

Caetano's Reforms Sink in a Sea of Contradictions

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When Marcelo Caetano took over from Salazar as Prime Minister of Portugal, there was widespread speculation that 'liberalisation' in the areas of colonial policies, internal economic policies, and the role of opposition would occur. At the same time, it was unclear what the power base inside Portugal for such reforms would be – given the strong role of the ultra-right in the state, corporate, and church machinery – and what the motivation behind such 'reforms' was. Caetano had moved into the top position at a time, when after 40 years of Salazar, some kind of change had to occur. The colonial wars in Angola, Mozambique and Guinea were becoming more and more difficult to finance within the rigid and deteriorating economic structures which characterised the latter years of the Salazar dictatorship. This led to increased economic hardship inside Portugal and spurred opposition to overall government policies. Also, in the international sphere it was important for the Portuguese to gain political and military support from abroad for the colonial wars, and to attract foreign capital into the Portuguese and colonial economies. To be successful in all arenas, Portugal needed an image of 'change'.

But this was certainly not going to mean a change which altered the power relationship within Portugal or in regard to the colonies. The changes that followed were essentially the verbiage of pacification, to consolidate a slightly more expanded power base. Simultaneous with these 'reform' measures, internal opposition and subsequent repression in the Salazarist manner have continued. The political ideology and goals of Caetano and Salazar have been the same. Yet, the methods that Caetano initially attempted to maintain control were more attuned to the internal and external demands of the twentieth century.

However, in viewing the past few years, this strategy has not worked. Caetano has turned in retreat. The inevitable hollowness of his reforms have become obvious to the opposition, and pressures from the right have demanded a continued hard line in order to preserve fascism.

Portugal under Salazar

Portugal was much the same when Salazar died, as when he took power 40 years earlier, except for an increased consciousness and awareness in the colonies and at home of a people that saw a world changing around them that did not include Portugal. Salazar's prime preoccupation throughout his reign was the establishment and maintenance of order and the strengthening of Portugal's finances. Colonial policies were never questioned, and when wars broke out in the early sixties the logical response was the deployment of more and more military force. Gold and foreign reserves may have accumulated, but the economy stagnated trapping the majority of the people into near subsistence existence. A feudal agricultural model, an all powerful church that was a vital part of state machinery, leaderless urban workers strait-jacketed into state controlled unions, and a population that was 40 per cent illiterate all worked together to ensure the maintenance of control by the Salazarist elite. A long history of political repression as the response to any form of political opposition, dealt with any forces that questioned the fascist power structure.

However, because these political and economic structures were clearly not moving, new forces developed towards the end of his rule which emphasised the necessity for some kind of change after his death. The economic stand-still, which reduced Portugal to the poorest country in Europe, forced large numbers of workers to emigrate due to the lack of jobs. This eventually created labour shortages, and increased the opposition from those workers who did return. The forced conscription of all men between the ages of 18 and 45, and the drain that the wars had on the economy, led to more frequent questioning of colonial policies and increased support for the liberation movements.

This was the situation when Caetano moved in. Some kind of change was apparent. But the important point about the changes which have occurred is that they have been designed to preserve the status quo. Caetano was the right hand man of Salazar for many years, and had played a vital role in the drafting of the 1933 Constitution which established the fascist 'unitary and corporate republic'. They had their differences, but these were mainly on the tactics and methods of maintaining and sustaining the fascist, corporate state. They were in agreement on ideology. For, in fact, it is Caetano's adherence to this ideology, which in an historical context must be viewed as 'Salazarism', that encouraged modification in tactics in order to ensure the continuance of unitary, state power.

Continuity with Reform – No Liberalisation

Caetano's sensitivity to internal and external pressures, and awareness of more sophisticated tactics can be seen on many levels. First, there are the concrete changes to attack the problems of the economy, to neutralise growing discontent among the politically unorganised social groups, and to divert and stifle opposition to colonial policies. Working with this is the psychological aspect, which attempts to sell to the Portuguese people, as well as to

the outside world, that there are, and most important, that there will be 'changes'. Yet as he himself refers to it, it is not liberalisation, but 'renovation'.

