



During the 15th century, Portuguese mariners were destined, as the poet Luis Vaz de Camoens wrote, to "track the oceans none had sailed before." But before long, the country's seamen had competition. This 17th-century print shows a Portuguese vessel being attacked by English and Dutch warships at the entrance to the Persian Gulf.

Portugal

One decade ago, little Portugal was front-page news in America. Would this NATO ally, in the aftermath of a surprise coup against Western Europe's oldest dictatorship, succumb to the Portuguese Communist Party's drive for power? Would it become "the Bulgaria of the West"? Washington feared the worst. Happily, Portuguese democrats prevailed. But the people whom dictator António de Oliveira Salazar had long isolated from change could not go back to old ways and old dreams. Since 1974, shedding the African remnants of what was Europe's last (and first) overseas empire, the Portuguese have had to adjust not only to political freedom but also to gritty economic realities. Entry into the Common Market and a presidential election lie ahead. Our contributors trace Portugal's long odyssey from imperial grandeur to the uncertainties of union with the rest of Europe.

PRISONERS OF GLORY

by Kenneth Maxwell

May 20, 1498. Ten and a half months out of Lisbon, two vessels commanded by Vasco da Gama, a Portuguese nobleman, anchor off Calicut, a port on India's Malabar Coast. When the seamen go ashore, history records, the first question asked of them is, "What the devil has brought you here?"

The reply: "We have come to seek Christians and spices."

The Portuguese were the first Europeans to follow the African coast around the Cape of Good Hope and then to cross the Indian Ocean. They paid a high price. As a result of scurvy and other hazards, when the *São Gabriel*, the only ship to complete the 24,000-mile round trip, sailed up the Tagus River to Lisbon in September 1499, just 44 of the 170 men who began the voyage remained aboard to celebrate. But Portugal's boldest voyage of discovery stirred Renaissance Europe.

King Manuel ("the Fortunate") eagerly advised the court of

Spain that da Gama had found not only “rubies and all kinds of precious stones” but also pepper and other spices, then prized in the European diet because they could make the salt beef from the cattle slaughtered each fall edible all year. In a letter to Lisbon’s Cardinal-Protector in Rome, he signed himself as the “Lord of Guinea and of the conquest of the navigation and commerce of Ethiopia, Arabia, Persia, and India.”

Manuel’s pride was excusable. To 15th-century Europeans, da Gama’s feat meant far more than had the discovery of America six years earlier by Christopher Columbus, the Genoese captain who had sailed for Spain. What the New World offered was unclear; but da Gama had made the first direct modern contact between two old worlds, the East and the West.*

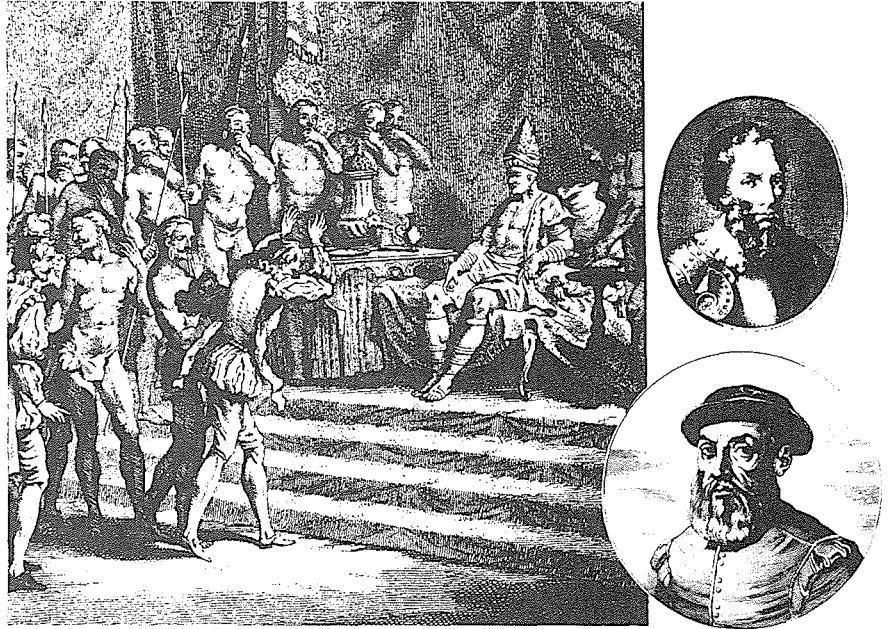
Other breakthroughs were to come. During Portugal’s brief golden age of discovery, which ran from the 1440s to about 1500, its mariners—da Gama, Bartolomeu Dias, Pedro Álvares Cabral, Ferdinand Magellan—vastly expanded the world known to Europeans. The Portuguese went on to establish colonies in Africa, the Far East, and South America. The places where they landed added scores of new names to Europe’s commercial lexicon—Luanda, Mombasa, the Maldives, Ormuz, Diu, Goa, Galle, Macao, Tsingtao, Malacca, Melinda, Timor, Rio de Janeiro.

