

"MONEY TO SUPPORT THE WAR DOES NOT FALL FROM THE SKY."

(Samora M. Machel, FRELIMO President)

to CFM delegation, Dar es Salaam, 8/71.

AN ANALYSIS OF THE RECENT AZORES AGREEMENT

On December 10, 1971 the Nixon Administration signed an executive agreement with Portugal granting the U.S. military certain base rights in the Portuguese Azores in return for a huge U.S. aid package totalling \$436 million over the next two years. In direct terms the U.S. will provide Portugal with:

- -- \$15 M. in P.L. 480 agricultural commodities (2 years)
- -- \$1 M. in educational development programs
- --\$5 M. in drawing rights for non-military excess equipment
- -- \$400 million in Export-Import bank loans and guarantees for development
- -- the loan of a hydrographic vessel at no cost
- -- the waiver of Military Assistance Advisory Group payments (\$350,000) for the MAAG to Lisbon.

In his letter to CFM, President Samora Machel states FRELIMO's basic understanding of the agreement: "Certainly they will tell us that the American economic aid has no bearing on the war, even though the colonialist, who spend more than 1.5 millions a day on the war, are the first to confirm that their economy is in a critical state."

He also says, "Money to support the war does not fall from the sky. The only source of that money is economic activity, and thus we are forced to conclude that the recent economic agreement between the United States and Portugal is a deliberate act on the side of the American imperialist to prolong the colonial war and consequently gain time to create favourable conditions for a future direct intervention of imperialism."

The meaning of the U.S.-Portugese pact in human terms was starkly shown at the U.N. a few days before the agreement was announced. Mr. Gil Fernandez of the PAIGC (the liberation movement of Guinea/Bissau and Cape Verde) testifying there brought two of his countrymen, victims of the Portuguese armed forces which Nixon supports. Mr. Sambe Tambate was burned head to foot by napalm from a Portuguese plane and Mr. Sambe Fona had both his ears cut off by a Portuguese captain and was left for dead.

In his testimony Mr. Fernandez said: "We have created schools, built hospitals and set up tribunals and other institutions which one may find in any independent state." This reflects the progress achieved by FRELIMO and MPLA of Angola as well, which the Portuguese will continue to try and crush with the vast new resources provided by the United States.

Opposition to the deal came most dramatically from Congressman Charles Diggs (Chairman of the House Sub-Committee on Africa) who resigned from Nixon's delegation to the U.N. on December 17 in direct protest against the pact. He prepared a lengthy policy statement documenting the growth of overt Administration backing of Portugal as well as calculated moves to support racism and colonialism in other parts of Southern Africa. In the Senate, Republican Clifford Case of New Jersey has introduced a resolution calling for the pact to be submitted as a treaty to the Senate for ratification and that any economic aid to Portugal must be affirmed by the House and Senate. The resolution is co-sponsored by Senators Javits, Symington, Fulbright and Church, and hearings on it will open in the Senate Foreign Relations Committee at the end of January or early in February.

In Zambia, President Kaunda opened a five-day conference on African-American relations (sponsored by the African American Institute and the Johns Hopkins School of International Affairs, and financed by the Ford Foundation and the Carneigie Corporation) by warning of the "dangerous developments" in Southern Africa including the implications of the Azores Pact.

QUOTE OF THE MONTH: "We can be responsible partners in the world community. And in this Christmas season, with these Christmas flowers and on this island with the Christmas name, Jesus Christ, we can think of a world which we hope will be a peaceful world.

. . There would be no better Christmas present for the world than to have a meeting such as this . . . " (President Nixon toasting P.M. Caetano and Pres. Pompidou in the Azores, Dec. 13, 1971).

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A thorough perspective on the accord was provided in a statement from Congressman Diggs' office which was sent to the Administration and signed by 18 Congressmen. The \$436 million figure of aid must be seen in relation to other grants. The total Exim Bank loans available to all of Africa from 1946 to 1970 amount to less than \$358 million, and the total of long-term economic loans to Europe in the same period was only \$753.7 million. And Portugal in that period received less than \$50 million from the Bank. Further the projected loans to Portugal will represent about 10% of the annual average commitments to all countries by the Exim Bank in the last few years.

