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AZORES

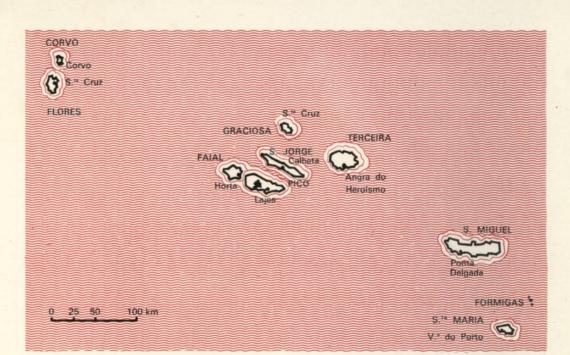


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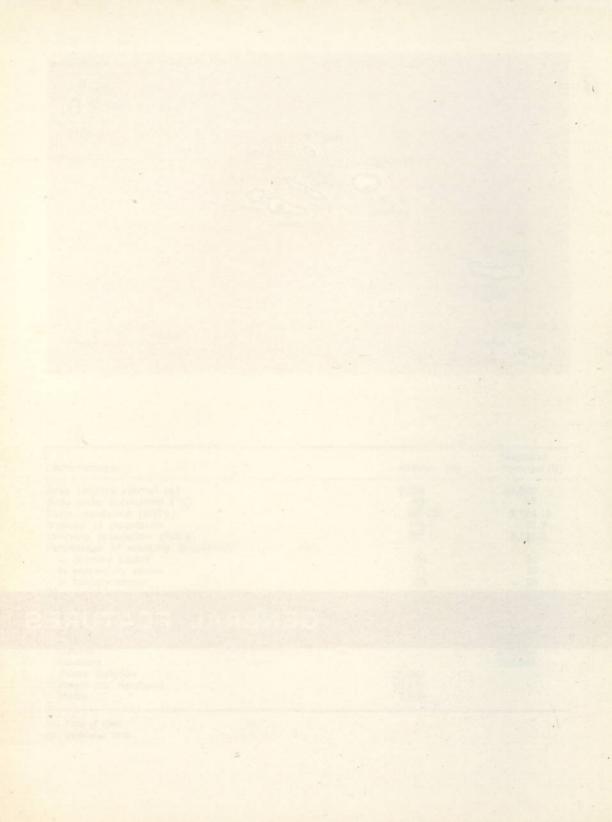


Characteristics	Azores (a)	Mainland Portugal (b
Area (square kilometres)	2,304	88,500
Area under cultivation (%)	43	47
Total population (000's)	291.28	8,124.19
Density of population	126.4	91.7
Working population (000's)	107.1	3,126.0
Percentage of working population		
in primary sector	60	32
in secondary sector	17	35
in tertiary sector	23	33
Degree of urbanization (%)	15.6	23.3
Rate of excess of births over deaths (1970)	11.01	7.97
Frequency of emigration (1970) (per 1000 inhabitants) Population of main towns (1970)	29	7.4
Lisbon		782,266
Oporto		310.437
Coimbra		108,046
Ponta Delgada	21,347	
Angra do Heroísmo	16,472	
Horta	7,600	

⁽a) Data of 1960.

⁽b) Estimates 1970.

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POSITION AND AREA

The Azores lie in mid-Atlantic at about equal distance from three continents, Europe, America and Africa. Their northern latitude varies between 36° 55′ and 39° 43′ and their longitude between 25° and 31° W.

There are 9 islands in the group: Santa Maria, São Miguel and the Formigas islets (forming the eastern group); Terceira, Graciosa, São Jorge, Pico and Faial (central group); and Flores and Corvo (western group).

Total area is 2,304 square kilometres (about 1,000 square miles), the biggest islands being São Miguel (288 sq. m.), Pico (169 sq. m.) and Terceira (155 sq. m.).

The general outline of the group led to one comment that it resembled an enormous aircraft-carrier permanently anchored in the Atlantic.







RELIEF

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The islands are all of volcanic origin but their morphological configuration is different, varying according to the type of eruption that created them. In almost all the islands eruptions are a thing of the past. But in 1957, near Faial, a new volcano arose, called 'Capelinhos', which thrust up an islet about 606 feet high, later destroyed by the sea. A further eruption recreated the islet and connected it to Faial. In the Azores nature has been generous in her gifts and capricious in their form. This diversity makes the archipelago an ideal spot for tourists: the craters of extinct volcanoes, like Caldeira dos Tambores, given the name because of the noise made there by the upsurge of water, and the magnificent Lagoa das Sete Cidades, a lake some 9 miles round formed by the craters of volcanoes, on São Miguel; the Caldeira do Enxofre, on Graciosa; volcanic peaks rising above 6700 feet (Pico); underground galleries and crevices of impressive depth; unexpected signs of volcanic activity like geysers and sulphurous gases, in the fine Furnas valley, also on São Miguel; thermal springs, rivers of lava from former volcanoes on which only the cluster pine will grow. Along the coast there are steep, jagged cliffs of black rock without the gentler note of golden



sand.