The traders served God as well as Mammon. “The preachers take the gospel and the merchants take the preachers,” said the 16th-century Jesuit António Vieira. The Portuguese named the waters off Salvador, their first capital in Brazil, the Bay of All Saints (and nicknamed it the Bay of All the Sins). They also exported such European innovations as the movable-type printing press, which they introduced in the Middle East and possibly Japan. Portuguese words entered the languages of the Japanese (*tempura*), the Indians (*caste*), and other distant peoples.

In sum, as Lisbon would never forget, it was the Portuguese who first “linked up, for better and for worse, the widely sun-

*Marco Polo (circa 1254–1324) had journeyed overland to China some 200 years earlier—one of several travelers, most of them Italian, to bring back tales of Eastern silks and spices. By da Gama’s time, some of those commodities were reaching Europe, but only via the Middle East at the hands of traders from Venice.

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Portuguese mariners: Vasco da Gama saluted the ruler of Calicut in India two years before Pedro Álvares Cabral (top right) reached Brazil in 1500. Ferdinand Magellan led the Spanish fleet that sailed west around the globe during 1519–22.

dered branches of the great human family,” as historian Charles R. Boxer has noted. “It was they who first made Humanity conscious, however dimly, of its essential unity.”

But why the Portuguese?

During the 15th century, there were scarcely more than one million Portuguese, most of them illiterate peasants. Smaller than Scotland, just 130 miles wide at its broadest point, Portugal was short of every natural resource but shoreline. Between the mountainous north and the arid south, only one-third of the country could be cultivated. And when Portugal* came into being as a kingdom during the 12th century, other European mariners were already in business—the Basques, the Catalans, the Genoese, and the Venetians.

But the Portuguese, sharing a peninsula with a more powerful neighbor, Spain, had a genius for survival, for deftly exploiting the rival ambitions of bigger powers. It was what would keep their tiny country independent through most of 700 years

*The word *Portugal* was derived from *Portus Cale*, the old Roman name for Oporto, now the country's second largest city.

of turbulent European history. They would not be conquistadors, like the Spanish who followed them, but maneuverers—"opportunists of action," as the 20th-century dictator António de Oliveira Salazar once described himself.

Opportunity called early. Lisbon in the 12th century was on the sea route used by both Venetian and Genoese traders sailing to northern Europe, and European crusaders bound for the Mediterranean and the Holy Land to fight the Islamic legions they called "Moors." Afonso Henriques, the founder of Portugal's first monarchy, the House of Burgundy, got the help of one group of passing English and French crusaders in taking Lisbon from the Moors in 1147. The last Moors were expelled from Portugal in 1249, some 250 years before the Spanish conquered their remaining Muslim fiefdom, Granada, in 1492.

Foreign help was crucial again during the 14th century. John of Aviz, the bastard son of Portugal's last Burgundian monarch, defeated a larger force of Castilian invaders at Aljubarrota in 1385—with the aid of English archers provided by England's John of Gaunt, who had ambitions of taking over Castile.

Down to Africa

The Portuguese King John married John of Gaunt's daughter, affirming what was to be a lasting link with the British. The 1386 Anglo-Portuguese Treaty of Windsor—a classic treaty of alliance by a small country seeking big-power protection against a larger neighbor—remains Europe's oldest mutual defense pact. It was to bring Portugal into World War I and serve as "neutral" Portugal's excuse to allow the Allies to use antisubmarine bases in the Azores during World War II.

The Portuguese learned the limits of their own power early. In 1415, King John led a force that seized the Moorish port of Ceuta, on the Moroccan side of the Strait of Gibraltar. The aim was to strike a blow at the infidels for Christendom, but in the process, the Portuguese learned that the Moroccans were enriched by a steady procession of camel caravans coming north from Guinea, laden with gold and spices. Beyond control of Ceuta, the Portuguese had little military success in Morocco. So their leaders made a decision: If the Portuguese could not win glory and wealth on land, they would turn to the sea.

In 1419, King John's energetic third son, Prince Henry ("the Navigator"), then 25, moved to Sagres, a bleak outpost on southern Portugal's Algarve coast, to set up a center for maritime exploration. It was to earn Portugal its niche in history.

