

E.S. de FERREIRA*

1. THE ISSUE

The fact that for Guinea-Bissau political independence has already been achieved and that independence is planned for Mozambique to be realized this year and for Angola within less than one year, is being regarded by many people as something which by itself marks the end of relationships of dependence between these African territories and Portugal. Such a view is based on an incorrect evaluation of Portuguese colonialism today.

A number of attempts that have been made to explain Portugal's refusal for many years to grant her colonies independence has created the image of a static Portugal and of static colonial relations. This image is widely spread among the critics of the Portuguese colonial regime. According to this conception, Portugal is an underdeveloped agrarian country whose economic weakness did not allow her to introduce a market economy in the colonies, this explaining the maintenance of a repressive colonial system based on forced labour. Portugal's dependence on Europe, these critics say, makes the Portuguese ruling classes a puppet of the international capital's interest and has led to a situation where the Portuguese bourgeoisie can draw some profit from the colonies only by direct political control. The poor competitiveness of the Portuguese economy in the international context, the critics continue, does not allow the Portuguese bourgeois classes to participate in the process of decolonization. Altogether, they say, Portuguese colonialism must be regarded as a primitive, violent and in our times abnormal system.

This conception is not in accordance with reality as it has presented itself in the last few years up to the present. In view of the developments that have taken place both in Portugal and in the colonies following the 25th of April, it is of the greatest importance to make clear the dangers inherent in such an image. As regards Portugal, it would be a grave error, if - because of the view that Portugal's ruling classes are but a puppet - the present struggle for democratization were directed primarily against imperialist countries instead of against Portugal's own bourgeois classes. As regards the Portuguese colonies, the image

*Professor in Economics, Institute of Superior de Ciencias, Socials and Political, Lisbon Portugal,

described above would mean that the process of decolonialization could be regarded as completed at the moment of political independence, thus ignoring or at least underestimating the attempts made by the Portuguese bourgeoisie to take the neocolonialist way to secure further control of the colonies, with all its consequences of continued underdevelopment. At a general level, to regard Portuguese colonialism as abnormal and violent, would mean, at the same time, to accept capitalism and neocolonialism as it is practised by the developed industrial countries as normal and non-violent.

2. THE DEVELOPMENT OF COLONIAL RELATIONS

Until the sixties of our century, the economic relations between Portugal and her colonies were based on the classic colonial pact: the colonies, on a preferential basis, supplied Portugal with agricultural products and raw material at prices below world market prices, while at the same time serving as a market for Portuguese low quality manufactured goods that were not competitive on foreign exchange that was needed to settle Portugal's chronically unfavourable trade balance. The fact that the colonies supplied Portugal with raw materials prevented an industrialization of these territories, fostering instead the establishment of industries in Portugal. The foreign exchange gained by the colonies enabled Portugal to buy investment goods from foreign countries. Thus the colonial exploitation was limited to trade and the beginnings of an exploitation of natural resources, capital investment in the colonies being of a negligible size. Such a relationship reflected the low degree of development of the Portuguese economy: still in 1960 43% of Portugal's active population was engaged in the primary sector and contributed not more than 26% to the GNP, the secondary sector employing 29.5% of the active population and contributing 37% to the GNP.¹

In the sixties, however, the Portuguese economy began to move out of the stagnation that had lasted for decades and entered a dynamic phase. This was the result of many factors, in particular, though, of the nationalist policy pursued by the Estado Novo. The Salazar Government was a compromise and arbitral government. Its function was, on the one hand, to coordinate the diverging interests of weak bourgeois classes and thus protect their position of power against possible attacks by the non-privileged classes and, on the other, to screen the interests of these bourgeois classes against foreign capital. In short, the Estado Novo had the

function of preserving Portuguese capitalism from internal and external dangers. The result of this policy was a slow but continuous strengthening and establishment of a Portuguese capitalism. The secular dependence on foreign countries was largely removed by making the access of foreign capital more difficult and by practising a policy of diversification, i.e. of shifting the economic relations gradually from a nearly exclusive dependence upon England to relationships with numerous countries, each of which was not in a position to exercise decisive influence on the Portuguese economy. As regards the accumulation of capital in Portugal, there were two factors favouring it. One was the active trade - of foodstuffs but also, in particular, of wolframite - that had profited from Portugal's neutrality during the Second World War. The second was the steady flow of foreign exchange engendered by the external trade of the colonies and controlled by Portugal's central bank.