The machinery of the state must be remoulded to fit the pressures of the times. But the fascist state will continue to exist. The allocation of power will not change, and the basic contradictions and conflicts within Portugal will still remain. For these cannot be resolved within the context of small modifications in the fascist state. If we examine the first three years of Caetano's rule, we can see the nature of this renovation, the political strategy behind it, and the growing consciousness within Portugal of the vacuous nature of this so-called change.

'Liberal' Reform

From the time that Caetano took office, he tried to avoid strong identification with the previous regime. He barely mentioned Salazar's name, though he was alive for another two years. In his first speech as Prime Minister, his adherence to doctrine while maintaining a flexible strategy became clear, as he emphasised that 'fidelity to a doctrine is not obstinate attachment to formulas and solutions'. Yet in all that was to follow, Caetano also had to be continually aware of the strength of the old guard ultra-rightists (particularly in the army), who were carefully watching his response to colonial policies and opposition, to make sure that his moves did not threaten political order and the existing consolidation of power.

The old guard was hesitant of anything that appeared to be even the smallest change. Caetano had the task of pointing out through the success of his strategies or the reliance on repression, that he was in control. The right had to be shown that his petty reforms did not mean any change in ideology while other social forces were sold the same reforms as the beginning of real change within Portugal. In all practical reforms, the most important aspect is the appearance of change as a mechanism of political manipulation and pacification. To this end, Caetano used the press to a much greater extent than Salazar, and claimed during his first few months of office that a new press law was to be introduced. Widely publicised small changes did occur at first, but were instituted and used in order to consolidate support for Caetano. For example, in the election this so-called increased freedom of the press meant controlling information on the opposition to point out its disorganisation and to show that their demands were similar to what Caetano 'said' he wanted. Any efforts to discuss meaningful freedom of the press were dismissed by familiar arguments that Portugal was not ready for this because a prerequisite was 'proper education of both the press and the public', which of course was difficult in a wartime situation. Accordingly, the new Press Law put into effect on the 1st June, 1972, limits the freedom of the press even more than before. The consistent contradiction referred to above appears clearly in the new Law. Thus, Art. 128 abolishes the Censorship Services, but Art. 129 imposes 'Previous examination for all texts and images to be published in the press'. The reaction to this law in Portugal can be seen

by a decision taken by the National Trade Union of Journalists, which in its General Assembly, resolved to 'express to the Government their deep dissatisfaction for the new Press Law, which increases their burden of responsibility without giving them a concurrent right of freedom of expression'.

All his practical reforms, from the start were aimed at alleviating opposition from the various social forces within and outside of Portugal. He immediately issued statements which claimed that economic development and social reforms were priorities. One of his first moves on this front was to move younger professionals who were untainted by office under Salazar, into the ministries in the restless areas of education, social welfare, and the economy. This he hoped would integrate some of the younger, educated and potentially discontent elements into the established order. It would also hopefully, develop more effective internal economic and social policies which could pacify the urban workers and the rural peasantry with slight increase in wages and minimal changes in educational, health and social services. Of course, in the two most important ministries, the interior and the army, two hardliners were kept on, indicating what the fundamental source of power is.

In dealing with students, Caetano attacked the most glaring yet artificial grievances. In response to the realisation that large numbers of educated and skilled manpower would be needed to pull the country out of economic stagnation – and to neutralise student criticism – he announced an investigation into the efficiency of higher education. Caetano's experience in the University as professor and one-time rector, led him to believe that, if possible, it was better not to use crude methods of repression and imprisonment against student leaders, since this often led to more opposition, and turned imprisoned leaders into martyrs. Following this line, his new appointment as Minister of Education, Professor Jose Veiga Simao, cancelled criminal proceedings against some student leaders and sacked the unpopular rector of Coimbra University. Such small concessions he felt would have no effect on the security and stability of the coming change within Portugal. It would also give the state justifiable grounds for interference if the students moved too far into the opposition camp.