The timing was propitious. During the 15th century, Portu-

gal was largely at peace, while larger European powers were embroiled in various conflicts—the Hundred Years' War, the Wars of the Roses, the advances of the Ottoman Turks in the Levant and the Balkans. Portugal's Spanish rivals, Castile and Aragon, were immobilized by a state of near-anarchy that would last until their union in 1479 under Ferdinand V and Isabella I.

The great achievement of the captains, cartographers, and other specialists whom Prince Henry recruited was to determine the patterns of the prevailing ocean winds and currents—and to recognize that the sea could be used to link distant continents. That knowledge would give all of Europe access to what is now the Third World, and the Portuguese had it first.

Their mariners began sailing down the uncharted littoral of West Africa around 1420. The early returns were meager—the first Portuguese *feitoria* (trading post) was not set up until about 1445—but the captains of the small but fast caravels gradually took part of the traffic in Guinea gold away from the Arab caravans. Coins called “Portugaloisers” appeared in Antwerp and other northern European cities.

Soon, the Portuguese were bartering brassware and trinkets, as well as cloth, carpets, and silks from Granada and Tunis, for gold, slaves, and “grains of paradise,” or Guinea pepper. The trading posts became forts. A 15th-century chronicler told how an African chief bested a rival: He told “his men, who were Negroes, to whiten their faces, legs, and arms with clay . . . masquerading them in all other ways so that they might even more readily be taken for Christians.” The enemy fled “to the accompaniment of a great victory and much merriment.”

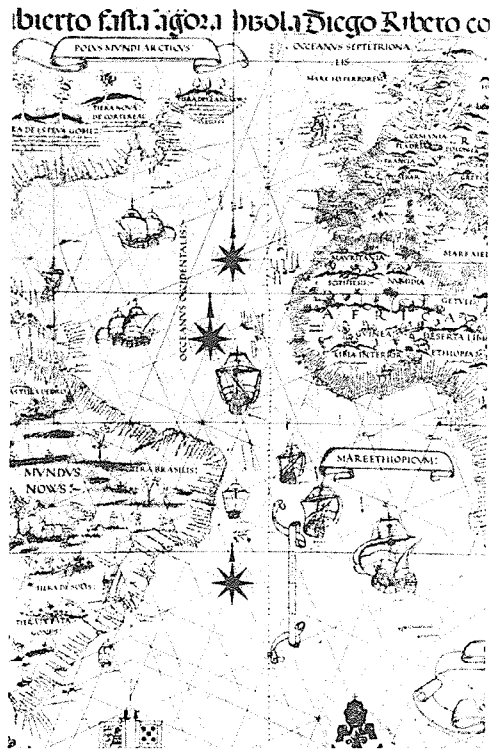
Sugar, Slaves, Gold

Portugal prospered. By 1457, the Lisbon mint was able to issue a gold coin, the *crusado*, for the first time in 74 years. Slaves—perhaps 150,000 were imported during the last half of the 15th century alone—were in demand in Portugal, Spain, and other European markets.

The Atlantic outposts of Madeira and the Azores, first colonized to supply the ships in the West African trade, produced sugar cane, another prized commodity. Plantations were started on the Cape Verde Islands and on other islands off Africa, using slave labor.

By that time, some 60 years after Prince Henry began launching his expeditions, Lisbon had replaced the Algarve as Portugal's maritime center. The port on the Tagus offered favorable winds and currents. Lisbon also had old trading ties with

PORTUGAL



A 1529 map. Under a 1494 treaty, Portugal's sphere of influence ran from Brazil east to Japan. Spain had the rest of the Western Hemisphere.

the Muslim world and a community of expatriate Genoese and other Italians skilled in the use of exchange and credit. They knew how to finance long-distance trade.

Italian merchants—Lomellini, Affaitati, Giraldi, and Marchione—were bankers to the Portuguese court and its envoys. They invested in sugar and the slave trade, and forged links with bankers from southern Germany: Through them, they traded Portuguese oil, wine, fruit, and salt, as well as African spices and gold, for German silver and copper.

As Dias was rounding the southern tip of Africa in 1488, and Cabral was discovering Brazil in 1500—and as the Spanish were still seeking a Western route to the Indies—a Portuguese Atlantic commercial system based on sugar, slaves, and gold was already thriving. The Portuguese provided the commodities; the foreign bankers saw to the capital and the markets.

Before long, Lisbon's interest turned to Asia. The landing at Calicut had launched what Indian historian K. M. Panikkar has called Asia's "Vasco da Gama epoch," a period of European intervention that would not ebb until after World War II. As in

Africa, the Portuguese did not initially seek to settle territory. They built a thalassocracy, a lucrative empire of sea routes and coastal trading cities. Europeans would pay well for the Indian and Indonesian pepper, nutmeg, and cloves, the Ceylonese cinnamon, and the Chinese silks and porcelain that the Portuguese could buy cheaply with German (and later American) silver.