This development was the basis for a change in the Portuguese economy, whereby the agrarian capital lost ground increasingly while the industrial and financial capital gained in strength. Already in 1967, the industrial sector employed a greater part of the active population (34.6%) than the agricultural sector (34%), and in 1970 it contributed 45.5% to the GNP as compared with only 15.4% of the primary sector.² The first National Development Plans drawn up by Portugal mark a phase in which the large infrastructure investments made by the Portuguese state in the fifties began to bear fruit and where, at the same time, the large and closely interrelated industrial and bank groups began to arise. This strengthening of Portuguese capitalism was fostered by the process of European integration which set out at a moment when the Portuguese industrial and financial capital - now in a stronger position - has just become able to cooperate with the international capital and to defend its interests. The concentration of capital as we find it in Portugal today reflects this development: in 1971, 168 companies - i.e. 0.4% of the total number of 40,051 firms existing in Portugal were in the possession of 53% of the capital of all companies. More than 10% of the total capital of all companies is concentrated in the hands of CUF, the greatest Portuguese group.³

3. THE RENEWAL OF THE COLONIAL PACT

The economic relationship with the colonies in its old form turned into an obstacle for development and required a revision

of both the Portuguese economic policy and the Portuguese colonial policy. The new position of Portuguese capitalism and, in connection with this, the creation of a basis of cooperation with the international capital enabled the Portuguese bourgeoisie to orient the economies of the colonies according to the new necessities of the Portuguese economy; it furthermore made it possible for Portugal to survive for a number of years the impact of liberation wars. Expressions of this overall change were the diverse reforms introduced in the seventies, which culminated in the constitutional reform of 1971.

The new market requirements of the Portuguese economy resulted in a qualitative change of the colonial trade; the import by Portugal of mineral ores increased whereas imports of foodstuffs were reduced, the Portuguese exports at the same time diversifying in order to comprise many qualities of products while the percentage of inferior goods (as wine and textiles) decreased. But more important than this qualitative change was the instructive general reduction of the colonial trade. While at the beginning of the sixties Portuguese exports went in the first place to the colonies, exports to the colonies were now increasingly reduced in favour of a vivid export to Europe (see table).

Portuguese Exports According to Countries (in %)

	1960	1970
Total	100	100
Colonies	26	14
EFTA	21	41
EEC	22	21

Source: Comercio Externo, ed. INE, Lisbon.

This change reflects the Portuguese economy's turning to Europe, a turn which was contrary to the endeavours of the agrarian and commercial capital after developing the Portuguese economy within the framework of the Escudo Zone, i.e. the economic space comprising Portugal and her colonies.

The contradictions between the agrarian and commercial capital on the one hand and the industrial and financial capital on the other were settled in favour of the latter which assumed a clearly predominant position with the Portuguese economy. As a result, Portugal's economy was directed towards Europe, the new trend prevailing over the colonial trade which lost in importance while capital expansion gained momentum. A ready symptom is to

be seen in the crisis of the "interterritorial payments". This development means an enlarging of the industrial basis of the big Portuguese capital in the colonies, the initiation of a process of industrialization in the colonies controlled by the big Portuguese groups in close cooperation with the international capital. By this the Portuguese colonialism found a way out of the impasse resulting from mere trade relations with underdeveloped colonies (and from the colonial wars) and it is now entering new markets and adapting itself to new situations of competition.⁴ The 25th of April marks the end of this development, by which the function of the Estado Novo as coordinator and arbitrator of the diverse interests of the capital fractions came to a close. For pursuing the interests of the now reinforced industrial and financial capital a new economic, social, and colonial policy and had become necessary.

There is a process of transition taking place from the exploitation of the colonies through colonial trade to the exploitation through capital penetration. The preconditions for this development have been created by increased infrastructural investments in the industrial, transport, and energy sectors, these investments having priority in the latest, i.e. the Third and Fourth, National Development Plans.⁵ The trend is the promotion of capital accumulation in the colonies, as can be seen e.g. in the law on transfers of 1971 which makes it very difficult to transfer funds out of the colonies. This trend becomes evident also from the fact that the colonies trade balances with Portugal for the year 1971/72 no longer show the chronic deficit of former years but are favourable for the colonies. From this one can conclude that the industrialization of the colonies is planned, although it will be kept within certain limits: the industries already established - or to be established - in the colonies are such that are no longer profitable for the Portuguese economy and are, thus, to be shifted to the colonies, as the Portuguese Secretary of State Rogerio Martins has put it already in 1968: "We must transfer the textile industries from Minho to Angola."⁶ These industries are such of low productivity, at the beginning mainly food and later textile industries, both of them limited to the supply of the internal market. This allows Portugal to give up unprofitable industries and specialize in products of higher quality such as instruments, machines, transport material etc. that can be exported to the colonies.

