

# PORTUGUESE AND COLONIAL BULLETIN

Vol. 9 No.1

April 1969

## FASCIST ALLIES

### Portugal and Brazil

THE hard line pursued by Dr.

Caetano after more than 200 days in power is shattering the earlier illusions of a political thaw inside the country and the colonies. This has been noted by Stanley Meyes in *The Guardian* (1.2.69) and by *Times* correspondent (13.2.69). A few slender moves by the new Prime Minister, aimed mainly at gathering the support of the 'intelligentsia' and the restive middle class, stopped short of their initial promise. The fascists are still firmly in the saddle under a pretence of liberalization that tries to hide the more repellent aspects of a terroristic rule.

Opponents of the régime are still tortured and imprisoned in totally inhuman conditions. Civil servants and even the higher rank employees of many important private firms require the approval of PIDE (Portuguese Secret Police) before they take up their posts. Political parties, with the sole exception of the Government's *Uniao Nacional*, are strictly forbidden. The censored press is allowed to talk about the need for a 'dialogue', but cannot persuade the censor to be allowed to start one. Lately a clear boost has been given by the new Administration to the colonial wars.

The pattern is by now far too familiar. It has close affinities not only with the rule of the Greek colonels, who claim to have adopted as their own model Portugal's 'New State', but also with the military régime of Marshall Costa e Silva in Brazil. For historical reasons which date back to the discovery of Brazil by the Portuguese in 1500, Portugal and Brazil have been bound by common social and cultural ties. Both countries speak the same language—Brazil, a more flavoured

Portuguese which singles her out, with an area of 3,286,17 sq. miles—the fourth largest country in the world, after the Soviet Union, China and Canada—in an otherwise Spanish speaking continent. Moreover many of the Brazilian institutions still bear to this day the imprint of their European creator.

#### BRAZIL AND THE COLONIAL WARS

The ideological affinity between Lisbon and Brasilia is now growing into close cooperation, which is to the greatest disadvantage of the freedom-loving peoples of both countries. Marcello Caetano's Government is enticing Brazil into cooperation for a joint exploitation of the Portuguese African colonies.

Since the days of the slave trade, Angola has maintained some ties with Brazil, who has always showed an interest in this West African colony from where the African element in her population has originally come. Thus the Portuguese bait for Brazil going into Africa has always involved Angola.

In January and February a large Brazilian fleet, which included one battleship and one aircraft-carrier, was exercising in the waters of Cape Verde (*P.J.* 19 and 27.1. and 19.2.69). At the same time military, political and cultural ties have been strengthened between the two countries. Prof. Marcello Caetano is to visit Brazil some time this year. The 'Luso-Brazilian Commonwealth' is being urged to take the path of an as yet unspecified collaboration.

#### ONE HUNDRED MILLION PEOPLE

All these moves foreshadow developments of a joint policy, whose strength is not to be dismissed lightly.

Portugal and Brazil between them muster a force of 100 million people and together they can make a strong block with large resources. Undoubtedly the political importance of the Portuguese case transcends the geographical boundaries of Portugal in Europe.

By putting pressure on Dr. Caetano's Government, the British people can make a definite contribution for peace and democracy in the world. And never has this action been needed so much as now.

## THE CUF GIANT

THE largest private enterprise in Portugal is the CUF group. The American magazine 'Fortune' included CUF amongst the 200 largest enterprises of the Western world outside the United States in 1967.

The total values of CUF sales that year reached £103 million and their net profits £44 million.

The capital and reserves of the group totalled £85 million and the value of its investments £238 million. The total number of CUF employees is 30,000.

The increase in sales between 1966 and 1967 was of £20 million (or 24 per cent.), while the average increase in sales for the other 199 largest firms was of 8.3% and for the 500 largest American firms of 7.9%.

The CUF group has been one of the main supporters of the Salazar regime. Together with the foreign interests in Portugal it is now behind Caetano.

The group is owned by the Melo family. Trying to adjust to the modern capitalist realities it decided recently to go, at least in part, public. Its main enterprise, the CUF Company (capital and reserves £30 million) issued in April 1967 shares at 6%, to the value of £1.9 million, and in February 1968 to the value of £1.1 million.

In Portugal the CUF group has interests in chemicals, shipping and ship-building, air transport, banking, insurance, tobacco, cellulose, food and textiles. In the colonies, mainly in vegetable oils.

The CUF group is also associated with American, Swedish, Dutch and British interests in Portugal.

# NEWS OF REPRESSION

## PRISONERS TORTURED

Political prisoners arrested last August have been brutally tortured by PIDE. Francisco Rocha was repeatedly tortured with deprivation of sleep which has been shown by medical experts to lead to insanity; in one period of torture Rocha was deprived of sleep for 14 consecutive days and nights. A woman Ursula Pulquerio, was subjected to 12 consecutive days and nights of the same torture and another woman, Rosalina Labaredas, to 4 days and nights.

## THE P.S.P.

The Lisbon quarters of one of Portugal's armed police forces, the P.S.P. (Public Security Police), were visited on February 6th by the military attachés in Portugal of the United States, Britain, West Germany, South Africa, Spain, Brazil and Italy, as reported in the Portuguese press.

It is known that before Hitler's downfall the Portuguese repressive forces received training from the German Gestapo. It is also known that more recently the permanent American advisory military mission in Portugal (MAAG) has been helping in the training of the Portuguese repressive forces.

The fact that the British military attaché in Lisbon is collaborating with the repressive forces of a fascist regime, in company with the racists from South Africa, the revanchists from West Germany and the fascists from Spain should not be lost on our British readers.

## STRENGTHENING PIDE

The sinister Portuguese secret police, the PIDE (International and State Defence Police) has been strengthened by a decree law published by Caetano's government on 13th December last.

According to the government decree the total number of PIDE agents is raised to 3,202. Of these 1,187 are kept in Portugal and the rest are mainly engaged in the colonial wars (101 in Guinea, 1,116 in Angola and 662 in Mozambique).

The PIDE agents are grouped in 178 squads, including 2 women's squads. The higher ranks include 158 people, mainly inspectors.

Besides the agents there are the administrative, technical and auxi-

*(From our correspondents in Portugal)*

liary staff. The latter includes thousands and thousands of informers ('Bufos' as they are derogatively called by the Portuguese), who are kept mainly in Portugal, on the payroll of PIDE. They are posted in every factory, office, town and village.

## THE ARMY

In a message to the armed forces on December 31st last the Defence Minister emphasized that the Army must not only be concerned with the wars in the colonies but must also be very attentive to developments in Portugal.

## THE FASCIST LEGION

The anniversary of the fascist militia, the 'Portuguese Legion', was celebrated by this organization all over Portugal.

In Lisbon the ceremony was attended by Caetano's Minister of the Interior and by the commanders of Legion Battalions 1, 2 and 4, and of the Naval Brigade.

In Oporto, in one of the speeches at the celebration, it was stated that 'The doctrine of Salazar is the doctrine of truth' and that the Legion was 'yesterday with Salazar, today with Marcelo Caetano'.

## THE G.N.R.

This armed repressive force, which has three cavalry squadrons in Lisbon alone, is to have a new barracks on the outskirts of the city (Queluz) for its motorized squadron, equipped with armoured cars.

## AGAINST THE STUDENTS

Demands to bring student leaders who oppose the regime, into the ranks of disciplinary Army units and send them to the colonial wars were put forward at the 'National Assembly' on December 17th last.

## STOP OPERATIONS

These traffic operations, which also aim at arresting political opponents of the regime, took place between November 11th and January 9th, mainly in Oporto, and also in Espinho, S João da Madeira, Vila Real, Bragança and Faro, from North to South of Portugal. A total of 21,281 vehicles was inspected.

---

# 'NO' TO REACTION

## IN BRITAIN

IN reply to an appeal from the British Committee for Portuguese Amnesty, a number of British personalities wrote last December to the Portuguese Ambassador demanding from the new ruler Caetano an Amnesty for all Portuguese political prisoners, the re-establishment of democratic liberties in Portugal and an end to the three wars raging in the Portuguese African colonies. Amongst others these personalities included Labour M.Ps Anne Kerr, Hugh Jenkins, Frank Judd and Stan Newens, and the then Bishop of Woolwich.

Labour M.Ps Joan Lestor, Frank Judd, Alex Lyon, Frank Hooley, Edwin Brook and John Fraser, on their return from a visit to Zambia last January, produced evidence that Portugal is using NATO weapons in her colonial wars and in incidents on the Zambian frontier. The weapons include air-to-ground rockets and Sabre jets.