By the 16th century, Portugal's thalassocracy had made it Europe's richest nation, and the kingdom enjoyed a period of commercial and cultural flowering. But that would soon change. King Manuel had ambitions of acquiring Aragon and Castile. To that end, he married Ferdinand and Isabella's daughter and matched their Christian zeal. Though in 1492 Portugal had accepted some 60,000 Jews who had been expelled from Spain, in 1496 Manuel turned around and (aping the Spaniards) compelled those Jews who would not leave the country to convert to Christianity. The so-called New Christians were treated harshly; in Lisbon alone, hundreds were slain in a 1506 pogrom.

Waiting for Sebastian

Manuel's Spanish ambitions faded, but Iberia's religious zealotry did not. Following the Protestant Reformation in northern Europe (which put the Anglo-Portuguese alliance in limbo), Lisbon took the Catholic Counter-Reformation to heart. As Spain had done nearly 60 years earlier, the Portuguese church in 1536 established a Holy Office of the Inquisition. With the king's brother as inquisitor-general, the Inquisition tightened book censorship and began an epoch of repression: Armed with royal statutes requiring "purity of blood" for holders of key posts, Inquisition officials hounded New Christians (many of them leading merchants) and anyone else who might be accused of "heretical" ideas. Besides a profusion of informers, the Inquisition fostered the *auto da fé* (act of faith)—the public burning of heretics at the stake. The first was held in Lisbon in 1541.*

Around the same time, the court also opened Portugal to the Society of Jesus, the self-appointed police of the Counter-Reformation. Both the Jesuits, who would dominate education and missionary activity, and the Inquisition would play large roles in shaping national life.

As the Inquisition proceeded, Portugal's overseas fortunes darkened. Within a century of the voyages of exploration, the Spanish, British, and Dutch were building their own empires,

*The Inquisition turned over people who would not renounce alleged heresies to the state for trial. Some 1,500 were garroted or burned in autos da fé before capital sentences were abolished in the 1760s; many more died in prison.

THE RIGHT STUFF, 15th-CENTURY STYLE

To 15th-century mariners, the distant seas held naught but terrors. When Prince Henry's captains first ventured south along the African coast around 1420, it was still widely believed that they might fall off the Earth's edge—or be poached in sun-boiled seas or seized by monsters. An Italian named Pietro D'Abano had written that mag-



Prince Henry

netic mountains in Africa pulled ships to shore. "Men laugh while being attracted," he claimed, "and at last are held fast."

The real hazards were bad enough: storms, shipwrecks, scurvy, and hostile natives. In 1446, Nuno Tristão, sailing a caravel 1,800 miles from Lagos, the base in southern Portugal for the early exploratory voyages, came upon the Gambia River. While exploring it in rowboats, Tristão and 21 others were killed by canoe-borne Africans armed with poisoned arrows. Five crewmen (three of them boys) escaped. When they brought the 50-ton caravel into Lagos two months later and reported to

Henry, he was moved to give pensions to the lost men's dependents—a rare gesture in those days.

The tall half-English prince never sailed with the captains he commissioned, but not for lack of grit. An ascetic who often fasted for months, Prince Henry long financed the voyages with income from his estates and royal monopolies of soap and fish sales, and by borrowing from the Order of Christ, an organization of soldier-missionaries of which he was governor. For the school of navigation he set up west of Lagos in Sagres, he recruited geographers, mapmakers, and other experts, among them Jews who had traveled in the Muslim world and knew where the Moors' African gold and spices came from.

Borrowing from the Arabs, his designers produced the caravel, a ship with lateen sails that could be steered close to the wind. The caravels could return home against the northwesterly Atlantic winds faster than Europe's standard square-sailed craft.

and Europe was flooded with the imported commodities on which Lisbon had prospered. The empire's golden era had already passed by 1580, when Portugal lost its independence to Spain—the result of a disastrous failure of leadership.

King Sebastian, an impetuous 22-year-old who admired his ancestors' overseas exploits and fancied himself "a captain of Christ," led an army of 23,000 to Morocco—and defeat. Sebastian was slain, but rumors that he was held captive somewhere refused to die. Ordinary folk cherished a persistent belief that he would return to fulfill a grand destiny for Portugal.

Various evidence, including Marco Polo's account of his 13th-century land journey to China, persuaded the prince that voyages down the African coast would both open the wealth of that land to Portugal and yield a sea route to the East. Besides riches, he hoped to find the kingdom of Prester John, a Christian monarch who, as a persistent European legend had it, ruled great stretches of Africa or, perhaps, Asia. With these aims in mind, Henry dispatched ship after ship to the south—30 of them in one three-year period. Each of his captains had the same order: to go farther than all predecessors and bring back a native for interrogation.