This entire process is accompanied by a strengthening of the Portuguese capital in the colonies. In the course of this development, a new and unprecedented financial and monetary relationship of dependency is coming into existence. This is reflected in the formation of firms and banks financed by Portuguese capital.

4. THE ACTIVITY OF PORTUGUESE CAPITAL IN AFRICA

Official statements of the Portuguese capital export (medium and long-term) to the colonies are made for the first time in the balance of payments for the year of 1964, the amount exported being 130 Mio. Escudos. Since then an average upward trend can be discerned, the Portuguese private medium and long-term capital export in 1973 amounting to 668 Mio. Escudos, 213 of which were direct investments and 223 loans.⁷ These data indicate the trend but do not show the full reality of the penetration of the colonies by Portuguese capital: since the balance of payments does not take into consideration the self-financing of Portuguese firms in the colonies, their taking recourse to local credits and capitals and the "apports de capital en nature", the penetration must be assumed to be much higher. In order to form a general view of the financial dependence of the colonies on Portugal, not only the exports of private capital must be considered, but also the debts which the colonies have accumulated with respect to Portugal, mainly in connection with the National Development Plans. At the end of 1972, these liabilities amounted to 17.5 thousand million Escudos.⁸

The activities of the Portuguese private capital by means of direct investments can be deduced from a glance at a number of firms operating in the colonies. In 1960, 65 companies with their legal seats in Portugal but operating in the colonies had in their hands a capital of altogether 1.7 thousand million Escudos. In 1971, 41 such firms had a capital of 3.1 thousand Escudos and an annual revenue of 5.1 thousand million Escudos. In the same year (1972) a new Portuguese firm was founded in Angola, which alone had a capital of 110 million Escudos.⁹

A short survey of the activities in the colonies of only some of the largest financial groupings in Portugal conveys an idea of the strength of the Portuguese capital in the colonies. These groups either form the basis for the creation of banks which are among the largest in Portugal or they result from the existence of such banks.¹⁰

The CUF group comprising more than 100 integrated firms is the most powerful group in Portugal, a genuine imperium. It is controlled by the firm CUF (Companhia Uniao Fabril) itself which expanded its activities to the whole of Portugal, Angola, Guinea, and Mozambique, working mainly in the chemical sector but also in many others up to the metallomechanic industry. In the colonies, through Companhia Textil do Pungue and the firm CICOMO in Mozambique and through SIGA in Angola, the CUF group participates in the exploitation of raw materials (in particular, sisal) for its textile industry. For its oil and soap industries it controls, through its subsidiary firms Casa Gouveia and Comfabril, the production of oil plants in Guinea-Bissau and Angola, these firms also serving to market the CUF products. In order to secure smooth communication between the raw material sources in the colonies and the manufacturing plant in Portugal, the CUF itself took over the transport by means of transport firms of its own. CUF created the Sociedade Geral de Comercio Industria e Transportes (SGCIT), later it purchased the large Companhia Nacional de Navegacao which then incorporated the SGCIT and at present possesses about 20 subsidiary firms in Portugal and in the colonies, some for naval transport, others for loading and unloading, still others only agencies. In 1971, i.e. before the merger of the two firms SGCIT and Companhia Nacional de Navegacao, they had in the hands 49% of the capital of the entire transport sector and earned 45% of the sector's income. Besides, CUF is engaged in the repair and construction of ships. This sector, is nearly exclusively controlled by the overwhelming interest of CUF in LISNAVE and SETENAVE. CUF's aim is to incorporate the entire sector. LISNAVE at present possesses three quarters of the capital and 62% of the income of all 45 firms active in the sector. Around LISNAVE, the CUF set up a number of naval transport firms in the colonies. After having reached these enormous dimensions in the industrial sector, CUF purchased the bank Jose Henrique Totta and founded its own bank, the Totta-Alianca, with a subsidiary in Angola. In the insurance sector, CUF created the insurance Imperio which in 1972 collected one fifth of all premiums paid in this sector. It was joined by an insurance company in Angola.

The Espirito Santo group is led by one of the largest Portuguese banks, the Banco Espirito Santo e Commercial de Lisboa, the activity of which extends far beyond the banking business to insurances, soil exploitation, and petroleum mining in Portugal and in the colonies.