CLIMATE

The islands share much the same climate, characterized by the influence of atmospheric disturbances in the North Atlantic, a mild temperature in which there are only small annual variations because of the moderating influence of the sea, evenly distributed rainfall, even though there is a drop in precipitation in the summer months, and considerable humidity of the air.

The mildness of the climate has led to a popular joke that the inhabitant of the Azores does not need to change his clothing as winter approaches, even when the mountain peaks, like the one which gave its name to Pico Island (7500 feet), are covered with snow because of the altitude.

The chief nuisance to farmers is the strong winds which may occur at any season.



FLORA AND FAUNA

The flora is of the Atlantic type, conditioned by the climate. At the less accessible points of the islands there are large numbers of beech, gorse, laurel and cedar, the original covering of the islands, thinned out considerably later by man in his desire to introduce tropical plants like cane sugar, maize, sweet potatoes, which makes a sizeable contribution to local dietary habits, and the banana. New forms of cultivation were later brought in like tea, chicory, tobacco and pineapple (in hothouses). Cultivation takes place up to an altitude of 1330 feet.

Given the humidity of the air, with rare exceptions, and the rainfall, irrigation is unnecessary. Good natural pasture is favourable to stockraising, especially bovines.



OCCUPATION OF THE LAND

Settlement has always begun from the coast inland, and on all the islands is limited to low-lying land, which gives the islands their characteristic aspects of settlements along the coastline. The main towns and villages stand at positions with direct access to a harbour; when they were set up on the edge of the cliffs a way was made to the low-lying land ('fajā') where small boats could berth.

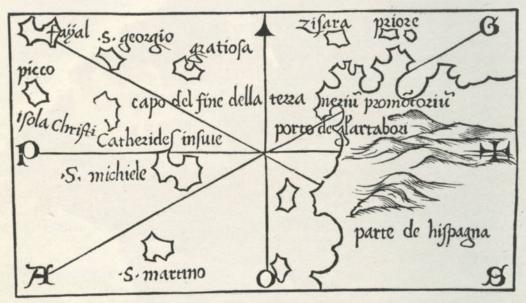
Human settlement often proved difficult because of the relief and the nature of the soil on some of the islands, which thus made cultivation difficult. It proved necessary to construct terraces to hold back the destructive floods which swept away the soil and destroyed crops. A further adverse factor has always been the salt-laden wind, since it hampers the farmers' work.

In spite of the economic and social conditions of the islands the total population is 291,280, with a high average density (126.4 per square kilometre). The most populous administrative district is Ponta Delgada (159,360), followed by Angra do Heroísmo (90,409) and Horta (less than 50,000). The main towns are at the same time the main ports on the islands: Ponta Delgada (on São Miguel, 21,347 inhabitants) and Angra do Heroísmo (on Terceira, 16,472).



BRIEF HISTORY

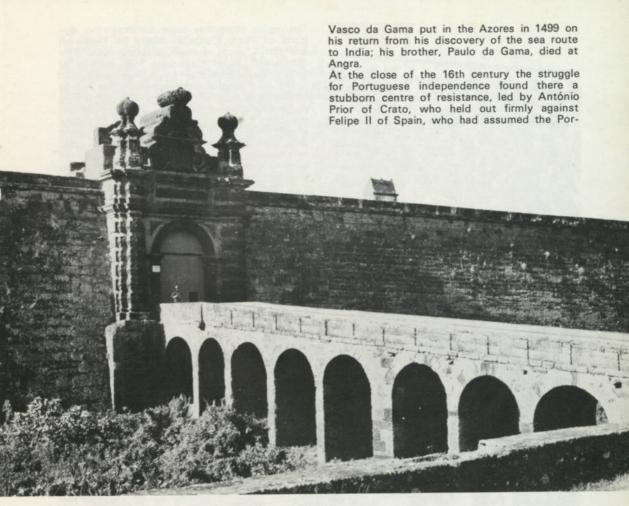
When Portugal set out at the beginning of the 15th century to learn the secrets of the sea over the distant horizon, enigmatic but tempting, it began to extend the limits of the then known world. To the south the navigators sailed down and round the Africa coast until they reached Asia; sailing west, through the mists of 'undiscovered ocean' they came across Madeira and the Azores. The islands of the Azores were discovered in 1427, with the exception of the most northerly, Flores and Corvo.



The archipelago of the Azores, in «Isolario di Benedetto Bordone», printed in 1534, at Venice

The first sailors to sight the Azores found islands covered with dense beech and cedar forests but no inhabitants. The settlement of the first seven islands, a task entrusted to Gonçalo Velho Cabral, began in 1439 but little is known of the origin of the first settlers to go there. Apart from noble families they were probably farm workers from Alentejo and Algarve provinces, Moors, Jews and foreigners, above all Flemings, who, down the centuries, were assimilated by Portuguese folk.