Diggs also noted that with Portugal's trade deficit now almost \$500 million, it is clear that its ability to carry on the wars against the people of Angola, Mozambique and Guinea/Bissau hinges on Nixon's \$436 million aid package. This amount is more than half of the total U.S. dollar flows to Portugal, for in 1969 the International Monetary Fund figures show that dollars going to Portugal and its colonies were \$413. So the Nixon pact more than doubles this to nearly \$1 billion per year.

In terms of the "low profile" strategy, the aid supports the Portuguese forces in Africa by freeing Portuguese funds for military expenditures (the Portuguese military budget is \$400 million annually). The U.S. loans will allow Portugal to meet its domestic needs sparing the choice between "guns and butter" that the U.S. has faced in Viet Nam.



Nixon had a diplomatic meeting with Pompidou in the Azores hosted by Caetano on December 13 - 3 days after the new pact was agreed upon. Sec. Rogers and F.Min. Patricio worked out the details at NATO meetings in Brussels.

The anomaly of the Nixon move must be seen as well in light of the diminishing U.S. funds available for foreign aid due to the internal economic crisis. And as the Diggs' statement says it should also be contrasted to the claimed scarcity of monies to aid Black business in this country.

And it is particularly important that the military value of the Azores does not seem to be of overriding importance to the U.S. A New York Times editorial of Dec. 9 notes that the Azores is not "essential for American or NATO defence. The bases /Azores and those in Spain are conveniences, not necessities in an era of nuclear submarines and long-range jet bombers." Commentor Bruce Oudes writing in Newsday (1/1/72) notes that the aid to Portugal is 50% larger than the deal with Spain and "was readied without so much as a promise by Lisbon to undertake negotiations to end its three African wars . . . Absent as well was the usual proforma plea by the U.S. in favor of self-determination in 'Portuguese'Africa." Plus parts of the pact could be open-ended, including the PL 480 loans and already the millions for excess equipment is not the maximum ceiling of the loan.

Aside from considerations of long-term U.S. strategy in Southern Africa, what Nixon and his planners are facing is the rapid deterioration of Portugal's control in Africa, even after the colonial power launched massive offensives and publicized unprecedented victories. Paul Dodd, writing from Cape Town in the Christian Science Monitor says that "The struggle being waged by black guerrilla movements to overthrow the white ruled countries in southern Africa is reaching a new and decisive stage. . The Portuguese stand in danger of losing this undeclared war in both its southern provinces (sic). There the guerrillas now control vast areas of the countryside, with the Portuguese concentrating on defending the towns." FRELIMO's successes in Tete witness this.

Nixon's meeting with Pres. Pompidou in the Azores, hosted by Caetano, was "an important political favor" for Portugal in its European context of entry into the Common Market. Caetano noted that the pact was better than possible ones with other countries and said that "We are helping the United States . . . and it is right that the U.S. should help us . . ".(NYT, 12/20 and Le Monde, 12/20). Nixon's political pat on the back to Portugal came soon after an OAU delegation met with him to urge no more aid to Lisbon.

The idea that Southern Africa may be the "next Viet Nam" is misleading. It is already another Viet Nam, though U.S. involvement has not been so open. The new pact underlines how difficult the "low profile" has become to maintain, with Portugal being bled white by the wars. In strategic terms the new pact can be seen as part of the general U.S. interest in maintaining the status quo or influencing the course of change in Southern Africa (a strategy which involves the U.S. Atlantic/Indian Ocean policies). The U.S. will support change only on its own terms which can be seen not only in terms of short-run economic interests (although significant enough) but also in terms of long-term U.S. political and economic interests in Africa as a whole, in which a stable, economically strong Southern African bloc which is at the same time a staunch ally of the U.S. would be a vital part. The fact that "stability" or "gradual change" means the continued subjugation of the African majority in Southern Africa is clearly on secondary importance for the grand strategists in Washington.