In 1972, its deposits reached 32 thousand million Escudos and its capital was raised to 800 million Escudos. The Espirito Santo family holds 40 positions in 20 large companies with a nominal capital of more than 4 thousand million Escudos. 40% of these companies are active primarily in Angola and Mozambique. The group possesses in Mozambique the insurance company Companhia de Seguros Tranquilidade de Mocambique as well as 45% of the capital of the Banco Interunido of Angola which was established recently and of which another 45% of the capital is in the hands of the First National City Bank (USA). The group has old and very strong interests in the colonies with respect to the exploitation of the soil. It possesses huge sugar cane plantations, in Angola through its subsidiary firm Sociedade Agricola do Cassequel and in Mozambique through Sociedade Agricola de Incomati. As regards coffee, it controls the great Angolan firm CADA (Companhia Angolana de Agricultura) with 16,000 hectares of coffee-trees, which in Portugal owns a petroleum mining sector of Angola through the firms PETRANGOL and PURFINA, while at the same time it is one of the three greatest shareholders of Portugal's largest petroleum refinery SCOR. SACOR, together with Banco Borges e Irmao, controls part of the petroleum mining of Angola, through ANGOL.

The Champalimaud group which takes its origin from the Casa Sommer started out with cement, passed to steel and later on to banking, insurance and the paper industry. In these branches it today owns 12 large industrial firms, one of them in Angola and one in Mozambique, as well as five insurance companies, again one of them in Angola and one in Mozambique. At the stock exchange, the share capital of but five of these companies reached, at the end of 1972, the value of 40 thousand million Escudos. As regards cement, the Champalimaud group possesses in Angola the Companhia de Cimentos de Angola while in Mozambique owning Companhia de Cimentos de Mocambique. After the foundation of Portugal's largest iron and steel mill, the Siderurgia Nacional, Champalimaud achieved control over this sector in Angola. Moreover, the group has interests in the Angolan iron ore mines. Similar to the CUF group, Champalimaud created its own bank by purchasing Banco Pinto & Sotto Mayor, one of the largest banks within Portugal and the colonies. By the end of 1972, this bank had 70 subsidiaries in Angola and 49 in Mozambique. Again similar to the CUF, the Champalimaud group turned to the insurance business: it owns the Mundial, the third largest insurance company of Portugal, and in the colonies founded the Companhia de Seguros Mundial e Confianca de

Mocambique as well as the Companhia de Seguros Confianca e Mundial de Angola.

The BNU group is a large financial grouping around the Banco Nacional Ultramarino.¹¹ Its activities are concentrated on the colonies and reach from banking via mining to the industrialization of agricultural products. The BNU is the issuing bank of Mozambique, Guinea-Bissau, Cape Verde, and Sao Tome e Principe. During a long period it was the second largest bank in Portugal. Today, although in absolute terms it has gained strength, it shares its banking activity in Africa - banking in the Portuguese colonies is nearly without exception in Portuguese hands - with other Portuguese banks as the Banco de Credito Comercial e Industrial (owned by Banco Borges e Irmao), Banco Totta-Standard and Standard-Totta (of Totta e Acores), Banco Interunido (of Espirito Santo), and Banco Pinto & Sotto Mayor. The Banco Nacional Ultramarino decisively influences the economy of Mozambique. Although in the insurance sector it is smaller than the above mentioned groups, it still is very significant. In Angola it owns the Companhia de Seguros Lusitania and the Companhia de Seguros Naticus. The BNU took part in the foundation of Angola's largest diamond mining company DIAMANG; it has significant interests in the Companhia Geral dos Algodoes de Angola (COTONANG) which controls cotton production; and it is, through its Anglo-Portuguese Bank, closely related with English firms that have strong interests in Mozambique. Together with CUF the BNU shares in the possession of the Companhia da Ilha do Principe. BNU was involved in the foundation of the sugar company Acucareira de Mocambique, has interests in the Companhia de Celulose do Ultramar Portugues, it hold shares of the Companhia de Cimentos Secil do Ultramar and is associated with CUF in the firm SOCAJU which owns three plants in Mozambique for the peeling of cashew nuts.

The group Portuguese do Atlantico comprises three banks which together account for 15 per cent of the portfolio and 16 per cent of the deposits of all Portuguese commercial banks. It is organized around the Banco Portugues do Atlantico (BPA) which is the second largest Portuguese bank with respect to its capital. The activity of this financial group extends from petroleum via cement and synthetics to tourism, insurances and investments. In Angola and Mozambique, it owns the Banco Commercial de Angola as well as breweries, cotton mills and hydroelectric plant. Since this financial group is, in turn, asso-

ciated with various groups of interests, it includes among others the group Feteira-Bordalo (with a number of other firms in the colonies) and the group Albano de Magalhaes which is concentrating its activities in the Mozambique textile industry and which owns the Sociedade Algodoeira de Fomento Colonial (TEXTANG) as well as the hydroelectric plant of Revue.