The captains returned with wondrous tales. The Venetian Alvise Cadamosto, who ventured as far as "the Kingdom of Gambia," told of "horse-fish" (hippopotamuses), of girls who bound their breasts "to make them grow so long they sometimes reached their navels," and of a monarch who kept at least 30 wives deployed in villages he planned to visit. The Africans, it was found, thought that the Portuguese used the eyes painted on their ships' bows to find their way. Voyage reports were kept secret to prevent the Spanish and others from learning what the Portuguese were finding.

Progress was slow. Not until about 1442 did the caravels start bringing back the slaves and gold (most of it from mines near the Upper Senegal, Upper Niger, and Volta rivers) that made the ventures profitable. After that, Henry and the Crown began licensing merchants and court nobles to finance voyages, some of which returned profits of up to 700 percent. At the Crown's request, the Vatican issued papal bulls (decrees) that authorized the Portuguese to convert pagans and generally served to charter an empire all the way "to the Indies."



A caravel

Prince Henry got a share (one-fifth or so) of the profits. But when he died in 1460, at age 66, he was deeply in debt. By that time, the islands of Madeira, Cape Verde, and the Azores had been colonized, but the Portuguese had advanced down the African coast only as far as Sierra Leone, roughly 2,200 miles from home. The greatest achievements, and great rewards, still lay ahead.

The reality was different. Sebastian left no heir, and his throne went to an uncle who was also childless. Seizing the opportunity, Spain's Habsburg king, Philip II, claimed Portugal by right of his Portuguese mother (Sebastian's aunt) and sent troops to occupy Lisbon. For six decades, Portugal languished under Spanish domination.

Not until 1640 did a successful rebellion, profiting from Spain's preoccupation with a war against France and a revolt in Catalonia, install a new Portuguese dynasty, the House of Bragança. By then, the empire was frayed. The Dutch had seized

Ceylon, Luanda (Portugal's chief West African slaving port), and part of Brazil, now a big sugar producer. Needing help against further Spanish incursions, the Portuguese sought new alliances and again found the British willing—for a price.

Under a 1661 treaty, England's King Charles II received a bride, the Portuguese princess Catherine of Bragança, and a dowry of two million crusadoes. Charles also got control of Tangier and of Bombay, Britain's first foothold in India.

Mad Dogs and Englishmen

Portugal's fortunes were increasingly tied to Brazil, and for a time this meant economic revival. The Dutch threat faded, and during the 1680s the first great gold rush of modern times began after a strike in the Brazilian interior.

During the 18th century, Portugal prospered, mainly on Brazilian sugar, tobacco, cacao, hides, cotton, and gold, as well as on silver smuggled from Spain's American colonies. Port became a valuable export as "the Englishman's wine" when Britain banned French claret in 1678. Not needing to raise taxes, the Bragança kings had no need to consult the Cortes (Parliament). Its 1698 meeting was to be its last for 122 years.

But prosperity brought change. Foreigners—Germans, Italians, and, above all, the English—came to deal in wine or Brazilian sugar and tobacco. Welcomed as sources of capital and marketing skills, they gained an extraterritorial legal status that gave them their own courts and commercial organizations. In Oporto, the port wine capital, English "shippers" built an opulent "Factory House" where they dined lavishly while managing a virtual monopoly on wine exports.

After returning to London in 1752 from a visit, the former British ambassador Lord Tyrawly reported that "a great body of His Majesty's subjects reside in Lisbon, rich, opulent, and everyday increasing their fortunes and enlarging their dealings." Another British traveler, William Costigan, noted in 1787 that "excepting the lowest conditions of life, you shall not meet anyone on foot some hours of the violent heat everyday but mad dogs and Englishmen."

At the same time, while northern Europe was caught up in that surge of interest in science, human freedom, and social progress known as the Enlightenment, Portugal's rulers insisted on church orthodoxy and absolute monarchy. The Inquisition was still pursuing heretics and censoring books. With 50,000 clerics on church rolls at a time when the population was less than three million, Portugal was, as Boxer put it,

“more priest-ridden than any other country in the world, with the possible exception of Tibet.”

As time went on, King John V, modeling himself on France’s “Sun King,” Louis XIV, emptied his country’s ample treasury on extravagances. Some 45,000 workers built a monastery-palace at Mafra; a Swiss who visited the site in 1726 marveled that “three-quarters of the king’s treasures and of the gold brought by the Brazil fleets were changed here into stones.” Voltaire said of King John in 1750: “When he wanted a festival, he ordered a religious parade. When he wanted a new building, he built a convent. When he wanted a mistress, he took a nun.”