In London a vigil in memory of

Dr. Eduardo Mondlane took place outside the Portuguese Embassy on February 6th and a public meeting was held at Caxton Hall on February 19th.

## AT THE UNITED NATIONS

The U.N. Committee on Social Problems approved on December 12th a resolution condemning Portugal (together with Britain, South Africa and Rhodesia) for persisting in a position of defiance towards the United Nations and world public opinion. There were 66 votes in favour, 5 against and 29 abstentions.

On December 15th the U.N. Trusteeship Committee approved a resolution sponsored by 20 Afro-Asian states together with Bulgaria and Jugoslavia, asking all U.N. agencies and in particular the World Bank and the International Monetary Fund to refuse any technical, financial, economic or other support to Portugal (and South Africa), until these countries stop their policy of

*Continued next column*

# FIGHT OF THE PEOPLE

(From our correspondents in Portugal)

## THE RAILWAYMEN

THE 30,000 Portuguese railway workers have been fighting for better wages. After a demand supported by large numbers last October, new appeals were launched in December for a general increase of £3/11/0 weekly.

In one document issued by the railwaymen it was pointed out that, the last increase they had (14 per cent.) was in 1966, after a 5-year waiting period. It was also pointed out that in that same year directors on their board had had salary increases exceeding 100 per cent.

The authorities have tried to oppose the workers' claims with proposals for linking them with intensification of work, as advised by a French firm of consultants. The railwaymen very justly oppose these moves.

### 'NO' TO REACTION - concluded

racial discrimination and colonialism. The resolution also asked the World Bank to cancel the loans and credits conceded to Portugal, which are used to suppress the national liberation movements in her colonies. There were 79 votes in favour and 19 abstentions. 5 votes against included those of Britain, the United States and South Africa.

On December 20th the U.N. General Assembly plenary approved a resolution demanding the severance by all U.N. member countries of all relations with Portugal (and South Africa and Rhodesia), and the strict suspension of all economic or military help to those countries. The resolution recognizes the right of those fighting for the liberation of the Portuguese colonies to be treated as prisoners-of-war, under the rules of the Geneva convention.

It is well known that Africans imprisoned by the Portuguese colonialist troops in Angola, Mozambique and Guinea have been systematically tortured and murdered.

### FRANCE

A solidarity meeting with the struggle of the Portuguese people, attended by over 2,000 people, took place in the Mutualité Hall, in Paris, on December 1st last.

The weekly budget of a railwayman (electrician) is said to be as follows:

	£	s.	d.
Rent ... ..	10	8	
Electricity ... ..	5	7	
Gas ... ..	7	2	
Food ... ..	4	16	5
Fares ... ..	1	1	5
Clothes & Shoes ... ..	10	8	
Other expenses ... ..	7	2	

Total £7 19 1

Gross weekly salary, £6/5/0. Net salary after discounts and taxes, £5/18/6. Weekly deficit, £2/0/7.

On 2nd January 90 per cent. of the railwaymen joined in a period of mourning, as a protest against the authorities' refusals, wearing a black band over their uniforms. PIDE agents tried to prevent this at gunpoint, but in the Barreiro works near Lisbon, on January 10th, the workers turned on the police agents and made them run for their lives. Several railwaymen have been arrested.

On January 7th a wage increase of 12.2 per cent. was announced, but the railwaymen consider this unsatisfactory and continue their fight.

## OTHER WORKERS

The CUF workers gained an increase on January 1st by beginning to be paid monthly instead of weekly. But this was subjected to a discount of 1 day a month, a measure which provoked widespread discontent. In the Barreiro works there were 3 stoppages in protest. In the Lisnave giant yards, 2,000 workers held a half day strike.

The Oporto transport workers have won a wage increase. The Lisbon transport workers continue their struggle for further wage increases.

The S. Pedro da Cova coal miners won a dispute concerning their holiday bonus.

The bank employees made a protest against the refusal by the authorities to accept their elected leadership.

Claims for better wages have also been put forward by the 3,000 Alfeite Arsenal workers, by the Oporto metal workers, by the Hydro-

electrica do Douro employees, and others.

There is a growing resistance amongst the Portuguese workers, whose living is threatened by steadily rising prices and the ever-increasing cost of repression by the régime. In a country where strikes, and free trade-unions are forbidden all these workers' struggles have a deep and important political meaning.

## 31st JANUARY

The anniversary of the 1891 Republican revolution, which is hated by the fascists because it was supported by the people, was celebrated in many parts of the country, by many thousands of people who expressed their opposition to the régime.

In Oporto a public meeting was attended by thousands, with many waiting outside the building for lack of places. Several hundreds demonstrated in the streets after the meeting. They were charged with truncheons by the police, who also threatened the demonstrators at gunpoint. Earlier in the day, there was a pilgrimage to the tombs of Republican personalities. And a celebration dinner attended by hundreds, on the eve of the 31st.

Public meetings with large audiences also took place in Coimbra, Aveiro and Viseu, and celebration dinners in Braga, Viana do Castelo, Guimaraes and Famalicao.

## AGAINST REPRESSION

Last December 3,500 people in Portugal signed a demand to Caetano for an Amnesty for the political prisoners.

## THE POLITICAL SCENE

The aspirations of the Portuguese people to a better life and democratic rights have been expressed lately with renewed vigour.

1,500 people signed a demand to the Government for an Amnesty for political prisoners and for democratic liberties, including the abolition of the censorship, freedom of assembly and speech, abolition of the PIDE and of the political courts.

A group of writers, university professors, doctors, lawyers, artists, journalists and students constituted a Committee for the Promotion of

*Continued overleaf*

# MORE VICTORIES

## Alda Nogueira is Free

MARIA ALDA NOGUEIRA, was released from jail in January after spending over 9 years in jail. A 44-year-old chemistry graduate, she had been arrested in October 1959, after having dedicated 10 years of her life to work in peace and women's organizations.

This is indeed a great victory, as the full application of 'security measures' did not take place in her case. Our Bulletin had been campaigning for her liberation for many years and her release adds to our rejoicing over the release of SOFIA FERREIRA last August.

All these victories only came because of widespread campaigning for the release of the political prisoners in Portugal and abroad.

Another woman prisoner recently set free was LIGIA CALAPEZ, a student, who was very ill.

Sofia Ferreira, married another political prisoner released from jail, Antonio Santo.

Men political prisoners released last year include Diogo Velez, a farm worker, who spent 9 years in jail, including 3 years of 'security measures', and Augusto Lindolfo, who spent 6 years in jail including 3 years of 'security measures'. The

application of 'security measures' is at the discretion of PIDE, the secret police.

Many other political prisoners are still held in the fascist jails, in Caetano's Portugal, some in a very precarious state of health.

## Freedom for Colelia and Fernanda

In the unhealthy Caxias fortress, near Lisbon, the women prisoners are kept. Amongst them COLELIA FERNANDES, who has already a total of over 10 years in jail, and FERNANDA TOMAZ, an Arts university graduate, who has been in Caxias for over 7 years.

## Freedom for Pires Jorge

PIRES JORGE, the 61-year-old workers' leader, with 19 years of struggle in the anti-fascist underground in Portugal, is kept in the notorious Peniche fortress, on the Atlantic coast, 50 miles north of Lisbon. He has spent 12 years in jail and his health is seriously deteriorating.

## Freedom for Gregorio

AFONSO GREGÓRIO, another brave anti-fascist fighter is a 50-year-

### Fight of the people - from previous page

Elections. They announced their constitution to the authorities and their intention of fighting for democratic elections for the 'National Assembly'. Elections are due to take place in October, but in the past they have been consistently rigged.

The funeral in Lisbon of António Sérgio, well-known writer and opponent of the régime, was attended by several thousand people. A demonstration against the government followed, dispersed by the police using truncheons.

### THE CATHOLICS

Over 100 young people took over the São Domingos church, in the centre of Lisbon, for a sit-in, on New Year's Eve. This came after mass celebrated by the Primate Cardinal Cerejeira, a close friend of Salazar. The audience called for negotiations to end the colonial wars and denounced the Catholic hierarchy's political compromise with the State.

A group of priests met Cardinal Cerejeira and asked for the return of the Bishop of Oporto, exiled by Salazar.

### THE STUDENTS

The struggle for free students' associations and for students' rights has continued in the three main universities. The Lisbon science students elected their leadership on December 10th. The repressive measures imposed by the authorities after the agitation in Lisbon last December have not stopped the students' movement.