The earliest settlers went to live on the coast, near some creek or inlet, and as a result, due to the dense forests, the interior remained



São João Baptista Castle, at Angra do Heroismo (XVIth century)

inaccessible for scores of years. Until 1766 the Azores were divided into captaincies, governed by a leaseholder whose authority extended to all the islands. After that date a general captaincy came into being, based on Angra, on Terceira. In 1832 a prefecture was set up, later divided into three administrative districts, which still exist.

The islands form a nearby archipelago, distant from the Motherland, but they are part and parcel of our national history. As an outpost of Portugal the islands played an important part, not only in the work of sea expeditions, on the western route, but also on the voyages seeking the East Indies.

tuguese crown to form a dual monarchy. When national independence was restored the people of the Azores fought (1641-42) to be rid of Spanish domination.

When the 19th century brought the political upheavals arising from the struggle between the liberal and conservative factions, the Azores took the liberal side and supported Pedro IV.

In the course of the two major world wars of our century the Azores played a very important rôle for the Allies because of their position. The policy adopted was defined by the Portuguese Government, in the 1939-45 War, as one of 'collaborating neutrality'.

THE ECONOMY

The region comprises three administrative districts of Ponta Delgada, Angra do Heroismo and Horta, each of them covering more than one island. In all there is a high density of population, aggravated by a high excess of births over deaths, a factor which has led to considerable emigration, above all to the U.S.A. A consideration of the main geographical and economic factors of the islands leads to certain conclusions. Some of these are negative in their effect, such as the dispersion of the area, which calls for very great efforts to provide communications and the high percentage of the working population being engaged in agriculture. But there are positive potential aspects. such as:

- the favourable agricultural and livestock conditions of the area.
- the wealth in fish of the surrounding waters,
- the abundance of manpower,
- the geographical position at the crossroads of intercontinental communications.

MAIN SECTORS OF THE ECONOMY

THE SE CONTRACTOR SERVICE AND AND

About 60% of the working population are engaged in the primary sector, which immediately indicates a natural propensity towards making use of the region's natural resources. It is in fact agriculture, fisheries and livestock that offer the best returns and prospects in the economic panorama of the islands.

1. Agriculture is dominated by the essentially small-scale size of exploitation, most farms being run by their owners (40.1 %).

But the soil is extremely fertile. Crops may be divided into two groups, for subsistence and export. The main products are potatoes, sweet potatoes and maize in the first group; tea, tobacco, beetroots and pineapples in the second. The effort being made to industrialize pineapple cultivation is very important, and there are about 4,000 hothouses throughout the archipelago. The product is of high quality and is exported all over the world.

2. About 6.2 % of the working population in the primary sector are engaged in fishing. At the end of 1966 a total of 1,848 fishing boats were registered in the islands and the total value of fish landed that year was about 1 million dollars.

There are 45 whaling vessels and some 450 skilled whale-fishers. The significance of fishing for the secondary sector of the island economy, is thus considerable: eleven fish-canning factories produce fish products (canned fish, fish meal and oil, whale oil and a vast range of sub-products). Some





idea of the importance to the economy of this sector of industry may be got if we point out that of recent years the exports of canned fish products has accounted for 40.6 %

of total exports from the islands.

3. In the island economy livestock raising is the most progressive and profitable activity. In the first place this is because over half of the agriculturally utilizable area consists of pasture, the cost of using which is relatively low; on the other hand the abundance of manpower in the countryside meets all the needs of livestock raising; finally, there is a considerable number of bovines in the islands.

The result of these factors is a high cattle density, special emphasis being placed on the raising of bovine cattle, which accounts for about 84.6 % of the total number of animals.

Country	Head of all animals per 100 hectares of usable agrarian land	Bovines per 100 hectares of usable agrarian land
Denmark	140	106
Holland	162	156
France	60	59
Italy	49	43
Argentina	32	29
New Zealand	78	48
Portugal: mailand	48	21
Portugal: Azores	140	148

Production is divided almost equally between meeting local needs and exports.

But the Azores are not simply exporters of meat. There has in recent years been an important rise in milk production, so that the 1967 output has about 120 million litres, mostly directed to the milk foods industry. The production of dairy products is thus one of the most important industries in the islands, especially for butter, cheese and powdered milk, and together they account for 6.5 % of total exports.

4. The most important activities of the Azores are completed by a reference to arts and crafts, especially embroidery, hides and skins and rustic objects. Almost all the goods produced in this sector are exported and embroidery alone accounts for about 22.5 % of total exports from the islands.

Secondary activities include wine growing, various cereals, fruit and flowers.

Utilization of natural resources and potential implies the installation of a network of infra-structures able to increase the tourist flow.