Portugal’s isolation from the Enlightenment disturbed the nation’s intellectuals. Among them was the Marquês de Pombal (1699–1782), who became Portugal’s virtual dictator for 27 years, until the death in 1777 of his patron, Joseph I, John V’s successor. Pombal’s aims were furthered by a dramatic event: the 1755 Lisbon earthquake.

On November 1, All Saints’ Day, about one-third of the opulent city was destroyed. Voltaire described the quake in *Candide* (1758): “The sea was lashed into a froth, burst into the port, and smashed all the vessels lying at anchor there. Whirlwinds of fire and ash swirled through the streets and public squares; houses



Farmers, fishermen, and merchant seamen had roles to play in Portugal’s golden age, but in this 16th-century woodcut only clerics stood close to the Crown. Says the deferential inscription: “To God in Heaven but to you in the world.”

crumbled, roofs came crashing down on foundations." The Royal Opera House and Joseph's palace were wrecked. Of Lisbon's 40 parish churches, 35 collapsed. Only 3,000 of the 20,000 houses remained habitable. The death toll was at least 15,000.

Pombal acted swiftly. Amid Lisbon's ruins, engineers went to work on what stands today as a classic product of rational 18th-century urban planning. New buildings were constructed to a standard, economical design, hills were leveled, streets were laid out in a grid, and a large new riverfront square was built. Its name: Praça do Comercio (Place of Commerce).

Pain without Screaming

Portugal, Pombal had decided, would be an up-to-date state where both businessmen and aristocrats would have pride of place. He set up both a school of commerce and a college of nobles; there Portugal's future leaders were to be taught foreign languages, mathematics, and the sciences, free of the influence of the Jesuits, whom Pombal blamed for many of Portugal's ills. He closed the Jesuit college at Évora, purged the prestigious University of Coimbra of Jesuit influence, and turned over the Inquisition's censorship powers (as well as control of lower education) to a royal board.

Besides curbing church power (the entire Jesuit order was banished in 1759), Pombal also faced Portugal's old dilemma: how to limit foreign economic influence while retaining foreign (especially British) political and military support. To strengthen Portuguese business, he moved to bring "all the commerce of this kingdom" into monopoly firms and did so first in areas where the British traders were powerful: Brazil and the port wine region. The aim, as Pombal's representative in the port district said, "was to hurt them in such a way that they cannot scream."

All opposition was crushed. After 5,000 people in Oporto rioted over high wine prices, which they blamed on Pombal's company, 478 were tried for treason and 13 were hanged.

As was the case with the Enlightenment everywhere, Pombal's efforts had mixed results. He advanced industry and education, and ended antisemitism and slavery in Portugal (though slaves were still shipped to Brazil). Yet he was ruthless even by 18th-century standards. Police and spies were everywhere, and jails were full of people held without charge.

A contemporary, Canon António Ribeiro dos Santos, noted that Pombal "wanted to civilize the nation and at the same time to enslave it; he wanted to spread the light of the philosophical



Lagos was the starting point for the early exploratory voyages of the 15th century. Today, the port is known for herring fishing and tourism.

sciences and at the same time to elevate the royal power to despotism." The competing goals—modernity and firm rule—would surface repeatedly in Portugal over the years as its income from the overseas colonies slowly declined.

Authority, and much else, was shattered by the Napoleonic Wars. The 1807 invasion of Portugal by the French Army began a century of turmoil that would further erode the empire.

British troops, led by the future Duke of Wellington, finally expelled the French in 1814, but by then Portugal was ravaged: Factories and vineyards were destroyed; art treasures were ruined. The Portuguese court, which had fled to Brazil, showed no desire to come home. Instead, Brazil was raised to the status of a kingdom, co-equal with Portugal.

The trans-Atlantic arrangement was short-lived. In Portugal, a rebellion erupted that led to the convening of the first Cortes since 1698. King John VI had to return to Lisbon in 1821 and accept a liberal constitution providing for representative government and an end to the Inquisition. As Brazil declared its independence, its motherland fell into a series of struggles among constitutionalists, "absolutists," and other monarchists.

Eventually, the diminished Portuguese Crown was further weakened by another foreign humiliation—this one from its ancient ally Britain. The Portuguese mounted a claim, with Bel-

gian and German support, to a stretch of the African hinterland separating Angola and Mozambique. But Britain had its own plans for the territory (now Malawi) and in 1890 demanded that Portugal drop its plans. Lisbon complied.

By the 20th century, agitation from emerging trade unions and political paralysis in Lisbon set the stage for a rebellion by civilian republicans, most of them merchants. When it occurred in 1910, almost without a shot, Portugal's last king, Manuel II, sailed off on the royal yacht to exile in England.