Because of student protests and solidarity with the African liberation movements in the Portuguese colonies, including protests against the murder of dr. Eduardo Mondlane, the Law Faculty of Lisbon was closed by the authorities on February 14th. The students retaliated by occupying the building for the whole afternoon, until the arrival of police, who evicted them.

old glass worker. Chased and hunted by PIDE, he continued in the political underground struggle in Portugal for 13 years. He has now spent over 9 years in jail and is a very sick man, after the terrible tortures he endured at the hands of PIDE. He is kept in Caxias and has been several times in the prison hospital. Medical advice is that recovery is impossible until he is set free.

### FREEDOM FOR ALL POLITICAL PRISONERS

Mainly in Peniche, but also in Caxias, are dozens and dozens of political prisoners, kept under inhuman conditions—all because they fought for a better life for the Portuguese. These brave people suffer deliberate efforts from PIDE and the authorities to annihilate them physically and mentally.

They include DIAS LOURENCO, BLANQUI TEIXEIRA, OCTAVIO PATO, AMERICO DE SOUSA, JOSE MAGRO, CARLOS COSTA, GUILHERME CARVALHO, ROGERIO DE CARVALHO, DOMINGUES ABRANTES, JOSE CARLOS, DINIZ MIRANDA, JULIO MARTINS, ILIDIO ESTEVES, PEREIRA DA SILVA, etc., etc.

Write to Professor Marcelo Caetano, Lisbon, Portugal, asking him to prove his liberalism by releasing all political prisoners or, at least, the most urgent cases we have mentioned. Demand from him an Amnesty for all political prisoners and exiles!

### FOREIGN 'OCCUPATION' OF ALGARVE

The Southern province of Algarve has become a haven for British, W. German and U.S.A. interests. It has become the playground of the famous rich. The 'Beagle' Paul McCartney spent New Year's Eve in the Algarve, where he owns a villa. Such cosmopolitan glamour attracts the foreign currency that keeps the Escudo afloat and covers up the deficit in the Portuguese Balance of Payments. (D.L. 15.1.69.)

### KEY TO REFERENCES

'P.J.'—*'Primeiro de Janeiro'*.  
'D.L.'—*'Diário de Lisboa'*.

Two of the leading daily, censored, Portuguese newspapers.

### YOU MAY QUOTE US

All the material and articles published in the 'Portuguese and Colonial Bulletin' may be reproduced or quoted. We shall be grateful for an acknowledgement of the source.

# FOREIGN POWERS HELP FASCISM

## UNDER NATO'S PROTECTION

Portugal is to join NATO's Standing Naval Force in the Atlantic. This force has been in operation for about a year (*Daily Telegraph*, 11.12.68).

A road crossing Portugal in a North-South direction is going to be built for NATO's use (*P.J.* 15.12.68). Given the geographical shape of Portugal, this road is meant to provide effective control of the whole of the territory.

Admiral Holmes NATO's supreme commander for the Atlantic, visited Portugal to inspect the Organization's permanent base, Iberlant, at Rio de Mouro (*P.J.* 14.1.69). Admiral Holmes held conversations with the Portuguese Minister for Defence (*P.J.* 14.1.69). On his departure, the Admiral stressed the special usefulness of the visit, given the extraordinary spirit of co-operation shown by the Portuguese Government. (*D.L.* 14.1.69.)

## Portugal's Face Lift

### BRITAIN

Since Dr. Marcello Caetano has replaced Dr. Salazar as Dictator of Portugal, a noteworthy campaign has been developed in the British press to imply that the change of man has meant a change of policies. Typical, in this respect, was an article in the *'Financial Times'*, widely quoted by Portuguese newspapers, according to the Oporto newspaper 'O Primeiro de Janeiro' (1.12.68), the *'Financial Times'* describes Dr. Caetano's new look as 'prudent liberalism', and implies that the Prime Minister's intention is to change Portugal into a truly democratic country. His methods would be discreet but efficient, likely to disillusion 'the more ardent liberals' in the short run, but sure to bring about a change otherwise made impossible by the right-wing extremists. One only has to remember the extent of British interests in Portugal to regard the article in the *'Financial Times'* with some suspicion.

That those interests are protected by means of a secret police, political prisons, censorship and military repression is perhaps an unpleasant necessity (after all who knows what the natives would do if they were left to their own devices?). But if

one could just change enough to salvage more delicate feelings without jeopardizing the investments, so much the better. Therefore, the problem resides not in actual but in apparent change.

That is where Dr. Caetano comes in handy—that is precisely his intention; he also agrees that Portugal must look more liberal . . . in order to stay safely as undemocratic as in the last 43 years. It is fair enough that the *'Financial Times'* should do its job—but, please, do not blame the Portuguese liberals for being disillusioned with Dr. Caetano's face-lift which, by the way, has not yet translated itself into a single positive act of liberalization.

But were the Portuguese liberals ever illusioned about Dr. Caetano? He has been a prominent enough member of Salazar's administration during the last 30-odd years for no one to have any legitimate doubts on where he stands.

\* \* \*

Mr. Selwyn Lloyd, the Conservative ex-Minister, visited Angola and Mozambique in his capacity of 'director of several British enterprises', in the words of 'O Primeiro de Janeiro' (28.1.69). He would also be calling at Rhodesia and South Africa, the report said.

\* \* \*

A new shipping link between England and Angola has been inaugurated by 'Sociedade Geral' (a subsidiary company of CUF, the largest Portuguese trust that virtually owns Portuguese Guinea). (*D.L.* 28.1.69.)

\* \* \*

The *'Glasgow Herald'* is another British newspaper that recently has tried to foster Portugal's new image. In an article quoted by 'O Primeiro de Janeiro' (29.1.69) this Scottish newspaper is reported to have developed the thesis that Portugal is becoming an industrialized nation, able to compete with the rest of Europe and that (of course) Marcello Caetano is the first symptom of a new Portugal.

The idea that Portugal is becoming a progressive nation was also the theme of an exhibition at the Portuguese Tourist Office, in London, which was opened by the new Ambassador, Dr. Faria, and attended by 'many Lords and Members of Parliament' (*P.J.* 8.1.69, *D.L.* 9.1.69).

\* \* \*

A British economic mission visited Angola. The mission was composed of 7 members of the British National Export Council, and was accompanied by the First Secretary to the British Embassy in Lisbon. The immediate purpose of the visit was

'amplification and re-equipment of the Port of Luanda'. But, according to the Head of the mission, the purpose was also a wider one—that of studying all possibilities of investment in Angola, ranging from hydro-electric projects to the processing of tin. Britain would be willing to contribute with equipment and finance to the 'development' of Angola' (*P.J.* 20.1.69.)

## UNITED STATES

It seems clear that the Portuguese Government, in a desperate attempt to keep nominal sovereignty over the colonies, is ready to place them in a position as dependent on her allies as Portugal itself already is. The main takers are the United States, Britain and West Germany. It is perhaps significant that the visits of American warships which are such a regular feature in Lisbon, should now also be made to African ports. Thus, two American warships were in Luanda in what was described as 'a routine visit' (*P.J.* 23.11.69). The same vessels also visited Mozambique (*P.J.* 30.11.68).

Professor Teixeira Pinto, an ex-Minister for Economic Affairs, visited the United States on a 'government mission' (*P.J.* 8.11.69).

Another significant visit was that of Governor Nelson Rockefeller to Portugal (*P.J.* 8.11.69).

Admiral Compson, second in command at SACLANT, inspected NATO permanent military installations in Portugal (*D.L.* 25.11.68).

The *New York Times* gave special prominence to the Portuguese Foreign Minister's declarations expressing the hope that the new Nixon Administration will cooperate closely with the Portuguese Government (*P.J.* 3.1.69.).

The Portuguese Ambassador in Washington, Dr. Vasco Garin, was invited to address the 'World Affairs Council', in Boston. Special interest should be attached to a very practical note that he struck in a speech otherwise full of the usual references to the past and to glory: Angola and Mozambique, the Ambassador declared, are closely linked to the Western bloc; their economic resources are important and their strategic position of extreme value to the West. (*P.J.* 11.1.69.) Obviously,

Continued on page 461

---

Five years ago we looked in this Bulletin<sup>1</sup> at some aspects of the Anglo-Portuguese alliance. The events which have occurred since then suggest that further reappraisals of the problem would be of interest to throw more light on its past and present implications.