The students, however, proved less easy to control than he had imagined. In April and May, 1969, there were large demonstrations against the suspension of some student leaders, culminating in a strike and on May 6th, the University was closed down. Many students were arrested and the following month the cabinet announced that only students with good behaviour would be deferred from military service. In July the students boycotted their exams, and in August the president of the Coimbra students union was brought for trial. The trial was later adjourned, but the following month the elected leaders of the student union were dismissed on orders of the government – so much for their new right to elect their own leaders. The removal of petty grievances within the context of the fascist state, inevitably cannot neutralize opposition – except on the surface and in the short run. For as Caetano assured the ultra-rightists, and as opposition forces such as segments of the students, were quick to realise, the minimal changes in form did not reflect

any fundamental change in the political and economic structures.

Caetano's approach to workers organisations was similar. Free elections of leaders in the state controlled workers' syndicates and a national minimum wage were instituted in an effort to combat the growing discontent. Workers outside the syndicates (particularly agricultural workers) were to be organized into syndicates and subject to government protection. This could be sold as increased workers participation, while allowing the state to control the form of organisation that was created. Voting rights were extended when qualifications changed from tax-based criteria to literacy. But since 40 per cent of the population was illiterate, you were still locking out the most oppressed classes. Again these measures were equivalent to the removal of petty grievances at no cost to the control or influence of the state, since the existing unions and the right to vote have very little to do with the allocation of power in the Caetano dictatorship. Their only function is to give the minimal appearance of worker and voter participation.

The abolition of PIDE, the secret police, was another widely publicised reform which helped to confuse people into thinking that 'liberalisation' was taking place. But it was immediately replaced by an identical institution, the DGS. Caetano admits that Portugal cannot be governed without a powerful, all-pervading secret police. There must be such control, in the view of the state, because if the people suddenly had freedoms, 'only chaos would ensue'. But most important, powerful subversive forces threaten the country from within. But abolishing PIDE, the well known secret police, and replacing it with a similar force more directly responsible to himself, Caetano can more easily contain internal opposition. Also, being more closely controlled, the secret police will be less likely to fall under outside influence, from groups like the American CIA, a fear of such rightists. The new DGS is under the Interior Ministry, one of those still dominated by Salazarist hardliners – further indication that no substantive change in policy was intended.

These 'renovations' of the fascist state in the area of moderate practical reforms certainly do not get at any of the basic problems in Portugal: the continuation of the colonial wars and the state of the economy. They could not because, in fact, the problems are the fascist state. The 'renovations' are merely designed to pacify and neutralise various social groups within Portugal; and together with minor changes in the economic structure, to expand the Caetano power base in order to ensure the continued existence of state machinery and ideology.

The Economy

Another aspect of the Prime Minister's renovation attempt has been an attack on the inefficient monopolies of Portuguese industrialists, and the simultaneous encouragement of foreign investment to try to pull Portugal out of its economic lag. Restrictive industrial licensing codes, custom duties, terms of credit, and tax and merger incentives were all revamped. Special funds have been allocated for tourist and agricultural investment, and drastic reforms in the notoriously inefficient and cumbersome Portuguese bureau-

cracy were promised. All have been viewed as incentives to Portuguese as well as foreign investors.