FCONOMIC PLANNING AND PROSPECTS

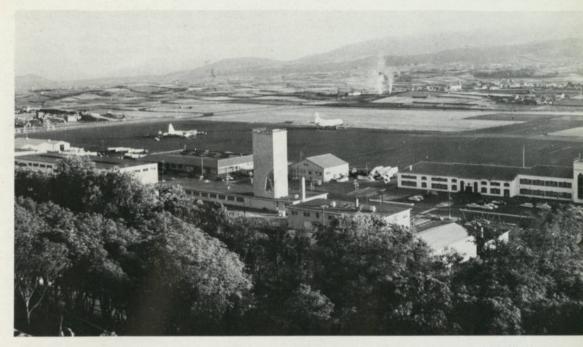
The first results have been satisfactory and sufficient to permit planning of further action in this sphere. For the present tourism is still in its infancy and, from the economic point of view, is complementary to the development of the group.

Part of the economic action to be taken is a solution of certain shortcomings which affect basic sectors. The apointment of committees, working and research parties and groups, within the general scheme of the Third Development Plan (1968-73), has led to the establishment of a list of general principles to be applied over the period up to 1973. These are:

- a) Intensification of the internal sea and air transportation networks, and with the outside world:
- b) Exploitation of fisheries and its potential;
- Siting in the Azores of an International Trading Centre.

It has been sought to adapt this series of principles to the more positive economic potential of the islands and also to their more pressing needs.





Lajes Airport

The investments programmed in the Third Plan for the Azores thus apply mainly to the transportation system, both as regards air transports and the development of the working conditions of sea connections. In view of the particular importance of transports for the island economy, considerable financing has been envisaged for 1971, amounting to an investment of about one million dollars in São Miguel Airport and half a million dollars in Horta Airport (Faial Island).

Similar sums are spent annually on the improvement and fitting-out of the island ports and harbours. The Plan allocates about one million dollars during 1971 for improvements to the ports of Ponta Delgada (São Miguel), Angra do Heroísmo (Terceira) and Vila do Porto (Santa Maria).

Meanwhile, under the Third Plan, large sums have been invested in the basic sectors of Health, Education and Housing. In 1968 the sums spent were about 2.7 % of total financing, and the larger portion went to Education, with about 12.5 % of the total.

The investments programmed under the Third Plan are to be conjugated with general economic policy measures, intended to intensify the rate of development in each sector. Projects are now being carried out, or studied, to set up a prospection and study of species of fish,



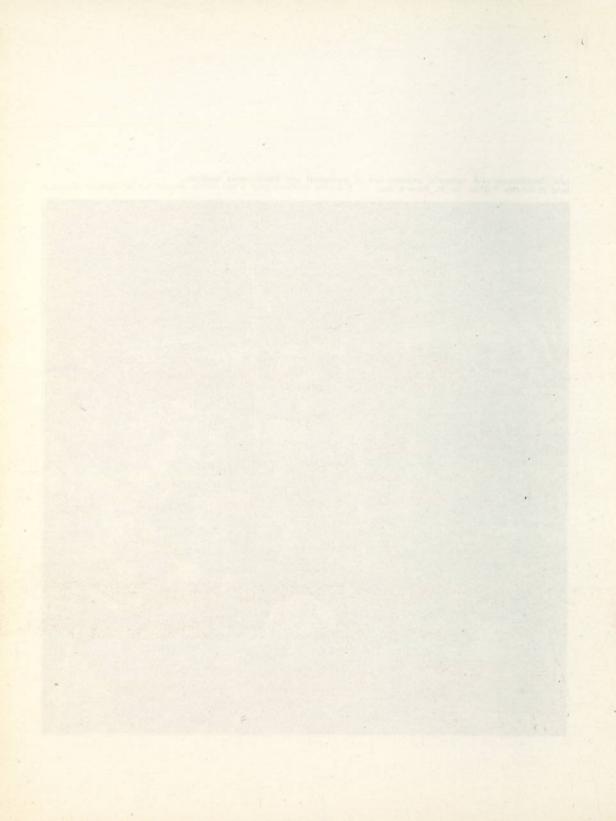


A typical bullfight of the Azores, which has a long tradition behind it



«As Cavalhadas» — A colourful pageant full of mediaeval and Renaissance tradition, held at Ribeira Grande, on St. Peter's day.