---

### THE BEGINNINGS

In the 14th century Portugal was certainly more advanced in social development than England. Because of her location near the Atlantic coast and the uncomfortable presence of Spain on her land borders, Portugal had had to find new openings in sea trade and navigation.

A merchant class had developed in the coastal towns, principally in Lisbon and Oporto, which was sufficiently powerful to sign in 1353, in London, a trade agreement, valid for 50 years, with Edward II, of England.<sup>2</sup> This treaty also involved an alliance between the English king and 'the peoples, merchants, seamen and communities of the maritime cities of Portugal'. The fact that the treaty was not signed by the King of Portugal but by the Portuguese coastal merchants, expresses clearly the power these had reached, and the different class relations in feudal England and in sea-faring Portugal of the time.

The King of Portugal and his feudal lords followed these initial steps of the alliance, taking into account the growing rivalry and dynastic conflicts between England and Castile. A first treaty against Castile was signed in 1373 and confirmed in 1380, but denounced later when agreement between Portuguese and Castilian feudal classes was reached.

When the victorious popular and merchant revolution of 1383 in Portugal consolidated the power of the merchants a new treaty of alliance was signed in Windsor on the 9th May 1386, between John I of Portugal and Richard II of England. The common enemy was still Castile, but the Anglo-Portuguese alliance was then an alliance between nations which stood in an equal basis. Portugal was a great sea-power and if she received military help from England in the war against Castile she paid it back very handsomely with the help given to the King of England, against his enemies on the

sea, of a Portuguese naval squadron almost constantly stationed in English waters between 1384 and 1390.

The extraordinary trade, maritime and colonial expansion of little Portugal all over the world, lasted for nearly 200 years. Its decline coincided with the rise of the English merchants and tradesmen under Elizabeth I. Despite the alliance, rivalries were starting between the growing power of England and the declining power of Portugal.

### THE CHANGED RELATION

Portugal finally collapsed as an independent nation in 1580, and was occupied by Spain for 60 years. Although she became later independent again from Spain, Portugal never regained her former power. She became more and more dependent on England; though nominally an independent country she was in fact an English protectorate.)

Portugal was of considerable interest to England for a number of reasons. Because of her neighbourhood to Spain, it suited the policy of European balance of power which opposed England to Spain; for Portugal to be used as a base for convenient access by sea from England: she was also strategically located in relation to the sea and trading routes from England. The spoils of the immense Portuguese colonial empire were of interest to Britain, either, as new acquisitions to her own empire or as territories to exploit under the convenient guard of the Portuguese administration. Finally Portugal and colonies were important markets for English manufactured goods.

Subsequent historical events proved well this new turn of the alliance, for the greater interest of England and her ruling class and for the restricted interests of the Portuguese ruling class.

To secure urgent help against Spain, after the reconquest of independence, a treaty was signed in January 1642, which conceded to England freedom of trade in Portugal and colonies. In 1661 a new treaty, wedded Portuguese Infanta Catarina de Braganza to Charles II of England, giving to the English crown £800,000; Tangiers, in North Africa; Jale, in Ceylon; Bombay in India, and with this the beginning of the English occupation of the Indian sub-continent and of Ceylon, dominated earlier by the Portuguese.

In 1703 England and Portugal

# THE AL

signed the treaty of Methuen, which established a monopoly of trade for English manufactured products in Portugal—stunting all possibilities of industrial development for Portugal—in return for protectionary tariffs for Portuguese agricultural products (mainly wine) exported to England.

### THE CENTURY OF CONSOLIDATION

The conflict between the English and the French bourgeoisies, openly declared in the Napoleonic wars, was to have deep repercussions in Portugal.

In 1797 an English army of 6,000 men disembarked in Portugal, in preparation for a conflict with France.

When the Napoleonic and Spanish armies invaded Portugal in 1807, the English Government, which was very much interested in the riches of Brazil, advised the Portuguese King and the Court to leave for Brazil. The extent of the English presence in Portugal can be gauged by the fact that from Lisbon alone 80 ships with English residents, their fortunes and many Portuguese artistic treasures left for England, before the arrival of the French; and a second fleet of evacuees soon followed.<sup>3</sup>

From 1808 to 1811 Wellington's troops fought in Portugal against the Napoleonic armies, side by side with Portuguese troops and guerrillas. When the French withdrew, the English army stayed and ruled the country. In 1811 Lisbon was just a great English trading centre. When the Portuguese rebelled against the English presence (1818) the leader of the revolt, General Gomes Freire, was hanged by the English commander, General Beresford. But another revolution in 1820 put an end to Beresford's rule.

The English government advised the return from Brazil of the Portuguese King, John VI, to put his house in order. Later they advised his son, who had stayed in Brazil, to proclaim the independence of this country from Portugal, offering new opportunities to English expansion in South America.

From 1822 to 1850, a period of civil war, successive revolutions and

# LIANCE

by A. Ramos

counter-revolutions took place in Portugal, opposing different factions of the Portuguese ruling class. The English bourgeoisie allied itself initially with the more progressive elements of the Portuguese bourgeoisie, who had emigrated to England in great numbers after 1828. But the English bourgeoisie always kept as first objective the defence of their privileged positions in Portugal; an English commander, Charles Napier, won a decisive battle for the Portuguese liberal faction in 1833. And subsequently when this Portuguese liberal faction was considered too progressive or independently-minded, open English military intervention took place in Portugal in November 1836 ('The Belemzada') and May 1847. Financial dependence on England, also increased, with loans from banking houses such as Rothschild and later with a ruinous £2 million loan, at 16 per cent interest, to finance the civil war.

From 1850 until the end of the century there was a period of some trade and industrial development in Portugal, which brought considerable benefits to foreign investors, with Britain at their head. It also brought private benefits to well-known Portuguese personalities. Oliveira Martins, António de Serpa and Ressano Garcia, for instance, received 'gifts' of shares from Mac Murdo, the concessionary of the Lourenço Marques railway, in the East African colony of Mozambique.<sup>3</sup>

In the new rush for colonial expansion in Africa the English ruling class profited heavily from her 'ally'. In West Africa, Britain supported the occupation of the Congo regions, partially in the hands of Portuguese, by Belgian and French. In Central and East Africa the Portuguese colony of Mozambique was reduced in size to favour the 'Cape to Cairo' policy. An outlet through the port of Lourenço Marques, in Mozambique, was imposed, portions of territory in the Nyassa and Zambesi regions annexed. In January 1890 a British ultimatum, threatening the use of naval force against Portugal, was issued, forcing Portuguese withdrawal from more territories in the Zambesi. This humiliation pro-

voked disarray amongst the Portuguese, the suicide of one of the best Portuguese poets, Júlio César Machado, and later led to the Republican revolution of 1891.

Between 1898 and 1912 negotiations took place between the British and the German governments concerning the future of and possible partition of the Portuguese African colonies.

## BEFORE AND DURING FASCISM

After the 1st World War started Britain requested help from the Portuguese in Mozambique for military operations against the neighbouring German colonies and asked for the seizure of German ships in the Portuguese ports. As a result of this, in March 1916 Germany declared war on Portugal. 55,000 Portuguese soldiers fought in France, incorporated in the British Expeditionary Force, and 30,000 in Mozambique, also alongside British forces.

The military coup of 1926 in Portugal, which brought into power the Fascist regime and Salazar, was never condemned or opposed by the British government, although it was an illegal coup against a democratically-elected government. Salazar and fascism guaranteed a safe life for the British investments in the country. The Portuguese Navy, essential for repression in the colonies and at home, continued to be equipped with warships built in Britain.

As on the eve of the 1st World War, on the eve of the 2nd World War the British government tried to use the Portuguese colonies to bargain with Germany. In March 1937 Ministers of the British government suggested, at a meeting of the Foreign Policy Committee, that Germany would have to be given Portugal's African Colonies. At a later meeting of the same committee, on January 1938 it was suggested that Portugal might be persuaded to give up Angola. These plans were then put forward at a full British Cabinet Meeting on the 2nd March of the same year and, by the British Ambassador, to Hitler, on the following day. Hitler, who must have been sure of Salazar's support for his cause, did not consider the offer of sufficient interest.<sup>4</sup>

During the 2nd World War, Salazar kept Portugal 'neutral', but helped his fellow fascists in every

possible way. When Salazar saw that the allied victory was near, he turned the tables by offering the United States and Britain military facilities in the Azores Islands, and rabid support for anti-communist crusades. Profiting from the cold war policies the Portuguese Army was re-equipped with modern weapons, also with the approval of Britain.

