1 4 JAN 1966

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT

: Portugal

National Policy Paper

- 1. Paragraph 5 recommends action by the Director; a memorandum for his signature is attached (Tab A).
- 2. The National Policy Paper on Portugal (Tab B) was prepared by the Policy Planning Council of the Department of State. Senior officers from the Directorate of Intelligence and from the Directorate of Plans represented the Agency in an interagency working group formed to contribute to the production of the paper. The Department of State has now requested formal clearance of Part One of the paper, which deals with US policy.
- 3. The attached draft of the paper has been reviewed within the Agency. This Directorate has no significant disagreements with intelligence judgments contained in the paper. The Directorate of Plans has no objection to the paper.

4. One purpose of this paper was to reconcile the conflicting views held in the African and West Europe bureaus of the Department

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of State concerning policy toward Portugal. That purpose has not been achieved; the paper includes a number of conflicting objectives (pages 5-7), and it refers several policy issues (page 1) to the Secretary of State for resolution. In effect, the paper introduces no significant changes in US policy toward Fortugal. It includes objectives and recommends courses of action intended to strengthen US-Portuguese ties, to increase Portugal's participation in EATO, and to insure continued US use of military facilities in the Azores and on the mainland. At the same time, the paper proposes that the US conduct its policy toward Portugal in such a manner as to bolster US and Western influence in Africa. To that end, it recommends that the US continue to support self-determination for Fortugal's African colonies and continue efforts to bring the Portuguese around to the view that they should initiate programs pointed toward self-determination for their oversees provinces.

5. Because of these inconsistencies and the resulting limited usefulness of the paper as a source of policy guidance, I recommend limiting concurrence to the intelligence judgments included in the paper and to those provisions bearing on US intelligence activities, as stated in the attached memorandum to the Chairman, Policy Planning Council, Department of State, drafted for your signature.

R. J. SMITH
Deputy Mirector for Intelligence

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