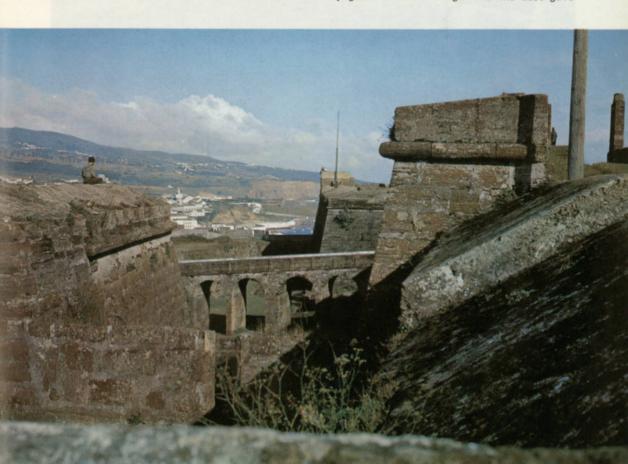


TERCEIRA ISLAND

BRIEF HISTORY

At first the island was called 'Jesus' Island' and it was the third to be discovered, hence its name ('the Third'). Situated at 38° 38' 33" N and 27° 12' 48" W, it is 19 miles at its longest and 13 at its widest. Its area is 155 square miles. The relief is quite varied and the highest point (3180 feet) is in the Santa Barbara mountains. Because of its volcanic origin there are countless craters, which are popularly known as 'caldeiras' or boilers. The total population is 78,000, of whom 18,000 live at Angra do Heroísmo and 7,500 at Praia da Vitória, the main towns and chief towns of the two districts into which the island is divided. There are 29 parishes altogether.

The island is believed to have been discovered in the second quarter of the 15th century. It at once acquired extraordinary importance in the development of navigation, especially to the north-west, in which a distinguished rôle was played by the Corte-Real family of captains (João, Gaspar and Miguel), who discovered Newfoundland, and others like Pero de Barcelos and João Fernandes, nicknamed the 'Farmer', who were the first to reach the 'Green Land', now Canada. The intensification of the voyages between Portugal and the East gave

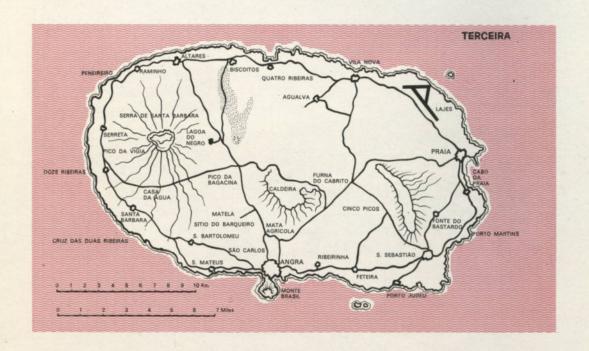


the island considerable political and economic significance. At the then township of Angra the seat of the Administrative and Ecclesiastical Government of the Archipelago was set up as long ago as 1530; the Judge was the main legal authority with jurisdiction over all the islands. Angra became the first city of the Azores in 1534, in which year Paul III instituted the Bishopric of Angra and Islands of the Azores, with its seat in the city, where it still is. The activity arising from the subsequent progress, especially after the institution of the 'General Supply of the Fleet' made Angra a trading centre of the greatest importance.

When news of the death of the Cardinal-King Henrique reached the islands, António, Prior of Crato, was at once acclaimed King of Portugal. Here he called together the Court of the Kingdom and resistance to the invader was organized. In 1581 the memorable Battle of Salga was fought, in which the Spanish, who had successfully landed, were routed with the aid of wild cattle. Other attempts were thrown back and the island was only subjugated in 1583. The 1640 rebellion in Lisbon was only known in the islands a month later but they supported it in Terceira and João IV

was acclaimed King at Vila da Praia on 24 March 1641. In Angra the Castle of São Filipe (now São João Baptista) was surrounded and this powerful bulwark surrendered on 4 March 1642. In memory of this valiant deed and the part played during the 'resistance', João IV conferred on Angra the title of 'Most Noble and Loyal' and on Praia 'Most Noteworthy'.

Terceira also played a leading rôle in the 'liberal struggles'. On 11 August 1829 an attempted landing by the royalists at Vila da Praia was defeated, and so the place took the name of Praia da Vitória. Pedro IV set up the Regency of the Kingdom at Angra on behalf of his dauahter Maria II; here the first constitutional laws of the country were published and for the first time the half-blue, half-white flag of Portugal, which was to remain the national flag until the proclamation of the Republic in 1910, was raised, in the São João Baptista Castle, on 19 October 1830. For its deeds Angra was given the denomination 'do Heroísmo', was awarded the Order of the Tower and the Sword and a silk standard, embroidered by the Queen herself, who added to its title 'Most Noble and Loyal' the words 'Ever Constant'.





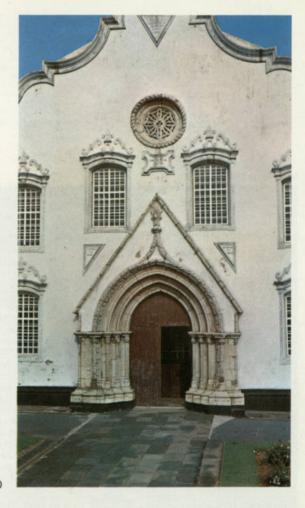
The XVIth century Cloister of São Gonçalo Monastery, at Angra do Heroismo

THE CITY AND THE ISLAND

Angra do Heroísmo is the most typical city of the archipelago. It is considered to be an excellent example of Renaissance architecture and still shows traces of the original layout. 17th and 18th century houses stand on harmonious streets leading to avenues and squares: Portas de São Pedro, Alto das Covas, Rua da Sé (with the old cathedral), Praça Velha and Rua do Galo. The central quarters contain old streets lined by houses with varandas and along them we reach the suburbs which lead towards the interior of the island. The urban parish of São Pedro at present contains a group of villas built on land once covered by orange groves.