## A CHANGED POSITION

After 1936 and particularly after the end of the war a change started in relation to the dominant position of Britain in Portugal. The Portuguese ruling class and the fascists did not want Portugal as an exclusive British protectorate; they wanted to make of Portugal a protectorate of other powers besides Britain, to increase their profits and their chances of survival. They tried first Hitler's Germany. When this failed, the United States and West Germany became strong competitors, gradually ousting Britain from her 300-year-old leading position in Portugal.

But the economic and political position of Britain in Portugal was still very strong. And, particularly in the last six years, there has been a strong effort by the British Establishment to strengthen its position, through new investments and political support for the fascist régime.

This policy is undoubtedly very short-sighted and directed both against the interests of the Portuguese and of the British people. Investing money in a country and territories subjected to a tottering fascist and colonialist regime is certainly not far-sighted. The capital invested in Portugal and colonies, which could be so useful to Britain's much-needed own economic expansion, is going to help further exploitation of the Portuguese and African workers, with their miserable wages, and will compete, with their cheaply-produced goods, against the British workers' products in international markets, or even in Britain. This has already happened with textile imports into Britain, justly opposed by the Lancashire textile and hosiery workers.

This policy of the British establishment is morally and economically wrong for the people of both countries. The only viable alliance is between the *peoples* of Portugal

*Continued overleaf*

and England. The only significant example of this alliance in recent times was the widespread support in Britain for an Amnesty for political prisoners in Portugal, at the time of the West European Conference for Portuguese Amnesty, in December 1962 when, amongst many others, 124 British Trade Union Branches and 11 Trade Union National Executives expressed their support for the campaign against repression in Portugal.

## RECENT POLITICAL SUPPORT

One of the most outrageous aspects of the support for the Portuguese fascist and colonialist regime has been the constant British support for the Portuguese policies whenever these have come under attack at the United Nations. In the last 7 years resolution upon resolution condemning Portugal has had the unflinching opposition of the British Conservative or Labour Government representatives.

Sir Alec Douglas-Home, at the time Lord Home and British Foreign Secretary, visited Lisbon on 28th May 1961, attending the celebration of the 35th anniversary of the 1926 Fascist coup and meeting Salazar.

Harold Wilson, before he became Prime Minister, expressed his opposition to the supply of arms to Portugal. He did not put this into practice after coming into power. Edward Heath has declared already (in April last year) that 'the Portuguese Government does not threaten peace and international security'.

A member of the present Labour Government, Robert Mellish, visited Lisbon in September 1963 and the Angola military front in August 1964, expressing enthusiastic support for the fascists. Other Labour Government Ministers such as Walter Padley in 1965 and Eirene White in 1966, expressed their friendly feelings towards the Portuguese fascists.

In March 1963 an Anglo-Portuguese Parliamentary group, supporting fascism in Portugal, was founded by Labour and Conservative MPs. Among these last the Portuguese regime has naturally many supporters, prominent among them those supporting allied policies towards Rhodesia and South Africa, such as Biggs-Davidson and Patrick Wall.

The disgraceful list of past and present Labour MPs supporting Portuguese fascism and colonialism includes, amongst others, Walter H. Aldritt, the late F. J. Bellenger, the expelled Desmond Donnelly, J. A. Dunn, Colin Jackson, Robert Jenkins, Ron Ledger, J. MacCann, W. J. Owen and Albert Roberts.

Lord Russell of Liverpool has appeared since 1963 as defender of PIDE (the secret police) actions in Portugal, in association with the public relations firm O'Brien Organizations, paid by the Portuguese government.

Although the British ruling class has given full support to Portuguese fascism,

it has also, aware of its possible downfall, tried to play with Portuguese oppositionists, who may one day be on the ruling side of the country. It has encouraged amongst these opponents anti-communist policies and even encouraged, within Portuguese communists, those who could be less opposed to the British position and investments in Portugal. Those opponents living in Britain who have remained faithful to the true interests of the Portuguese people, have been subjected to pressure and persecution.

## BRITISH ECONOMIC INTERESTS

The most important type of support that Fascist Portugal is getting from the West is economic support.

Britain is, by a long way, the main buyer of Portuguese products (£55.9 million in 1967, or 20 per cent. of the total). It is also the 2nd main exporter of products to Portugal (£57.3 million in 1967 or 14 per cent. of the total).

Over 200,000 British tourists go to Portugal every year (the main visitors, excluding the Spaniards) bringing into the country much precious foreign currency to help the fascists cover up their chronic trade deficit.

In 1963, at the celebrations of the 5th anniversary of the British Chamber of Commerce in Lisbon, Mr. J. T. Errol, then President of the British Board of Trade, stated that British investments in Portugal and colonies amounted to no less than £90m. With devaluation and further investments since then, this total must have been trebled by now. In 1965 alone 34 new British firms were established in Portugal.

The traditional British investments still flourish. The Port wine trade and production have got, amongst others, the Sandeman and Graham firms. The Lisbon public transport is a 99 year monopoly of the Lisbon Electric Tramways Ltd., which employs 7,758 people (capital £1.5m., net profits of £75,000 in 1966, with a 6 per cent. dividend). Its chairman Lord Rathcavan is a fervent supporter in England of the Portuguese regime.

**Communications**—With colonies scattered in Africa, thousands of miles away, telecommunications are vital for the operation of Portuguese colonialism. A subsidiary of the British Marconi Company (the Companhia Portuguesa Rádio Marconi) is in charge of these communications. Its concession was extended for another 25 years in 1966. Its capital is £1.1m. and total value of its installations in Portugal £2.9m. A submarine cable linking the Lizard, in Britain, to Portugal was made possible with a £4.3m. investment of the British Post Office. This establishes a link in Lisbon with Cape Town, in South Africa through a recently-inaugurated (by means of a friendly talk between Caetano and the South African Premier) £25m. submarine cable; 80 per cent. of which was financed by a loan of British Banks (Midland, Barclays and Lloyds) to South Atlantic Cable Co. of South Africa (main shareholder Industrial Development Corporation of South Africa). This cable will be linked in Cape Town with the Mozambique colony and in Lisbon with cables from Italy and the U.S.A. 'Portuguese' Marconi is also interested in satellite communications.

Another valuable contribution to keeping the communications with the Portuguese colonial empire is given by Plessey International Ltd. through its subsidiary in Portugal, Automática Eléctrica Portuguesa, which employs 2,700 people in 2 new factories near Lisbon. Its export business is also profitable as proved by the sale, in 1967, of 100,000 telephones to . . . Hong Kong.

One of the main producers of electric cables in Portugal is CEL-CAT, a subsidiary of the British firm BICC, whose chairman is Lord MacFaddzean, another good friend of the Portuguese rulers.

Anglo-Portuguese Telephone Co. which since 1887 had the monopoly of telephone communications in Lisbon and Oporto, is going to be repaid to its shareholders by the Portuguese Government at a cost of £17.5m. In 1966 it had net profits of £800,000 and paid £100,646 in tax to help repression and the colonial wars.

**Steel industry**—In July 1967 Lazard Bros, of London, in association with the Portuguese Pinto & Sotto Mayor Bank, raised a giant £51 million loan for the Portuguese steel industry, which is vital for repression at home and in the colonial wars. £11m. went for equipment by Davy and other firms. £40m. for British iron mining equipment for the Moncorvo mines, which has reserves calculated at 500 million tons of iron ores.

In September 1967 British Oxygen won a £500,000 order to supply an oxygen plant to the Portuguese steel monopoly Siderurgia Nacional.

**Textiles**—ICI has a polyester factory in Portalegre (£1.3m. investment), with an annual production planned to rise from 3,000 to 12,000 tons. Investments up to £10.8m. are forecast.

Gourtauld's produces Courtelle in its associated António Pereira Vidal & filhos, in Arrancada do Vouga. J. & P. Coates, has interests in the cotton textile industry.

**Motor Industry**—There are 7 British or British-associated factories assembling motor vehicles in Portugal. Amongst the makes produced are Austin, Morris, M.G., Anglia, Vauxhall, Bedford and Standard-Triumph. B.L.M.C. has a factory near Setubal, supplying 50 per cent. of the British motor car market in Portugal.

**Finance**—The Anglo-Portuguese Bank of London, whose chairman is Sir Isaac Wolfson, is a subsidiary of Banco Nacional Ultramarino, one of the main profiteers from the Portuguese colonies. It had in 1967 net profits of £251,000 and assets worth £50 million.