The group Borges & Irmao is led by the banker Miguel Quina. This group includes among other tyre factories, chemical plants and metal factories, a fishing fleet as well as civil construction firms, an insurance company and an investment company. Apart from about forty companies in Portugal, this group comprises several companies in Angola and Mozambique. Since 1965, the Banco & Irmao possesses a branch in Angola and Mozambique; the Banco de Credito Commercial e Industrial. The firm Mabor, which is one of the two great Portuguese tyre companies and which in 1971 accounted for nearly one third of the nominal capital of the 103 firms of the rubber industry, also maintained subsidiary companies in Angola and Mozambique. Moreover, a large part of the petroleum of Angola is in the hands of the group Borges & Irmao, since this group, jointly with SACOR, controls the Angolan petroleum company ANGOL. Recently, this group and the Sociedade Central de Cervejas founded the Sociedade Geral de Cervejas e Refrigerantes de Mocambique (SOGERE).

The group Fonsecas e Burnay has as its centre the bank of the same name. The expansion of this group to the colonies was not effected by means of establishing subsidiary companies there, but rather by this group, in 1968, becoming share-holders of the banks Banco Standard-Totta de Mocambique and Banco Totta-Standard de Angola. The Banco Fonseca e Burnay, which ranks fourth among the Portuguese banks with respect to its volume of securities, has taken part in important undertaking and has associated with national and foreign groups of great bearing. Among the latter is the Societe Generale de Belgique which has a controlling interest in DIAMANG, while the Portuguese bank has come to hold 10 per cent of the capital of Portu DIAMANG. It also associated with the ITT empire which in Portugal, Angola Mozambique own approximately a dozen company with a total capital of more than 500 million Escudos and whose representative in Portugal entered the managing bodies of the Banco Fonseca e Burnay.

The group Entrepoto, whose holding company is the Companhia de Mocambique, concentrates its activities on Mozambique, although it has recently shifted its interests more to Portugal. Altogether, the group owns more than twenty companies in Portugal, Angola and Mozambique. In Mozambique, it possesses, among others, coal, iron ore and uranium mines, cotton plantations and a motorcar assembling plant.

The activities of these groups may be regarded as representative. Many other groups, not only the large ones but also a great number of small firms, are actively taking part in the economies of the colonies, and some control sectors of these economies, e.g. the banking sector. Certainly there are other sectors which are to a large extent in the hands of foreign interests (e.g. mining), but while the Portuguese capital takes part in nearly all economic sectors - and often with considerable influence - the foreign interests in the colonies are as a rule coming from a great number of countries. This diversification of foreign interests is such that it would be wrong to say that foreign capital is controlling the economies of the colonies. This means that it will also be wrong to say that Portugal, after granting the colonies political independence, will not be able to continue her economic influence and will not be in a position to, together with other imperialist countries, take the neocolonialist way, provided the national forces in the colonies do not prevent such a solution.

The increasing political and administrative autonomy of the colonies as it has been provided by law by the former Portuguese regime, must in no way be understood as diminishing the dependency of the colonies. It was not a matter of loosening control but rather of changing the ways and means of control. The change in the economic relations as well as the creation of new relations rather implies an increasing dependence of the colonies on the Portuguese economy in the economic, monetary, financial, industrial, and technical fields. This dependency has lost more and more the character of direct political control; it turned into an economic control instead, which means promoting the economic development possibilities of the metropolis and its integration into Europe, this in turn paving the way for Portugal's participation in a neocolonialist exploitation.

As regards the Portuguese bourgeoisie, it took measures to make a neocolonialist exploitation of the colonies at all possible and to secure Portugal's participation in it. As mentioned before, Portugal distributed the foreign interests in the colonies among many countries in

such a way that none of these countries will be in a position to predominate and shift the centre of decision; besides, Portugal set barriers that directly protect her against foreign competition, a suitable example being the law on transfers passed in 1971. Of still greater bearing was the policy of creating colonial elites whose functions have varied in the course of history. While initially the white and black elites served mainly as a means of Portugal's penetrating into the colonial territories, they, from the early sixties of our century onwards, assumed the additional function of barriers to the expansion of the Liberation Movements. This explains Portugal's efforts towards enlarging this elite, especially since the beginning of the liberation wars in the colonies. Beside promoting the process of assimilation and introducing educational reforms in order to achieve a faster integration, this policy took the form of promoting white emigration into the colonies and developing the economic and administrative systems with a view to fostering the growth of a white as well as black bourgeoisie.¹² Because of their nature of collaborators with Portuguese colonialism and with foreign interest (which via Portugal had since the early sixties started to penetrate the colonies), these elites constitute a "natural" factor in favour of the realization of neocolonialist solutions. The maintenance of their privileges inherent in their position as elite is directly related with the possibility of the power of decision continuing to the linked forces on which they depend.