The most important historic building in Angra is the São João Baptista Castle, situated on the Monte Brasil isthmus, which is characterized by its drawbridge, its bastions and its two towers overlooking Angra Bay. King Afonso VI was kept a prisoner in this castle for some time. Another important group of buildings rises on the Old Square, or Praça Velha. There we see the Town Hall, a 19th century building famous for its majestic hall of ceremonies. The Cathedral dates from the 16th century and is mainly known for its finely carved cedar ceiling and the chiselled silver antependium.





Parish church at Praia da Vitória (XV century)

the São Gonçalo Church, built and decorated in the Baroque taste, with fine gilt carving, 18th century painted tilework and a richly original choir-screen. The public library and the regional museum are installed in the 17th century Bettencourt Palace. Finally there is the São Francisco Church, with the tomb of Paulo da Gama, the brother of the celebrated Portuguese discoverer Vasco da Gama.

From Angra we travel east across the island to Praia da Vitória, characterized by its Parish Church (15th century), with doors carved in the Manueline-Gothic style. In it we find the Espírito Santo chapel, covered with inset floral motifs, rather like the São Francisco Church in Oporto.

On the west coast stands Serreta, with its

sanctuary dedicated to Our Lady of the Miracles (Nossa Senhora dos Milagres), with a distant view of the islands of Graciosa and São Jorge. A tourist hotel has been built here.

On the north coast is the Lajes base, one of the biggest of the Atlantic area. It dominates the ocean. It has a total of nearly 6 miles of runways, the longest being 22 miles in length. Dozens of planes land daily at the Portuguese and American bases.

The trip round the island is completed if we take the centres of greater interest as the cardinal points of our compass. Between them, however, the beauty of the landscape and the richness of the land provide a complete view of Terceira Island, the third to be found and the most central of the islands of the Azores.

SETTLEMENT AND ECONOMIC RESOURCES

Settlement began along the coastline in coastal villages, close to small plots where maize was grown. The interior of the island is relatively uninhabited, although there are hamlets like Ribeirinha, São Bartolomeu, Terra Chã, Agualva, São Brás and Fontinha. The density of population on Terceira is thus fess than on other islands in the group, especially São Miguel. Due to this fact, and because of the lower populational pressure on towns, the rate of emigration in the district of Angra do Heroísmo is low, especially when compared to the figures for the Ponta Delgada district.

Leaving the coast behind we see that the interior is more rugged. Above 1000 feet we see the first pasturage and there the main source of wealth of the island, its cattle, find their sustenance. Further inland there are many geysers and lagoons, while the land presents steep slopes and deep, luxuriant valleys.

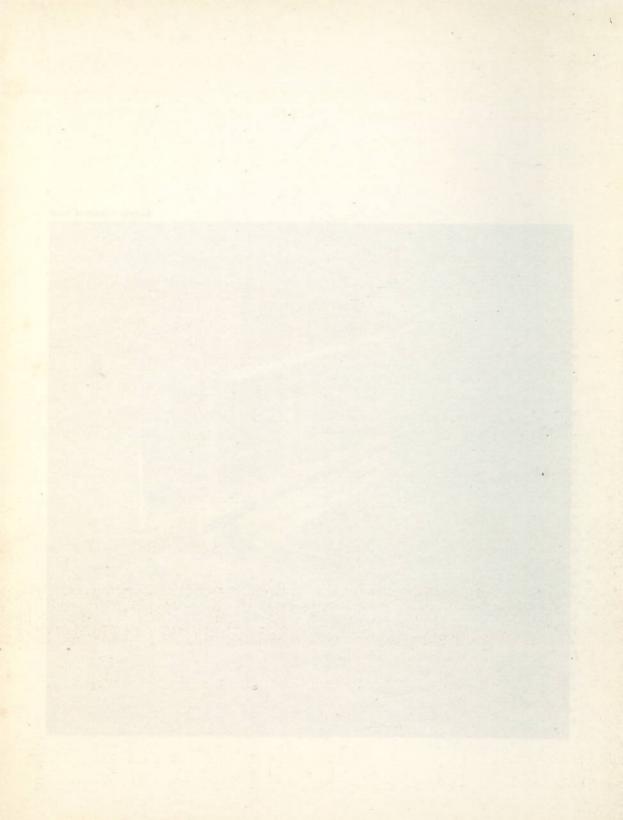
Near the coast are natural pools and from time to time the remains of old volcanic eruptions are visible through the vines, which produce an excellent white wine.