The Totta-Aliança Bank, belonging to the CUF group, has associations with Hill Samuel & Co. of London, with New European Investments Trust Ltd. and Trans-Europe Investments Ltd.

The Bank of London & South America (BOLSA group) operates 2 branches in Portugal.

**Mining**—Portugal is one of the main world producers of tungsten, very much used in armaments industry. The largest Portuguese mines are owned by Beralit Tin and Wolfram Co., British-owned until 1968, but now 41 per cent. owned by Charter Consolidated, a South African subsidiary of the Oppenheimer group. Gross profits in 1967—much boosted by the Vietnam war—reached £1.1m., net profits £619,000 or three times those of 1966. Capital went up recently from £331,000 to £750,000.



## The Alliance - continued

Portugal has some of the largest European reserves of uranium. The Urgeirica mines have British capital.

British Metal Corporation (see this issue), is associated with the Belgians in an industrial unit, milling feldspar; with interests also in quartz mining. Another firm SOLAL, belongs to the London and Rhodesian Mining and Land Co.

**Food**—Unilever has 2 plants in Portugal. One of them (FIM, near Lisbon) produces 40,000 tons of margarine a year.

Heinz (American and British owned), owns IDAL, which in 1968 produced 36,000 tons of tomato paste, worth £4m.

Bailey & Ambler, from London, are interested in agricultural investments in Alentejo.

**Building. Tourism**—The Rank Organization, owns hotels in Algarve.

The Companhia Imobiliária Anglo-Portuguesa, is building 5 hotels and 20 giant blocks of flats in the Algarve.

Frank, Knight & Rutley, are investing £6m. in a freehold development site in Lisbon.

**Other Investments**—Paints (Robbialac), paper (Graham), news and advertising (London Press Exchange; NCK group through Ciesa-NSK), shipbuilding (Parry & Son and small share in the giant Lisnave £10m. owned by Swedes and Dutch), insurance (Matthews Wrightson & Co. Ltd.), fish nets (J. & W. Stuart Ltd.), shipping (Garland, Laidley, James Rawes & Co.), etc., etc.

**Guinea-Bissau**—Unilever has interests in the vegetable oil products in this colony.

**Angola**—Benguela Railways, belonging to Tanganyika Concessions, owns the largest (900 miles) railway in the colony, linking Zambia and Katanga to the Lobito port. It raised its dividends from 10 to 12.5 per cent. and its share in capital from £9.5m. to £14.7m. last December.

Bankers Trust Co., of London, together with West German, Italian and Swiss Banks, invested recently £8m. in Companhia Mineira do Lobito, which exploits the huge Cassinga iron ore deposits, in association with Krupp, of West Germany.

During the visit to Angola in February of the British Export Council mission, it was revealed that Shell is interested in oil in the Benguela area, contracts for this being expected to be signed soon.

Diamang, which has the monopoly of diamond mining in the colony, a capital £4.2m. and exports of £17.2m. in 1967, has British capital associated to South African, Belgian and American interests.

The Rank Organization, represented on a recent visit by ex-Conservative minister Selwyn Lloyd, also has interests in the colony. Britain is one of the main exporters and importers in the colony.

**Mozambique**—Sena Sugar Estates Ltd. is the largest sugar producer of all the Portuguese colonies (400 tons daily). It employs 25,000 African workers, has its private railway, to be enlarged with another 80 miles of track between Inhamitanga and Marromeu at a cost of £1.9m. Gross profits in 1967 reached £1.4m.

Gill & Dufus, opened in 1966 a factory for de-husking cashew nuts, handling 6,000 tons of raw seeds a year.

## Foreign Powers help Fascism

Continued from page 457

a consequence of Caetano's 'face-lift' is the role of temptress his 'new' regime is playing.

### WEST GERMANY

Marcello Caetano delightedly received all his clients. One of the first to call was West German Chancellor, Mr. Kurt Kiesinger. (*Vida Mundial*, 1.11.68.) The biography of the two politicians shows significant similarities. Kiesinger and Caetano were active members of orthodox Nazism and Salazarism, respectively. And both are now trying to appear as leaders of 'democracy'. The West Germans have spent more than £20m. on the building of their air

The Beira-Umtali pipe-line is owned by the Lonrho group, whose chairman is Sir Angus Ogilvy.

Britain is one of the main importers and exporters in the colony.

### RECENT MILITARY SUPPORT

In January 1961, a Royal Navy frigate participated in the chase after the liner 'Santa Maria', taken over by Salazar opponents. The same month an official Portuguese Army mission visited London.

In June 1961, two Royal Navy frigates, 'Morecambe Bay', and 'Mounts Bay', were sold to the Portuguese Navy, to help the wars in Portuguese colonies.

In February 1963, General Câmara Pina, Portuguese Chief of Staff, visited Britain to negotiate the purchase of arms, particularly armoured cars and vehicles suitable for jungle warfare in the colonies. In February 1965, B.M.C. won an order for 200 'Austin Gypsies' for the Portuguese Army.

In April 1966, Michael Stewart, Foreign Secretary, said in the House of Commons that Britain continued to approve the sale of war material to Portugal.

In May 1966, the Royal Navy frigate 'Dalrymple' was sold to the Portuguese Navy.

NATO arms supplied to Portugal, with British approval, are widely used for police repression in Portugal and colonial warfare against the African peoples. The Montijo aero-naval base, near Lisbon, is used by British forces, within NATO agreements. The anti-submarine training centre in the Alfeite naval base, opposite Lisbon, was installed by British technicians and supplied with British equipment in May 1964.

### REFERENCES

1. G. Araujo, 'The Anglo-Portuguese alliance', in *Portuguese and Colonial Bulletin*, February-March 1962, Vol. 1, No. 12, pp. 70-73.
2. 'Grande Enciclopédia Portuguesa & Brasileira', Lisbon, Vol. 122, p. 834.
3. Flausino Torres, 'História Contemporânea do Povo Português', Ed. Prelo, Lisbon, 1968.
4. British Cabinet Minutes, 1938, at the Public Record Office. Quoted by *The Observer*, 5.1.69.

All other data taken from the Portuguese and British press, 1961-1969.

base in Beja (Southern Portugal), which includes the housing of some 2,500 German soldiers and officers and their families.

West Germany is in the process of having a new Embassy built in Lisbon at the cost of over £350,000. It is to be the conversion of an old palace, facing a 'romantic square', where the Lisbon Law School used to be. The architects were instructed to build a floor which 'cannot be seen from the square' (*D.L.* 3.1.69).

### FRIENDS IN AFRICA

The Supreme Commander of the South African Joint Armed Forces, General Frazer, visited Mozambique, where he held talks with the Governor-General (*P.J.* 8.1.69).

South Africa continues sending material help to the Portuguese troops fighting in Mozambique. Their last present consisted of two aircraft and one ambulance (*P.J.* 27.1.69).

Portugal and South Africa signed an agreement for the development of hydro-electric power on the Cunene River, of Angola, which will contribute to the development of South-West Africa. The cost—£253m.—is to be met, in equal parts, by Portugal and South Africa—the Portuguese share being lent by South Africa. (*P.J.* 2.1.69.)

Dr. Marcello Caetano reaffirmed that the purpose of his government was to stand by Rhodesia and South Africa in defence of 'stable government' in Southern Africa (*Daily Telegraph*, 28.11.68).

The Governor-General of Mozambique held a special meeting with the Portuguese diplomatic representatives in neighbouring countries—i.e., South Africa, Rhodesia, Malawi and Madagascar (*P.J.* 21.1.69).

The Portuguese diplomatic mission to Malawi is to become an Embassy (*P.J.* 12.1.69).

### ... AND IN SPAIN

A conference of Portuguese and Spanish Military Organizations was held in Lisbon. The conclusions of the meeting stressed the unshakable alliance between the two Iberian nations, which were described as the last ditch for the defence of Western Civilization (*D.L.* 16.12.68).

Portuguese and Colonial Bulletin, K. Shingler, 10 Fentiman Road, London, S.W.8. Subscriptions for one year, including postage: Britain and Europe 15s., Overseas (air-mail), £1. Cheques and postal orders should be made out to Portuguese and Colonial Bulletin.

# INSIDE PORTUGAL

## THE ECONOMY

THE crisis which has affected the Portuguese economy since 1966, characterized as it is by a slowing down in the growth rate of the industrial sector and in the volume of capital investments, was still apparent up to the end of 1968.