Enter Salazar

The republican regime never enjoyed a popular consensus. Its legalization of the separation of church and state pleased urban Portuguese but angered rural northerners. Political feuding and government deficits mounted, and by 1926 Portugal's military leaders decided that the republican experiment should be replaced by a dictatorship. To run it, they turned in 1928 to an obscure economics professor named António de Oliveira Salazar.

An austere 39-year-old bachelor from central Portugal, Salazar took complete control, ruling first as finance minister, later as president of the Council of Ministers. The New State constitution that he drew up in 1932 created a "corporate" regime on the pattern of what Benito Mussolini had just established in Italy. But despite its fascist trappings—a Mussolini-inspired labor law that banned strikes, Gestapo-inspired secret police—the New State was essentially a Catholic authoritarian regime. A century and a half after the reign of Portugal's last strong man, Pombal, Salazar maintained stability not by Nazi-style repression but by deftly balancing competing interests—small farmers and merchants, large landowners and big (often family-controlled) businesses.

Salazar never traveled outside Portugal (save for meetings with General Franco in Spain) and eschewed ceremony. The only time he was ever seen in a tuxedo was at a 1957 dinner he gave for Queen Elizabeth II. His strength lay in a talent for political manipulation—combined with peasant stubbornness. Despite strong pressures from both Britain and the Axis powers, mindful of his country's fruitless sufferings as a belligerent in previous wars, he kept Portugal neutral in World War II.*

*Salazar sympathized with Hitler and Mussolini, and for a time Portugal supplied both Germany and the Allies with the critical metal tungsten. But in 1943, after the tide had clearly turned against the Axis, he allowed the Treaty of Windsor to be invoked to allow the British (and their U.S. allies) to use bases in the Azores. His reward was postwar membership in NATO and a Western guarantee that the integrity of Portugal's colonial territories in Africa and Asia would be respected.

He seemed to savor a romantic image of Portugal and its empire, a vision of a world lost in time, certain of verities long dismissed elsewhere, that appealed not just to tourists. Salazar, the U.S. diplomat George Ball noted after a 1963 Lisbon visit, appeared to live "in more than one century, as though Prince Henry the Navigator, Vasco da Gama, and Ferdinand Magellan were still active agents in the shaping of Portuguese policy."

Portugal had a lazily beautiful rural landscape of a kind visible nowhere else in Europe outside the Balkans. Tradition was strong. Local bigwigs ruled their bailiwicks as if the 19th century had never ended. But the social cost of backwardness was high. Portugal's rates of infectious disease, infant mortality, and illiteracy matched Turkey's. Lisbon sparkled; the working-class towns on the other side of the Tagus did not. In Barreiro, families on aptly named Sulphuric Acid Street often had to move across town to escape fumes from the nearby chemical works.

A Pox on Oil

Unlike Pombal, who had used the power of the state to ruthlessly force through a crash program of modernization, the New State froze Portugal's economic and social patterns. "We are antiparlamentarians, antidemocrats, antiliberals," Salazar said in 1936. "We are opposed to all forms of internationalism, communism, socialism, syndicalism." To govern, he said without apology, "is to protect the people from themselves."

Debt, which brought obligations, was to be avoided. Portugal accepted only \$64 million in U.S. Marshall Plan aid between 1949 and 1957, just six percent of Greece's total and 12 percent of Spain's. While other Western leaders were using deficits to spur growth, Salazar made a fetish of balanced budgets. To him, *no* news promising economic (and therefore social) change was good news. "Oil in Angola?" he said when told of a strike in his richest African colony. "That's all we need!"

He promoted the family as the source of "social harmony." Parental authority was emphasized: For years only heads of families were allowed the "civic responsibility" of voting for the rubber-stamp National Assembly (only one party, the National Union, was allowed). The New State had other enforcers of harmony, notably the International Police for the Defense of the State (PIDE); the dreaded PIDE maintained a network of informants and suffered no constraints on its power to harass and even torture suspected dissidents.

Yet Salazar enjoyed sizable support. The church and the small landholders of the heavily Catholic north backed him. So



António de Oliveira Salazar (1889–1970) exalted the traditional rural life exemplified by these northern peasants. "Men change little," he said, "and the Portuguese hardly at all."

did the *latifundiarios*, owners of big farming estates in the central and southern regions who feared a loss of their holdings if the Left took power. (The outlawed Portuguese Communist Party, formed in 1921, was especially strong in the south.) Other backing came from Portugal's interlocking financial and industrial conglomerates. The Melo family's Companhia União Fabril (CUF) dominated commerce in Guinea and controlled 70 percent of Portugal's tobacco market. The Champalimaud group had a near monopoly of cement production.