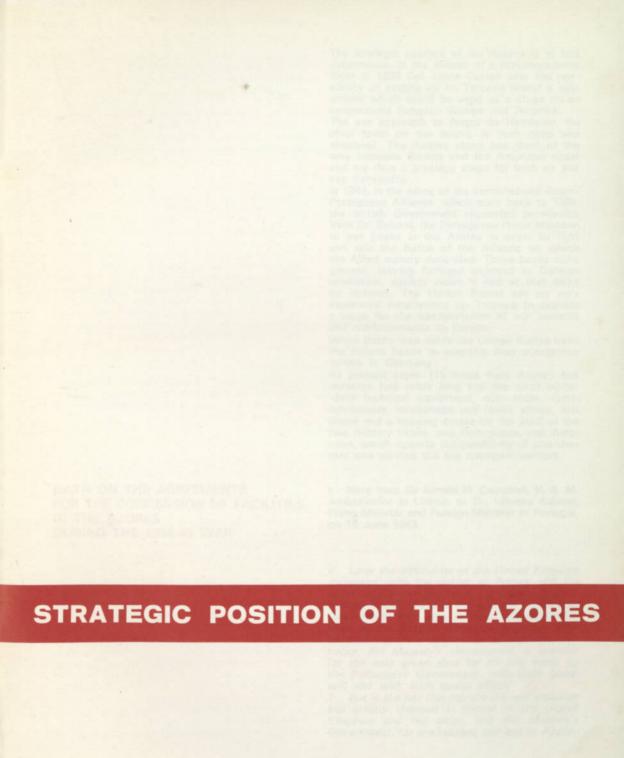
The mild, sea-influenced climate, common to all the islands in the group, favours abundant fauna, especially in the sea (anchovy, mackerel, sea-bream, grouper), shellfish and land fauna, with several types of game.

The main crops of the island are maize (12 thousand tons in 1970), potatoes, tea and to-bacco.

Terceira plays an important part in the economy of the islands as a whole in view of its position and the multiplicity of its resources.







DATA ON THE AGREEMENTS FOR THE CONCESSION OF FACILITIES IN THE AZORES DURING THE 1939-45 WAR The strategic position of the Azores is in fact exceptional. In the course of a reconnaissance flight in 1939 Col. Louis Castex saw the possibility of setting up on Terceira Island a vast airfield which could be used as a stage on air connections between Europe and America.

The sea approach to Angra do Heroísmo, the chief town on the island, is both deep and sheltered. The Azores stand one third of the way between Europe and the American coast and are thus a precious stage for both air and sea transports.

In 1943, in the name of the centuries-old Anglo-Portuguese Alliance, which goes back to 1385, the British Government requested permission from Dr. Salazar, the Portuguese Prime Minister, to use bases in the Azores in order to fight and win the Battle of the Atlantic on which the Allied victory depended. These bases were granted, leaving Portugal exposed to German retaliation, against which it had at that point no defence. The United States set up very expensive installations on Terceira to provide a stage for the transportation of war material and reinforcements to Europe.

When peace was made the United States used the Azores bases to maintain their occupation forces in Germany.

At present Lajes (15 miles from Angra) has runways two miles long and the most up-to-date technical equipment, with radar, radio-lighthouses, workshops and repair shops, fuel depot and a housing estate for the staff of the two military bases, one Portuguese, one American, which operate independently of one another and service the big transport carriers.

I. Note from Sir Ronald H. Campbell, H. B. M. Ambassador in Lisbon, to Dr. Oliveira Salazar, Prime Minister and Foreign Minister of Portugal, on 16 June 1943.

6. Later the difficulties of the United Kingdom increased with the defeat of France and the arrival of German forces on the Franco-Spanish border. In this phase of the war the Portuguese Government was able to exert valuable influence on the Spanish Government with a view to ensuring the maintenance of Spanish neutrality. His Majesty's Government is grateful for the help given thus far on this topic by the Portuguese Government, with such goodwill and with such useful effect.

7. But in the last few months the war situation has greatly changed in favour of the United Kingdom and her allies, and His Majesty's Government, for the reasons laid out in Appen-

dix I to this Note, entirely shares Your Excellency's opinion that the danger of a German invasion of the Iberian Peninsula has virtually disappeared.

8. But there is another factor in the general war situation that is causing the most serious concern on the part of H. M. Government. The German submarine campaign has developed to the point of seriously impeding the full development of the United Nations on the battle-field.

H. M. Government is no longer afraid that this threat will hinder the final victory of the Allies,

but it may seriously delay it.

9. H. M. Government has reviewed the situation in the light of the facts mentioned above and in relation to its alliance with Portugal. It has reached the conclusion that the use of facilities on the Portuguese islands of the Atlantic, especially the Azores, for the employment of aircraft and surface vessels would be a decisive factor in the defeat of the German submarine campaign in the Atlantic and would, as a result, make a vital contribution to the rapid victory of the United Nations.