What partial recovery there was during 1968 in the industrial sector, mainly affected consumer goods. By the end of the third quarter of that year there was still no sign of any improvement in the production of industrial equipment. This situation in which the production of consumer goods takes precedence over the development of industry not only underlines the dependence of the Portuguese economy upon external trade, but also shows to what extent the economy is distorted by the interests of foreign groups operating in Portugal who find, as we have shown in previous issues of this Bulletin, that consumer goods manufactured by cheap Portuguese labour compete on favourable terms in the world market. A profitable business for the foreign concerns, but not for Portugal.

Meanwhile inflation grew even more markedly during 1968. Foreign currency remitted home by emigrants and income from the Tourist trade remained at the same level as in 1967, but there was a marked growth of military expenditure on the three colonial wars and on repression at home. In the first ten months of 1968 these outgoings were £12m. higher than for the same period in 1967—an increase of 17%. Public expenditure increased by 9.9% during the first ten months of 1968, and this was mainly due to military expenses and to repayments and interest due on public loans, which increased by nearly 10% compared with 1967.

Mounting public expenditure has been partly covered by a Purchase Tax, first imposed in 1966, which yielded £29m. in two years. Since the yield of this tax is reaching its peak, the Dictatorship must look for other sources of revenue to bolster up the military adventures in which they are more and more entangled.

Home and foreign loans are the likely expenditures—a policy which will entail even greater interference by foreign interests in Portugal's

affairs. This can be seen already in the Budget for 1969, where, from a total of £97m. in extraordinary income, £76m. are to come from loans. Usually loans have been kept below a figure of £45m. (*P.J.* 18.11.68, 28.12.68; *D.L.* 7.12.68; *Vida Mundial* 10.1.69; *Seara Nova*, Jan. & Feb. 1969.)

## CRISIS

The textile industry—the largest industry in Portugal, mostly concentrated in the northern districts of Braga and Oporto—is facing a serious crisis.

Between June and December, 1968, five factories were closed down in Guimarães, bringing unemployment to over 1,000 workers. In Braga one factory was closed last December leaving 400 out of work. In Famalicão two other factories, with 2,000 workers, will soon be shut down. (*D.L.* 14.1.69; *Vida Mundial*, Lisbon, 20.12.68.)

Other industries also suffer. It was announced in January that the Marão (North Portugal) mining and iron works, where 1,000 people were employed, were being closed.

## ... AND PROFITS

The second largest Portuguese hydroelectric enterprise, the *Hidro-eléctrica do Cávado*, has a capital of £17.8m. and £50m. invested in

five large dams in the North of Portugal. It recently issued another £1.4m. in shares (*P.J.* 6.12.68).

## THE SELL-OUT

Portugal is seeking more British capital, this time through Frank Knight & Rutley for a freehold development site in Lisbon. The completed development may involve £5m. or £6m. (*Daily Telegraph*, 12.2.69.)

Sepulchre Ltd., a firm associated with BUFA (Union Financière d'Anvers) and BMC (British Metal Corporation) has now opened a new factory near Viseu (N.E. Portugal), for the production of milled feldspar. Sepulchre Ltd. has already invested £1.9m. in Portugal. (*P.J.* 21.1.69.)

The West German factory in Braga (N.W. Portugal), has manufactured 500,000 radio sets and 30,000 T.V. sets since its opening in 1966. Its daily output is 1,350 radios and 150 T.V. sets. It is expected that by the second half of 1969 production will have risen to 1,900 radio sets and 200 T.V. sets each day. Nearly all Grundig's production in Portugal is for export. (*P.J.* 22.12.68.)

Beralt Tin & Wolfram belonging mainly to a South-African Group, owners of the mines of Panasqueira, is to raise its capital from £331,000 to £750,000. The Chairman, Mr. Flint, said that the company is continuing to face labour problems in Portugal, and improvements in

## EDUARDO MONDLANE

Eduardo Mondlane, the 48-year-old leader of the FRELIMO movement for the liberation of Mozambique, was assassinated by a bomb explosion on February 3rd, at Dar-es-Salaam, Tanzania.

Everything points to the hand of the sinister Portuguese secret police (PIDE) as author of yet another crime. PIDE is well known for its repeated usage of political assassination. In 1968 alone 3 political prisoners died at their hands in Portugal.

PIDE has no hesitation in acting on foreign territory, as is proved by the barbarous assassination on Spanish territory of General Humberto Delgado, Portuguese opposition leader, in 1965. The bomb which killed Eduardo Mondlane is said to

have been sent from West Germany.

Amongst others murdered by PIDE in Portugal were political leaders and opponents of the regime such as Manuel Tomé, Augusto Martins, Bento Gonçalves, Alfredo Caldeira, Mário Castelhanos and many others at the Tarrafal concentration camp, the physician Dr. Ferreira Soares, General Godinho, Francisco Marques, Germano Vidigal, Alfredo Diniz, José Patuleia, Lopes de Almeida, Militão Riberio, José Moreira, Venceslau Ferreira, Lemos de Oliveira, Manuel da Silva Junior, Raúl Alves, the sculptor Dias Coelho, and many others.

These are the deeds of the PIDE'S thugs and murderers, the main supporters of the Caetano regime, which is a NATO member, together with Britain, for the defence of 'freedom'.

housing and conditions of work, while meeting with a small degree of success in attracting workers, are adding to working costs. (*Times*, 12.12.68, *P.J.* 13.11.68.) The Company would have a greater degree of success in attracting workers if the wages were not so low . . . But profits and dividend for 1968 are expected to remain high.

The exploitation of the very large Portuguese uranium resources is to be intensified (*D.L.* 19.1.68). New foreign investments are anticipated.

### NATO AID TO AFRICAN WARS

Under the new rule of the so-called liberal, Prof. Marcello Caetano, the three colonial wars in Africa have been stepped up and an additional £438,800 has been granted to the Armed Forces. (*D.L.* 8.1.69.)

Portugal's weaponry and military equipment come from the NATO countries. The United States shared 50 per cent. of the total cost of a new frigate built in Portuguese shipyards under a NATO agreement. It was launched in Lisbon on Nov. 4, 1968, in the presence of the American Ambassador, Mr. Tapley Bennett and the Commander of the IBER-LANT NATO COMMAND. (*D.L.* 4.11.68.)

A new launch (LDP 214) has also been acquired by the Navy. (*D.L.* 17.1.69.)

### MORE MONEY FOR THE ARMED FORCES

In order to mitigate the discontent of the Army, particularly among the lower ranks, corporals have had their monthly salaries increased to £26. Ratings who have been recalled will receive from £19 to £21.15.0 a month, according to the length of their service (*D.L.* 4.12.68). Retired officers under the age of 60 who are holders of a University degree are being invited to join some specialized branches of the NATO services. (*P.J.* 14.11.68.)

### MORE WOUNDED IN HOSPITALS

Portugal is becoming a gigantic hospital and a military training field. Many clinics and rest houses for the wounded in the colonial wars have been opened throughout the country. (*D.L.* 13.12.68.)

### FREQUENT MILITARY MANOEUVRES

Frequent military manoeuvres take place inside the country. On

December 18th and 19th, 1968, there were artillery exercises in the Evora region (Southern Portugal) (*D.L.* 16.12.68). Near the sierra of Arrábida (South of Lisbon), 6 soldiers were severely wounded by the explosion of a 'bazooka' grenade on December 3, 1968. (*P.J.* 4.12.68.) At Trafaria (South of the Tagus) 3 women and 1 man were killed in an explosion in an ammunition factory on December 20, 1968 (*P.J.* 21.12.68).

### TROOPS FOR THE COLONIES

On November 26th and December 24th, 1968, and January 12th 1969, more military contingents left Portugal for the African colonies. (*P.J.* 26.11.68 to 12.1.69). New recruits were sworn in at Aveiro on December 19th, at the Air Force base at the Ota on December 21st, and at Oporto on December 22nd. (*P.J.* 21, 22.12.68.)

### STEPPING UP PRODUCTIVITY

A central office for speeding up productivity in Air Force workshops at Alverca, near Lisbon, was inaugurated on January 24, 1969 (*P.J.* 25.1.69).

### SMOKE SCREEN CAMPAIGN ON ELECTORAL RIGHTS

A demagogic campaign is under way to gather support for the policies of Marcello Caetano, the promoter of Modernized Fascism. While political opponents of the regime are kept in gaol, the Government has granted an amnesty to clandestine emigrants, who will now be able to register at their respective consulates. (*D.L.* 28.12.68.)