5. THE NEW TREND

We, thus, come to the conclusion that the Estado Novo by dictatorship and exploitation led to a strengthening of the Portuguese capitalism within Portugal and her colonies, while at the same time largely relieving it from external dependencies, as fascist nationalist regimes normally do. These two developments made a dynamization of the Portuguese economy possible, at the same time they enable the Portuguese bourgeoisie to defend its interests. This class came to assume a position where it no longer serves as lackey of the international capital but, although poorer, can rather be regarded as a partner and cooperator of the international capital. The independence with which the Portuguese bourgeoisie frequently against the interests of the imperialist countries - waged its colonial war, is a very good example. The interests in the colonies were distributed, the Portuguese bourgeoisie reserving for itself a suitable percentage.

In view of the situation as outlined above, the opposition of the Portuguese bourgeoisie against decolonialization cannot any longer - or at least, cannot alone - be explained by stating that Portuguese ca-

pitalism is too little developed and that, at the moment of political independence of the colonies, it would lose all the economic advantages which it has been drawing from the colonies to the stronger neocolonialist powers. Without any doubt economic interests did play a role in this connection, but the main reasons are to be found somewhere else.¹³ As we have seen, the function of the government of the Estado Novo had been to coordinate the interests of the various capital fractions, and some of them were against decolonialization. These were those fractions predominantly interested in the colonial trade, or the Portuguese settlers in the colonies who needed Portugal to safeguard their position overseas. For a nationalist government as the Portuguese, neither the fact that world capitalism did not regard the existence of colonies to be of interest any longer nor the fact that the existence of Portuguese colonialism did indeed not seldom affect the system as a whole, could be more relevant than the wishes of its own bourgeois classes. Another more general aspect was of even greater significance. The idea of "national integrity" was an essential element which the fascist regime used to win over the support by the various social forces, something which dictatorship could not achieve. The abandonment of the colonies would have meant the loss of this factor of cohesion and, thus, imply immediate danger for the fascist regime. The collapse of the prevailing ideology would have revealed suppression and exploitation in their bareness, because then it would have no longer been possible to divert the attention to the "defence of Portuguese Africa". The crisis thus engendered would have led to serious social and political upheavals depriving the fascist bourgeois classes of their power and privileges.

The increasing violence and duration of the liberation wars with their economic and political consequences, however, led to a situation where it was impossible to maintain the colonialist ideology any longer (even without granting the colonies political independence), and the colonial question, instead of serving as an element of cohesion, turned into a factor emphasizing the contradictions of the social situation in Portugal and finally provoked the overthrow of the fascist regime in April this year.

This overthrow of the old regime initiated the process of "decolonialization". Portuguese capitalism, however, prepares itself for the beginning of a neocolonialist exploitation. This situation found its expression in the federal state solution as put forward by Spínola, and less than a month after the coup the Portuguese big banker Miguel Quina who has been mentioned above already made it clear, too: "The realization of industrial projects that are being planned or already being executed in overseas will also constitute a vote of confidence in the

functioning of the new political and social structures which one wants to construct for the future. The economic and social promotion of the large territories of Angola and Mozambique (...) constitutes an urgent collective task. Thus, the scheduled investments proceed as they have been planned, now with renewed urgency".¹⁴ Also in the colonies we are these days witnessing the desperate attempts of the Portuguese settlers to conserve their privileges for the future by means of myriads of white organizations and by the application of violence. On the political plane, they defend their interests by advocating the federal state solution as proposed by Spínola.