Caetano's Secretaries of State for Industry have been particularly active in encouraging foreign investments. Important selling points in this campaign have been the ease of transferring profits and the repatriation of capital. An industrial promotion institute specifically designed to encourage an increase of foreign capital penetration in Portugal and the colonies has been set up to facilitate this effort. The Industry's Secretaries have been on several trips abroad to solicit foreign capital, emphasizing that 'liberal renovation' has gotten rid of some of the more distasteful elements of Salazarism. This image building abroad is particularly important since foreign capital would rather be linked to a semblance of change than overt reactionary fascism. But even if there is an upsurge of foreign capital into Portugal and the colonies, it serves primarily to consolidate political power and increase economic profitability for the ruling elite within Portugal and foreign interests more closely tied to the maintenance of fascist rule.

Another serious problem in the economic arena is emigration, induced by the political and economic situation. This has created serious labour shortages, particularly in agriculture, that has led to a subsequent rise in food prices. There are now about a million emigrant workers living outside Portugal, and they are leaving at a rate of about 170,000 a year. These workers generally have above average skills and education, which are greatly needed within Portugal. The wage reforms instituted in the first few years under Caetano, were in large part directed at encouraging this group to remain or return to Portugal.

The economic situation is full of contradictions, and is unresolvable within the context of the fascist, corporate state. All the weaknesses are so intertwined that to alleviate one, merely exacerbates another. On the one hand the economy is stagnant and to get it moving an increase in the labour force is necessary. But, there is an intense labour shortage due to the massive emigrations to Europe and the colonies over the past decade. In turn, the stagnating economy and the labour shortage obviously hurt the Portuguese war efforts in the colonies. However, on the other hand, emigration is also beneficial to Portugal. Settlers are needed in the colonies to aid in maintaining Portuguese control, and Portuguese workers outside the country sending money back have given Portugal its largest source of foreign exchange. So, despite the fact that criminal charges against those illegally emigrating have been loosened, if too many returned it would cut into the valuable foreign exchange that they feed into the lagging economy.

Caetano hopes to avoid the issues raised by these conflicts by importing cheap labour from the colonies. It has been estimated that 15,000 Africans have arrived in Lisbon in the last few months, two-thirds of them from the Cape Verde Islands. But he is locked in. Again, Caetano can try to make petty reforms in the economy, but given the political and economic structures, and the continuation of the colonial wars, these small changes can barely even stabilise the situation.

Foreign Policy

Changes in Foreign Policy have been a response to the growing need to increase support for the colonial wars and to draw more foreign capital into Portugal and the colonies. The new Foreign Minister, Rui Patricio, made it clear at his first press conference in July 1970, that an important aspect of foreign policy making would be the development of a positive national image.

A solid relationship with NATO allies is considered critical by the government as seen in the great importance Portugal gave to the NATO ministerial meeting in July 1971 in Lisbon. But Caetano's strategy within NATO has changed in order to alleviate charges of the misuse of NATO supplied weapons in the war, and to temper the criticisms of some of the NATO allies who oppose the wars. Caetano now lays great emphasis on the fact that Portugal is fighting the colonial wars in Africa without outside assistance, but fails to mention the continuing use of NATO equipment in Africa, a clear violation to NATO regulations. In relation to extending the areas NATO serves to include the South Atlantic, Portugal has carefully refrained from taking any public initiatives. But at the same time, Caetano pushes the strategic location of the colonies for NATO security.

The large scale foreign investment in the colonies that is now being encouraged, will also serve to push these countries to support the Portuguese war effort to protect their growing economic stake. But in order to make the idea of colonialism more palatable to these North American, Western European and Japanese interests, the Portuguese have made very minimal increases in the African wage scale, and slightly expanded the number of schools and hospitals. These token pacification measures, mostly only on paper, are sold under the rubric of 'economic and social development' to increase outside support for the war.

All these programmes and petty changes discussed so far have been aimed at neutralising opposition, pacifying discontent and expanding the power base of Marcelo Caetano. But they are complemented and enhanced by on-going efforts, to 'split' established opposition groups and render them less effective. Forces which do not respond to the more co-optative method of repression then are confronted with crude force and secret police tactics.