For the first time more women will be allowed to vote in Portugal. But the illiterates who until now could vote, if they paid taxes of any sort, are to be deprived of their rights. This—in a country with a nearly 40 per cent. illiteracy rate! (*D.L.* 5.12.68.)

Meanwhile, Marcello Caetano's Minister of the Interior has set the tone of the present campaign by stating that 'political problems have no solution' (*Vida Mundial*, 29.11.68). In a rather odd image he referred to 'the pathology of the suffrage' and clarified that 'our political structures do not tolerate political parties'. He also added: 'we don't change our political theory' (*Vida Mundial*, 29.11.68, *P.J.* 24.1.69).

On the other hand, the Minister of Education has stressed that 'the dialogue only divides people'. (*P.J.* 5.1.69.) This answers claims about the liberalization of the régime . . .

The Government Fascist Party, União Nacional, has been streamlined for the forthcoming 'elections' of deputies to the 'National Assembly'. Its new chairman is Dr. J. Melo e Castro (*P.J.* 10.12.68).

*Continued from page 464*

## MOZAMBIQUE

**FRELIMO STEPS UP THE WAR**  
FRELIMO has opened a new war zone in the Tete province.

Also, the freedom fighters have been reported to be very active in the districts of Cape Delgado, Ulo, Bauia, to the West of Mocimboa da Praia, to the North of Bandeça, Unango, and in the Tete and Niassa districts. (*P.J.* 10.11.68 to 11.1.69.)

### SOUTH AFRICAN GENERAL

The Portuguese military authorities are so worried, that the South African Joint Commander of Combat Forces, General C. A. Frazer, has inspected the central and southern regions of Mozambique (*P.J.* 11.1.69).

The Rhodesian Minister for Foreign Affairs has been to Lourenço Marques (*P.J.* 16.1.69).

### FOR WHAT THEY DIE . . .

The Trans-Zambesia Railway Company had a surplus profit of £663,349. The increased revenue comes from both goods and passenger traffic. (*The Times*, 13.12.68.)

Mozambique Railways have ordered 522 coaches, £2,479,500 worth. (*D.L.* 28.12.68.)

W. Germany has acquired a predominant position in the finance of the Cabora Bassa hydroelectric project. (*Financial Times*, 17.11.68.)

### MORE U.S.A. INVESTMENTS

The U.S.A. *Hunt International* (Dallas, Texas) has been granted a 3-year concession to prospect for oil on a 300 km. stretch of coast between Beira and Quelimane (*P.J.* 23.1.69).

### THE FOREIGN RUSH

Japanese, South African, Italian and Malawi industrialists are coming to Mozambique to set up a joint firm for the prospection of mineral resources in the colony (*P.J.* 22.11.68).

# COLONIES

## PORTUGUESE CASUALTIES

THESE are the minimized losses reported in the Portuguese war communiqués and press from November 5th, 1968, to January 29th, 1969.

	KILLED		WOUNDED	
	Armed Militia Forces	Armed Militia Forces	Armed Militia Forces	Armed Militia Forces
Guinea ...	50	—	—	—
Angola ...	91	43	173	73
Mozambique	45	2	—	—
Total ...	186	45	173	73

Numbers for the wounded are not always available. The sum total for 13 weeks is 231 killed and 246 wounded. There were 8 soldiers reported missing (Guinea 2; Angola 6).

## GUINEA

### THE ENCIRCLED PORTUGUESE

THE war in this colony has reached a particularly difficult stage for the colonialist troops. These have been forced to retreat to entrenched camps, leaving the territory under the control of the valiant PAIGC combatants.

For this reason Portuguese war communiqués now always begin by indicating the camps that have been attacked by the patriots. During the day, when they chance the road, Portuguese forces are frequently ambushed and convoys blown up.

The Portuguese report intensive attacks on the camps of Madina do Boé, Gandembel, Cufar, Catió Fulacunda, Mansabá Cameconde, Ganjola, Biambe, Tite, Ponta Balana, Canturê, Cacine, Gadamel and many others. (P.J. 2.11.68 to 27.1.69.)

### GUINEAN VICTORIES

The PAIGC patriots, who have no illusions after the 'political death' of Salazar (they know what to expect from his successor) are fighting for victory (PAIGC Comm., 19.12.68). They won a victory with the total destruction and occupation of the entrenched camp of Gâ Carnês (Ponta do Inglês) in the Xitole region (Eastern Front). In this new drive since June '68, 10 Portuguese camps have been taken over by the patriots (PAIGC W. Comm., 7.11.68).

A major Guinean victory was the occupation on January 28th of the Balana and Gandembal camps, in

the South, and of the Madina camp, controlling the Boé South-Eastern region, very rich in bauxite. The Portuguese troops chased by PAIGC from Madina, suffered big losses when attempting to cross the Corubal River. Forty-seven soldiers were drowned, under the Guinean fire, the highest loss admitted by the Portuguese since the beginning of the war in 1962.

In this rainy season, the colonialist army has resorted to frequent bombing of the liberated villages, particularly with napalm. (PAIGC Comm., 17.12.68.)

### AN EMERGENCY PLAN

The seriousness of the present situation was brought home to the new administration by the new Commander-in-Chief of the Armed Forces in the colony. To cope with the crisis, the Government intends to spend £9,425,000 until 1973 on projects which include rebuilding of roads and re-equipment of a few ports. In order to keep Portuguese civil servants in the colony, the time needed there for promotion or retirement will be half of that required for those serving inside Portugal (P.J. 13.12.68.)

## ANGOLA

### PORTUGUESE NERVOUSNESS

THE liberation war in this colony is clearly growing more violent. The patriots have kept up their attacks against the Portuguese occupying forces in all areas where they already dominate, and in many others which until now had been rather quiet.

Lisbon is nervous and worried. On December 10, 1968, the Portuguese Defence Minister came for a two weeks visit to the military installations (P.J. 3.1.68). The Overseas Minister flew to Luanda on January 6, 1969, to confer with the local authorities and to visit some of the economically most important regions of the colony (D.L. 6.1.68). On December 16, 1968, the Defence Minister for War stated that Angola was 'a focus of intense subversion' (P.J. 16.12.68), and that it was developing under a protective umbrella' (D.L. 15.12.68).

### VIGOROUS OFFENSIVE OF THE ANGOLANS

The Portuguese War communiques, normally so reticent about the real situation, now admit quite frankly that initiative is with the

Angolan militants and refer to their 'expressive results', particularly in the Eastern region (Luanda—War Comm., 27.10 to 2.11.68).

The freedom-fighters have been very active on all fronts (Uige, Cuanza Norte, Luanda district, Mexico, mainly to the Northeast of Lucusse, Cuando-Cubango, Lunda, the Cazage area, Zaire district, and Cabinda). Frequent and vigorous attacks by the guerrillas, ambushes and clashes with Portuguese forces were reported all over the colony (P.J. 8.11.68 to 24.1.69).

The colonialist forces claim a few sorties on important MPLA bases to the Southeast of Lumbala (D.L. 6.12.68).

### BIG BUSINESS AT WORK

The fear Portuguese colonialists have of losing Angola, makes them step up the sell-out of the country's wealth to the highest foreign bidder.

A delegation of the British National Export Council has made a two-week visit to Luanda (P.J. 11.1.69).

### FOREIGN INVESTMENT REAP A GOOD HARVEST

The Benguela Railway Co. (Angola) one of the principal enterprises of British-owned Tanganyika Concessions Ltd., raised its dividend from 10% to 12.5%. Its issued share capital is to increase from £9.5m. to £14.7m. (Times, 18.12.68, D.L. 21.12.68.)

The foreign owner Teneco-Angola Inc. has been granted a concession with exclusive rights for the prospection and exploration of sulphur in the colony. (D.L. 10.1.69.)

### U.S.A. AND OIL

The American owned Cabinda Gulf Oil Company, which has invested £14½m. in two years in the colony, has had its contract renewed for a further period of exploration (D.L. 7.1.69).

The Angol (associated with the Sacor trust in Portugal) and the American-owned Texaco have made a joint agreement with the Petrangol (associated with the Belgian and internationally-owned trust Fina) for the continued prospection and exploration of oil in the Congo area of this colony (D.L. 24.1.69).

The Malongo pipeline in Cabinda came into operation on November 28, 1968. It is expected that by the end of 1970 it will carry 7½ million tons of oil a year (P.J. 29.11.68).

Continued on page 463