II. Note from Dr. Oliveira Salazar, Prime Minister and Foreign Minister of Portugal, to Sir Ronald M. Campbell, H. B. M. Ambassador in Lisbon, on 23 June 1943.

The Portuguese Government declared itself neutral at the outset of the war because it considered that neutrality was the position best in accordance with the interests of the Portuguese Nation in the present conflict: but. even with the serious intention of maintaining it, it has reiterated its statement that it considered this neutrality conditioned, in the breadth of its exercise, by the relevant imposition of the Anglo-Portuguese Alliance. Without discussing at this juncture whether the aid requested, in present conditions, forms part of the precise obligations of the Alliance, the Portuguese Government, weighing the state of need invoked by H. M. Government, and aware of the high service that it is thus in a position to do it, hereby declares its agreement in principle for the purpose of examining and deciding by mutual agreement in such general negotiations the conditions on which such facilities will be granted and, more specifically, the steps to be taken to meet such consequences as may arise therefrom. These consequences may indeed be so serious for Portugal and the life of

its people that the Government considers that it is its irrefutable duty to subordinate, as, moreover, it believes is the view of H. M. Government, the effective use of the facilities granted in principle to the previous examination between the two Governments and between the experts on both sides of the political, military and economic aspects of the question.

III. The agreement was signed on 17 August 1943.

IV. Note from Dr. Oliveira Salazar, Prime Minister and Foreign Minister of Portugal to Mr. R. Henry Norweb, U. S. Ambassador in Lisbon on 28 November 1944.

Mr. Ambassador,

I acknowledge receipt of Your Excellency's letter dated 28 November which runs:

The Government of the United States, aware of the legitimate desire of the Portuguese Government to put an end to the Japanese occupation of Timor, and recognizing that this Portuguese territory is included in a vast field of action undertaken by the Government of the United States and other allied Governments in the Pacific, accepts and agrees to the participation of Portugal in such operations as are conducted to expel the Japanese from Portuguese Timor so that it may be restored to full Portuguese sovereignty. It recognizes that this participation may be effected in direct and indirect manners:

Direct participation by the use of Portuguese forces, in relation to which detailed plans will be agreed as a result of the research effected in the General Staff conversations held in Lisbon:

Indirect participation by concession to the Government of the United States of facilities for the construction, employment and control of an air base on the island of Santa Maria intended to facilitate the transportation of American forces to the Pacific theatre of operations or from it to the United States, on conditions to be laid down in a special agreement between the Portuguese Government and the Government of the United States'.

The Portuguese Government agrees with the contents of this note and considers this document and my reply thereto as constituting the agreement between our two Governments. I take this opportunity to assure Your Excellency of my very best regards.

V. The agreement with the Government of the U. S. A. was signed on 28 November 1944.

VI. Note from Mr. Herman Baruch, U. S. Ambassador in Lisbon, to Dr. Oliveira Salazar, Prime Minister and Foreign Minister of Portugal, on 30 May 1946.

Excellency:

I have the honour to acknowledge the receipt of Your Excellency's note of today's date in

the following terms:

«Following the recent conversations concerning the termination of the Azores Agreements and the request put forward by the Governments of the United States and United Kingdom with respect to certain needs of the forces of occupation in Germany and Japan, I have the honour to communicate to Your Excellency the formula which has been worked out to satisfy the various interests concerned:

a) The Governments of the United States and United Kingdom will formally transfer on June 2nd to the Portuguese authorities designated for this purpose the airfields of Santa Maria and

Laies with their installations:

b) The Portuguese Government authorizes for the period of eighteen months from that date the passage in transit through Lajes airfield of American and British aircraft serving the forces of occupation in Germany and Japan, the special character of such aircraft being respected as far as customs and other facilities are concerned;

c) Temporarily, however, and until the establishment at Lajes of a Portuguese military aviation unit, the Portuguese Government will allow the aircraft referred to in the previous clause to pass in transit either through the Santa Maria airfield or through the Lajes airfield; d) Until such time as the Portuguese authorities shall have organized the necessary services for the operation of the airfields of Santa Maria and Lajes, the American and British authorities undertake to maintain, in collaboration with and under the superintendence of the Portuguese authorities, the existing services which are necessary for the operation of the airfields;

e) During a transitorial period of 120 days the American and British authorities will withdraw from the airfields in question all the material and personnel at present there which the Portuguese authorities do not consider to be indispensable for the maintenance and operation of the airfields and do not wish to acquire or

engage.

Should the Governments of the United States and United Kingdom accept the agreement set out above, the affirmative reply of Your Excellency and of the British Ambassador, to whom an identical note has today been sent, shall constitute, together with this communication, the agreement of the three Governments in this matter».

I have the honor to inform Your Excellency that the United States Government accepts the agreement set out in Your Excellency's

note quoted above.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Herman Baruch

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