In his first few years Caetano was more successful in his pacification techniques than he has been recently. Increased opposition from the left and heightened pressures by the right have reduced Caetano to the Salazarist tactic of blaming subversive elements for most of Portugal's problems. Then his use of secret police and heavy repression becomes justified.

Pacification and Propaganda

Caetano has pushed himself as a man who communicates easily with the people in hopes of undermining opposition and consolidating a power base, by creating the impression of 'consulting with the people'. He has instituted regular informal T.V. appearances where in simple terms he presses home the same points: the need for social improvements; the importance of defending the colonies, and the threat to Portugal's stability from inside and out. He

has also travelled extensively within Portugal and to the three African colonies reinforcing this image. Bringing the question of the colonial wars out into the open for the first time, he hoped to rally support behind the banner of patriotism and duty.

Educated Opposition Groups

The election provided a good opportunity for Caetano to try out these policies. At first these strategies were quite successful, since the groups had little in common except their general opposition to the government, in particular 'Salazarism' and the fact that they had been suppressed. Caetano felt confident enough to permit the return from exile of the veteran opposition leader, Mario Soares, and he met with various opposition leaders to create the impression that he was open to dialogue. This was in part effective, and Soares even stated he would support Caetano in the event of a rightist military coup. Limited criticism in the form of calling for minimal social democratic reforms was allowed, in the early period, as long as there was no serious questioning of the colonial wars. In May 1969, the second Republican Congress was allowed to be held. The press attended, and a 14 point programme for liberal social reform was passed. Many of their proposals were the same measures that Caetano professed to be advocating, thus he could undercut the strength of part of the opposition. By allowing 'free elections', the government brought the rivalries and differences of the opposition groups into the open. But the parties were so harassed and restricted, they never stood a chance in challenging Caetano. That of course, was not the plan. The idea was to make it appear that there was increased freedom, and that the 'people' had decided whether or not to abandon the colonies. Yet, with rigid election controls and a voting population of 1.8 million, success of the governing party was assured. The election made it appear that Caetano was more secure than he had ever been before. He had discredited the opposition, and enhanced his 'liberal reputation' without challenging the political or economic structures. This aided in winning the support of the die-hard Salazarists, a group which had been watching very carefully. Although small, this is a powerful force which must be a part of Caetano's power base.

The maintenance of the colonies with no compromises is a first priority of the old guard, as are related domestic issues such as the necessity of police control. Their basic fears are that even minimal discussion will lead to more serious questioning of the war; that social improvements can only be implemented at the expense of revenue currently going into the war effort, and that growing interest in the European Common Market will adversely affect Portugal's relationship with the colonies. Their strength as a group was first seen by the slight delay in Caetano's appointment after Salazar became incapacitated. All army leaves were cancelled, and troops were recalled to the barracks. The possibility of an army coup existed at that time, but because Salazar hung on for two years, Caetano was given breathing space which allowed him to manoeuvre for stronger support.

Cabinet reshuffles and the replacement of hardliners increased fears of

Caetano's impingement on the old guard's power role. Caetano was forced to move cautiously in some areas. For example, though Nogueira, the Foreign Secretary, was bad for the country's external image, and a subversive force within the government in terms of undermining the new foreign policy, Caetano waited for him to resign rather than dismissing him.

Unorganized Opposition

Caetano tried to integrate opposition from both sides into his base of support. However, this has become increasingly difficult. When he must make a choice, obviously the preservation of the state machinery is primary. Since the strong old guard is more powerful and Caetano does not have basic disagreements with them on goals and ideology, as the internal situation has deteriorated he has moved in alliance with the old Salazar forces against the more 'liberal' social groups. This can be seen most clearly in Caetano's dealing with opposition forces that are not part of 'established' groups, but which comprise the majority of the masses of the Portuguese people.