Within this process of adaptation in order to defend vital interests, the contradictions and fights of interest within the very neocolonialist camp began to become evident immediately after the 25th of April. As a clear illustration of this divergence of interests we may regard a discussion of Portuguese economists about the question, whether or not Portugal will be able to live without her colonies,¹⁵ part of which will be quoted below. In this discussion, we find e.g. the following argument: "What is important to analyse, are the possibilities of, after destruction of the last colonial bonds, establishing privileged economic and political relations with these regions (the former colonies - remark by the author). What is important, is to determine the conditions under which an economic level can be defined which may be successful in forming a bridge of security between these territories and Europe by mediation of the continental (i.e. Portuguese - the author) economic system, before Americans, Japanese and South Africans will be able to divide among them the remnants of an operetta empire." "Only in this way will it be possible to reach solutions that do not result in a pure and simple expulsion of all whites living in those areas. And also only by meeting this condition will it be possible to prevent the colonial territories from falling directly under the neocolonial control of the developed industrial systems". Here an attempt becomes evident at legitimizing a continuation of the Portuguese control over the colonies, now on an economic rather than on an immediate political basis, by putting forward the argument that otherwise the others will go there - an argument which is quite absurd, since "the others" have been there for a long time now. Under the pretence of taking an anti-neocolonialist attitude, one wants to achieve that "one part of the cake" be defended against greater powers, this part being maintained under the control of Portuguese capitalism. The arguments are manifold, and the means for reaching an end are being put into practice, as the quoted discussion makes

quite clear: "The last colonial empire is, paradoxical as it may be, in the best position to warrant a successful transition from inconsequent rules to an effective liberation within the international political framework. Programs for financial and technical assistance, which is indispensable for the carrying through of such a project, are not lacking, nor will there be a lack of political support." It is in the light of this objective of the Portuguese bourgeoisie to perpetuate its control by taking the neocolonialist way that many of the proposals for "collaboration" with the new countries that have originated or will originate from the former Portuguese colonies must be seen.

It would be wrong to ignore the attempts of Portuguese capitalism at finding a neocolonialist solution. Although relatively weak, Portuguese capitalism has penetrated nearly all sectors of the colonies' economies, and because of its experience it finds an easy way of communicating with the white and black elites it created and which may be willing to cooperate.

6. POSSIBILITIES OF LIBERATION

The main and decisive force that will be able to prevent a neocolonialist solution is that of the peoples of the former colonies, which - under the leadership of the revolutionary liberation movements - are in the position to defy, even at the cost of enormous efforts and sacrifices, the penetration or continuation of imperialist forces in their countries as well as to put an end to the economic and political power of those sectors of the local bourgeoisie - be it white or black - that are prepared to collaborate with such forces. But there is still another aspect that must be taken into consideration when speaking of the Portuguese bourgeoisie's attempt at continuing its rule in Africa by means of the economy. This is the course that will be pursued by Portugal and her economy as a consequence of the process initiated, because this course will largely determine the nature of relations between Portugal and her former colonies.

The 25th of April marks end of a compromise between the several **fractions of the ruling classes**, at a time when these dominant fractions proved to be incapable and unwilling to represent the new constellation of interest as it had established itself in the course of the last few decades and thus put in danger the interest of Portuguese capitalism altogether. The 25th of April was the attempt of the bourgeoisie to prevent its own decomposition which might entail the "danger" of revolutionary transformation of Portuguese society. That the overthrow of the government did have this character, became quite clear when, on

the occasion of the "transmission of powers" from Marcello Caetano to Spínola, it was stated that the powers were transmitted so that they might "not fall to the street".

Thus were defined the limits for the transformations that were to be the direct result of the coup d'état; not, however, the limits for the transformations which the actual situation as it has now been created makes possible. The function to pull down the Estado Novo was assumed by the Movimento das Forças Armadas (MFA),¹⁶ the ideology of an important part of which shows characteristics that differ from the general tendency of the military to transform society in accordance with the model of the barracks (totalitarianism).¹⁷ The specific character of the MFA has its origin in the colonial wars; a war waged at three fronts required an unusual expansion of the army, which in turn necessarily implied that, even for positions of command, recourse had to be taken to broader layers of the population. Such positions of command were to an ever increasing degree filled with militia officers who had been recruited directly from the universities which since long ago had been the main centres of progressive political agitation. These new officers of the Portuguese army, who brought along with them the corresponding political experience, were strangers to the elitary circles of the professional officers loaded with a militarist tradition, as is the case with all armies of a "classical" type, and for which recruitment was limited to more privileged classes. This penetration in large numbers by politicised "civilian population" which, due to its social position and its rank within the army, entered the circles of the professional officers, made the beginning of a politicization of the army possible within a different framework than that of "barracking" the country. This was all the more easily possible, since the army had already found itself confronted with a war it could not win, and it thus begun to doubt the value of such a war and to question its own political value.