But Salazar could not freeze the world. In 1961, India seized Goa from a 3,500-man Portuguese garrison that had been ordered to "conquer or die." In Africa, as the French and British were freeing *their* colonies, black nationalist guerrillas rose up against the Portuguese in Angola, Mozambique, and Guinea. Salazar refused to negotiate. By 1968, the Portuguese had 130,000 troops deployed in Africa. In that year, however, the dictator, then 79, suffered an odd mishap; his chair collapsed and he fell, suffering a stroke from which he never recovered.

His successor, named by the figurehead president, Rear

Adm. Américo Deus Thomáz, was law professor Marcello Caetano, a former New State official and Salazar protégé. Caetano hoped to shore up the war-strained economy and preserve the New State by promoting capitalism and foreign investment. Yet, the growing economic crisis that would cripple his regime began where it was least expected: in agriculture.

Troubles

Beginning in the late 1950s, Portuguese farm boys had left home by the thousands for jobs in Western Europe. Conscription for the African wars only increased the exodus. By 1975, some 1.5 million Portuguese—one-third of the labor force—were living abroad. About 700,000 resided in France, where, during the 1970s, the minimum wage was higher than what even skilled workers in Portugal could earn.

Due to emigration, much of the north appeared in the early 1970s as if it had been visited by the plague: Whole villages were dying, roads were deserted, fields abandoned. In a nation where crop yields are poor at best—half the European average in wheat, for example—farm output plunged. The cost of rising food imports added a new drain on Portugal's finances. When skilled hands joined the exodus—they made up one-third of the 120,000 who departed in 1973—industry suffered. Portugal had to import labor from the Cape Verde Islands, giving Lisbon its first large black minority since the 18th century.

The 1960s had brought much foreign investment. The United States, West Germany, and the World Bank financed the development of electric power and other projects. By the mid-1970s, such companies as International Telephone and Telegraph, Timex, and Britain's Plessey employed some 70,000 workers, mostly in assembling products to be sold elsewhere. Another 70,000 made garments; 15 of that industry's 25 major firms were Swedish owned.

But by the early 1970s, this growth began to seem precarious. The ban on independent trade unions assured foreign employers of high profits by assuring low pay—and Portugal's wages were one-seventh of Sweden's, one-fifth of Britain's. If pay rose, the jobs might go. If wages did not rise and labor unrest broke out, the foreign firms might leave anyway.

Meanwhile, Portugal's own big firms went international—and became less dependent on the fate of the colonies. The CUF became Iberia's largest business, a complex of more than 100 companies representing one-tenth of Portugal's industrial output. Besides having projects in Brazil, America, and Europe,

it brought Dutch and Swedish partners into the big Lisnave shipyard on the Tagus estuary. Such "well-managed" enterprises got generous government aid.

With "internationalization" came the erosion of the early New State alliances. The small businessmen who thrived under Salazar felt threatened by Caetano, whose ministers found them "unecomic." Mergers were encouraged. As the distribution of goods became constricted, hoarding appeared. Even codfish caught by the Portuguese on the Grand Banks off Newfoundland became scarce. Government planners also began to wrangle with both peasant farmers and the big landowners, most of whom failed to use their subsidies to modernize their operations. Meanwhile, the industrialists grew increasingly unhappy with the wars, and not just because of the labor strains and tax burdens they caused and the foreign capital they scared off. By poisoning Lisbon's foreign relations, the struggle in Africa clouded the nation's chances of joining the European Economic Community.

By 1973, nearly half of Portugal's trade was with the Common Market. The industrialists knew that Portugal's isolation was now more a state of mind—a hangover from Salazar's day—than a reality. To the very business interests that it had fostered, the New State had become a hindrance.

And the rulers of the New State had become captives of the overseas empire they sought to save. "Refusing any kind of a bargain, we do not sell or lease our colonies," Salazar said, and his successors dared not disagree.

In *Portugal: Fifty Years of Dictatorship* (1975), António de Figueiredo traced this intransigence to a "metaphysics" of empire supported by a popular thirst for national prestige dating back to the era of Henry the Navigator. Surely, it also reflected the back-against-the-wall psychology of a small power faced with outside pressure. Salazar had the old Portuguese talent for international maneuvering, as his deft management of Lisbon's World War II neutrality showed. He kept Portugal in the North Atlantic Treaty Organization (NATO), and he silenced critics among the Western allies by threatening to evict NATO forces from the Azores. But in the end, he had harnessed that talent to fantasies of imperial grandeur, and his successors could not sustain them.

In the spring of 1974, the fantasies were finally ended.