Early in 1971, large demonstrations took place at the University in Lisbon demanding that Portugal pull out of the colonial wars. These were brutally broken up by the police, and the law faculty was closed down. Along with this, there were widespread arrests among students and members of the opposition. In a strongly worded statement the new secret police, the DGS, attributed the problems to 'communist agitators who stirred up the students against the wars, and wanted to whip up support for terrorist activities'. When asked in an interview about the numerous arrests Caetano replied that the police must act when they have information or suspicion of criminal activity. He indicated that a subversive network had been uncovered in Angola which had links with student groups in Portugal. At that time, about 600 people were known to have been arrested in Angola and about 10 in Portugal. Demonstrations against the trial led to the arrest of 8 of their leaders, and subsequent demonstrations ended with 300 riot police patrolling Coimbra University.

As it increasingly became clear that the social reforms spoken of in the early days of Caetano's rule were hollow, and the colonial wars continued to take its toll in Portugal, more and more people moved into this group of unorganised opposition. Increased repression, designed to silence this group, merely fanned the increasing consciousness.

Opposition to the colonial wars has also increased within liberal church circles. In August 1970, a former army chaplain was arrested after voicing opposition to the colonial wars. Two months before that, the secret police announced that a Catholic publishing group GEDOC had been suppressed because of their circulation of documents and literature against Portuguese colonial policies which violated state security and four people were brought to trial. The Bishop of Oporto has been another vocal critic of the regime. All these activities coming from within the church, coupled with the Pope's meeting with leaders of the liberation movements in the colonies, the withdrawal after 25 years missionary work in Mozambique, of the White Fathers,

in condemnation of Portuguese atrocities against the population, and churches outside of Portugal giving overt support to the movements, have created difficulties for Caetano. Subversive priests given the religious traditions within Portugal, could quickly undo Caetano's propaganda efforts, as well as, challenge the charges that only communist forces are behind dissension in Portugal.

Another area of growing discontent and opposition is among labour and in the state controlled unions. There have been several strikes, and demands for wage increases which the acute labour shortage makes inevitable. As a response the Caetano government has dismissed several leaders of the state controlled unions, once they proved dysfunctional as puppets of the state.

The emergence of militant underground opposition groups, the Armed Revolutionary Action (ARA), in August 1970 and more recently the Revolutionary Brigade, is of particular concern for Caetano and the rightist elements. The fact that they have been successful in carrying out a number of bombing attacks, and that their targets have been visibly associated with the colonial wars increases their significance and impact. They are also an indicator of what is to come, what is naturally developing out of the internal contradictions in the Portuguese political and economic structures. And their success serves as an example which will and can encourage the large numbers of discontented social groups to act, rather than passively accept.

What Does This Mean For Portugal?

All these developments have reinforced the old guard's accusations that Caetano cannot control the country through liberal 'renovations' and a stepped up propaganda effort. As the number of arrests increased, his liberal sounding statements of the early days are getting fewer and fewer. These are being replaced with warnings of subversion from within and without. The strongest to date has come from his Defence Minister in April 1971, who proclaimed

In this war there is no front and rearguard. It is everywhere the adversary tries to implant his ideas of defeat, favouring the abandonment of the overseas territories, inciting the young people and soldiers to emigrate or desert from military service, undermining the morale of the youth . . . There is a vast international conspiracy with its headquarters in the UN, but which has numerous obedient followers under the communist command who orchestrate the propaganda against Portugal's overseas territories.

If we view this rhetoric together with increased police repression, a return to Salazarist tactics to maintain Salazarist ideology seems evident. The internal situation, manifested by the increased mobilisation of opposition forces on many different fronts can only be attempted to be controlled through heavy repression. And the focus on the threat of subversive elements is then used to justify this increased and open repression.

In response to questions on the recent changes in his regime, Caetano

emphasised that it is necessary to distinguish between long term objectives and short term tactics. Caetano might like to still sell the early days of 'renovation' as his long term goal, but that is now impossible. Contradictions and a new consciousness within Portugal have created forces which are now beyond his control.