger's remarks on innumerable occasions.

The results of the elections in Portugal on April 24, 1975, were a clear manifestation that the Portuguese people overwhelmingly reject Communism and Communist dictatorship. The struggle of the freedom seeking large majority of the Portuguese people, at times not without violence, is a clear signal and unequivocal proof of their determined desire for democracy. It is our belief that the struggle in Portugal is of extreme importance to Democratic institutions throughout the Western World and should not be underestimated. Should a Communist takeover succeed in Portugal, it will most certainly have the effect of an opening wedge for Communism in Western Europe with its dire implications to all the Americas.

Given the erratic and fluid nature of the political scene in Portugal and, taking into account our own domestic problems, we feel that the following suggestion should be carefully considered and given priority action:

1. A declaration by the President of the United States expressing his deep concern followed by an offer of assistance to a democratically constituted government.

2. The proposed assistance or development plan should be of such a dimension as to make the effort of the Portuguese people to achieve democracy every bit worthy of their sacrifices and struggles.

Currently, fifty million dollars are available in the form of A.I.D. funds ($25,000,000.00 for Continental Portugal, and $25,000,000.00 for its former colonies). These sums, in our opinion, are grossly inadequate. A study of the six year development plan as envisaged and prepared by the last government prior to the revolution of April 25, 1974, shows how inadequate this amount will be. Inasmuch as Portugal still has substantial gold reserves, we suggest a broadly based package consisting of a combination of grants, aid, and loans,
in the latter of which the government of Portugal would not only participate but guarantee the repayment. This package should be made available to a government which is willing to accurately reflect the realities indicated by the results of the last election. It could be, Mr. President, that special consideration should be given to the Azores, depending on the course of events in Portugal, at the appropriate time during economic negotiations. The offer should be substantially larger than the one hundred twenty-five million dollars which has been earmarked by the EEC as a first step in helping Portugal absorb the loss of her dependencies and the resulting internal disruption. By withholding these monies, the EEC has obviously reflected its concern with the possibility that Portugal might turn to Communism.

Obviously, we share the same concern and our conditions should be identical in purpose. Iceland has been the only NATO country to permit Communist participation in its government. Our offer to Portugal should be discreetly conditioned by the proviso of no Communist participation in the Portuguese government.

There is some evidence to suggest that the left of center democratic parties in Portugal, in order to achieve a certain political peace, have compromised with the Communists. A development plan, as we have described, discreetly and immediately carried forward by our diplomatic representatives, in consultation with the leaders of these parties, could do much to forestall such a merger with Communist interests. Ideally, this should be done before a new government is constituted.

Those leaders with full knowledge of the contents of such an offer and being cognizant of their responsibilities to the people could thereby offset initial military pressure to compromise. We know that the Communist Party in Portugal, on instructions from Brezhnev, has changed its tactics to accomplish such an immediate association with the Socialist Party. Heretofore, the Communist leadership, to the consternation of the party in other European countries, has maintained a position of no compromise.

A government program, such as we have indicated, should also be implemented by a similar effort in other circles in this country. We foresee mobilizing the Portuguese-American community together with elements of the United States labor and business communities in a drive to raise funds in this country for purposes allied to their own interests. We need only look at the United Jewish Appeal and its efforts to see what can be done by a dedicated segment of our population when the cause involves survival.
As a point of emphasis, Mr. President, we direct your attention to the situation of the Angolan refugee returning to his mother country after having suffered untold indignities, as well as the violation of his home, his property and his honor. The Portuguese citizen feels he has been betrayed by some of those currently holding power in Portugal. These refugees, to which we refer, number more than a quarter million people fleeing for their lives -- abandoning their homes, their farms, their businesses -- all in response to the call of an ideological revolution whose principles have been betrayed. It represents a tragedy unparalleled in African history. The United States has responded, but again in a less than meaningful dimension. Instead of 10,000 refugees, let's lift 100,000 and follow their lives in their home country by providing things of worth -- not improvised solutions.

For these purposes, direct help with controls to preclude the possibility of any diversion of the appropriated resources has to be a key element in this as well as any program. Such a program properly administered would reach the hearts, souls and stomachs of a large segment of the Portuguese population. Thus reinforcing the natural anti-Communist desire of these brave people. They have been betrayed by the representatives of the present Portuguese government who were tools of Soviet subversion in Angola. You, Mr. President, have an unique opportunity to restore their faith in the processes that our country will venerate in 1976.

Very respectfully yours,

Margaret M. Heckler
Member of Congress

Joseph E. Fernandes
Founding President, Portuguese-American Federation of the United States

Dr. Julio V. d'Oliveira
President, Portuguese-American Federation of the United States
The President  
The White House  
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carried forward by our diplomatic representatives, in consultation with the leaders
of these parties, could do much to forestall such a merger with Communist interests.
Ideally, this should be done before a new government is constituted.

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September 9, 1975

Page Three

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Very respectfully yours,

Joseph E. Fernandes
Founding President, Portuguese-American Federation of the United States

Dr. Julio V. d'Oliveira
President, Portuguese-American Federation of the United States

Dr. Manuel Luciano da Silva
Past President, Portuguese-American Federation of the United States
Chaos in Portugal

Just about the only clear fact emerging from the political turmoil which has been raging in Portugal is that Communists will use any subterfuge — however outrageous — to attempt the takeover of any country where they have the slightest chance of success.

This was pointedly demonstrated when Gen. Vasco Goncalves, strongly opposed for his Communist leanings by the vast majority of the nation's moderate political and military forces, late last week was dismissed as premier in an ill-advised attempt to mute criticism.

The dismissal was ordered by President Costa Gomes, who says he wants conciliation but constantly seems neutral on the Red side. In this case he showed it by "demoting" Gen. Goncalves to chief of staff of the armed forces — a position potentially more powerful than the office of premier.

As head of the army, Gen. Goncalves could advance radical-minded officers over moderates. More immediately alarming to the United States, he would have full access to details of our vital military bases in the Azores and a key role for wrestling to end Portugal's membership in NATO.

The job transfer ploy was so patently a phony that non-Communist military leaders have almost en masse refused to accept Gen. Goncalves as their leader and public anti-Red rioting has backed them up. As a result, Gen. Goncalves has yet to be sworn in to his new appointment.

For almost a week the possibility of a civil war has gripped the predominately-Catholic country, causing the nation's Communists and their allies in the army to back away from an all-out showdown.

Right now it appears that the army Communists, who have succeeded in collecting and centralizing power far out of proportion to their numbers, will proceed more cautiously with their takeover plans. But anything may happen, at any moment.

What is especially notable about the Portuguese power struggle is that the Communist party got only about 14 percent of the vote in a free election last April. Anti-Communist Socialists and the Popular Democrats got 64 percent.

It is thus undeniable that the Portuguese people as a whole want no part of Communism. They have a passionate desire for some kind of democratic solution to their problems. So far they have been thwarted by a small, well-organized and ruthless minority.

Whatever happens in Portugal in the days ahead, only the most ardent dedication to their ideal will halt the Communist advance.

Once the Communists get a good toe hold on a country, they never give up without the bitterest of struggles — as recent news from Portugal demonstrates.
MEMORANDUM FOR GENERAL SCOWCROFT
FROM: Mr. Clift
SUBJECT: Memorandum of Conversation: President's September 9 Meeting With Portuguese-American Representatives

The memorandum of conversation at Tab I is forwarded for your review, approval and inclusion in the President's Files.

RECOMMENDATION

That you approve the memorandum of conversation at Tab I.

APPROVE OTHER

SECRET/NODIS/XGDS