Origin as well as evolution of the MFA resulted in the coup d'état effected by this Movement trespassing the limits that normally could have been expected from a military overthrow: not only was the way to power paved for a reformist "modern" bourgeoisie, certain conditions have also been created for the development of a revolutionary activity to an extent to which the degree of politisation of individuals inside the MFA resulted in a greater "opening" which also made a political participation possible that went far beyond the circles and interests of the bourgeoisie. This explains the rise of all the political activity which testifies the

class consciousness of the Portuguese people in their day-to-day life and which only to "outsiders" came as a surprise. In fact, this class consciousness of the Portuguese has for long manifested itself in numerous workers' struggles, although these, because of the control and repression exerted by the Estado Novo, did not succeed in becoming widely and generally known to the national and international public. These numerous and continuous workers' struggles, which many individuals of the MFA knew about, came to play an important part when it came to make the decision whether or not to undertake the coup d'etat, which for various reasons one feared might not be practicable: it were exactly these struggles that served as indicators and that assured the MFA that the coup d'etat it was preparing would be accepted by the people. Under this aspect it is not correct to regard the 25th of April as the reason and starting point for the workers' fights Portugal is at present witnessing. Quite to the contrary: "it is the coup d'etat which must be understood as the product of a set of circumstances strongly determined by these fights".¹⁸

The fact that after the 25th of April perspectives for the easier development of revolutionary activities may be foreseen, turns out to be relevant and of great significance for the future relationship between Portugal and her former colonies. The growth and reinforcement of these activities would imply a transformation of the Portuguese economy in the sense that it puts an end to - or prevents the rising of - those economic forces which try to make the neocolonialist way win in order to defend their own interests. Looking at the contents of the Economic and Social Emergency Plan published by the Portuguese government at the end of February, already some socializing tendencies in the new economic policy can be discerned which may function as an efficient barrier against the rising of capitalist forces as could be the origin of neocolonialist efforts.

In such a situation, the peoples of the former colonies could find in Portugal allies for their fight against colonialism - just the same as they, in the last few decades, found in Portugal allies against colonialism.

FOOTNOTES:

¹See OECD, Labour Force Statistics 1958-1969, Paris 1971 and Contas Nacionais, ed. Instituto Nacional de Estatística (INE), Lisbon.

- ²L'Observateur de l'OCDE, No. 56, February 1972 and Contas Nacionais, INE.
- ³Maria Belmira Martins, *Sociedades e grupos em Portugal*, Lisbon 1973, pp. 16 and 21.
- ⁴Augusto Mateus, in: *Portugal pode viver sem as colonias?* Lisbon 1974, p. 10
- ⁵See III Plano de Fomento para 1968-1973, ed. Presidencia do Conselho, Lisbon 1968, Vols. I-IV and Projecto do IV Plano de Fomento, ed. Presidencia do Conselho, Lisbon 1973, Vols. I-III.
- ⁶Quoted in: *O Tempo e o Modo*, New Series, No. 105, June/July 1974.
- ⁷See Relatorio do Banco de Portugal 1973 and III Plano de Fomento...., op.cit., Vol. I
- ⁸Fernando Luso Soares, "Liquidacao Economica e Politica do Colonialismo Portugues", in: *Unidade*, 1 August 1974
- ⁹Estatisticas das Sociedades 1960 and 1972, ed. INE, Lisbon
- ¹⁰In the following discussion of the activities of the various economic groups we follow to a large extent Maria Belmira Martins, *Sociedades e Grupos em Portugal*, op.cit.
- ¹¹This bank has recently been nationalized, and at present its handing over to the new State of Mozambique is being negotiated.
- ¹²For this subject, see Eduardo de Sousa Ferreira, *Aspectos do Colonialismo Portugues*, Lisbon 1974, especially sections 3 and 5.
- ¹³See the statements made in *Suisse-Portugal*, ed. by Centre d'investigation sur le colonialisme portugais in cooperation with Centre Europe - Tiers Monde (CETIM), Geneva 1973, especially chapters 1 and 3.
- ¹⁴Quoted in Fernando Luso Soares, op., cit.
- ¹⁵Various opinions on this subject are collected in the little book *Portugal pode viver sem as colonias?* which was published in July 1974, i.e. about three months after the military coup d'etat that allowed decolonialization to begin.
- ¹⁶It was the first time in history that a fascist regime was destroyed from inside.
- ¹⁷See Antonio Ferreira, *A Queda do Fascismo*, Lisbon, May 1974. This book analyses nature and function of the MFA.
- ⁸See Antonio Ferreira, op. cit.