

*THE ECONOMY AS AN INSTRUMENT OF NATIONAL POWER
IN THE PORTUGUESE STRATEGY FOR SOUTHERN AFRICA
(1951-1974)*

**A ECONOMIA COMO INSTRUMENTO DE PODER
DE PORTUGAL NA ESTRATÉGIA PARA A ÁFRICA
AUSTRAL (1951-1974)¹**

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Abstract

This article aims to determine the importance of the economy as an instrument of national power in the Portuguese Government's global strategy in southern Africa. Steadfastly committed to maintaining its "overseas provinces", the Portuguese Government sought to anchor the country's presence in southern Africa, using a political-diplomatic strategy pursued in liaison with South Africa, Rhodesia, Malawi and Zambia, in which the economy served as an instrument of national power, based on three main action lines. (1) With South Africa, Portugal embraced defence objectives, in which South Africa made important investments in Angola and Mozambique. (2) With Rhodesia, Portugal used the economy to help Ian Smith to issue the Unilateral Declaration of Independence in 1965, and ensure his political survival. (3) With Zambia and Malawi, Portugal used the economy to persuade both countries to provide effective collaboration against the national liberation movements.

Keywords: Portugal, Economic Strategy, South Africa, Rhodesia, Malawi, Zambia.

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Resumo

O objetivo deste texto é determinar a importância da utilização do instrumento económico na estratégia global do Governo Português na África Austral. Profundamente empenhado em manter o “ultramar”, o Governo Português procurou ancorar-se na África Austral através de uma estratégia político-diplomática com a África do Sul, Rodésia, Malawi e Zâmbia em que a economia se revelou através de três importantes linhas de ação. (1) Com a África do Sul, Portugal acomodou os objetivos de defesa com importantes investimentos em Angola e em Moçambique. (2) Com a Rodésia, Portugal utilizou a economia para ajudar Ian Smith a decidir declarar a independência unilateral em 1965 e para garantir a sua sobrevivência política. (3) Com a Zâmbia e Malawi, Portugal utilizou a economia para seduzi-los a uma colaboração efetiva contra os movimentos de libertação.

Palavras-chave: Portugal, Estratégia Económica, África do Sul, Rodésia, Malawi, Zâmbia.

Introduction

This article aims to determine the importance of the economy in the Portuguese Government's global strategy in southern Africa to resist decolonization. In this study, we will establish a rationale to understand the link between economic decisions and the overall strategy to protect the “provinces” from the liberation movements. Although this article is divided into several sections for ease of comprehension, analysis of the Portuguese Government's strategy must be understood from an overall synchronized perspective, given the liaison that existed between the countries involved. Our analysis excludes South Africa's loan of military equipment, despite the fact that this was an important instrument of direct and indirect financial support that made it possible to save tens of millions of rands in the Portuguese war effort from 1968 onwards¹. The option to resist the decolonization movement guided several strategic action lines: military, diplomatic, psychological and economic. These action lines commenced their last efforts from 1961 onwards, after the start of armed conflict in Angola, the fall of Portuguese India, the lack of political support by the Kennedy administration and increased pressure in the UN. In the wake of U.S. withdrawal, Portugal attempted to diversify its international assistance, in order to support Salazar's military option. The main examples were France, Germany and South Africa, which António Telo classifies as a “strategic inversion” of the alliances².

Portugal's began to court South Africa in the 1950's, and this process of building closer ties was further reinforced when Salazar decided to support the “white independence of Rhodesia” in November 1965³. These countries were key partners in offering military support for Portugal's war effort in Angola and Mozambique, and they eventually formalised a secret alliance known as the “ALCORA Exercise”⁴. By means of this step, Portugal formed

¹ Concerning South Africa's military support to Portugal, see Barroso, 2013; Afonso & Gomes, 2013.

² Telo, 2004, pp. 472-473.

³ Barroso, 2009; Barroso, 2012, pp. 173-198.

⁴ ALCORA was the acronym for «Austral Concept for Africa», with reference to the four capitals of the ‘white areas’

part of a strategy that encompassed the whole of southern Africa, implying closer political, economic and military ties to the main regional power, South Africa⁵. According to William Minter, both countries recognised that their future in Africa was interconnected. South Africa was an important partner for Portugal, and held major shareholdings in leading companies in various sectors, such as the DIAMANG Diamond Company of Angola and the hydric real-estate developments in the Cunene River and the Cahora Bassa dam on the Zambezi River⁶.

The Portuguese Government's overall strategy to resist decolonization was based on using economic strategy as an important operational instrument. This was clearly evident in the Third Development Plan⁷ (1968-1973), via three important action lines: (1) Capitalising on South Africa's willingness to accommodate the Portuguese Government's objectives to defend its overseas territories, by making major investments in Angola and Mozambique. (2) With Rhodesia, Portugal used the economy to strengthen its influence on Ian Smith, enabling the latter to issue the Unilateral Declaration of Independence and ensure his political survival. (3) With Zambia and Malawi, Portugal used the economy to win over their effective collaboration against the liberation movements.

During the period following World War II there was a wave of nationalist movements in Asia, the Middle East and Africa. These were viewed by Lisbon as a serious threat to the regime. Salazar's Europe wasn't that of the Treaty of Rome, nor the Europe of democracies, but instead was viewed as the bastion of true Western values. To avoid disturbance to the regime, the Portuguese Government distanced itself from any organisation that threatened to dilute its sovereignty in any manner. It was therefore perfectly normal that the dominant economic idea was related to exploitation of the empire as a means of strengthening its political ties in order to secure the overseas territories against movements that menaced continuation of Portugal's presence in Africa. This strategy led to the creation of the Espaço Económico Português (Portuguese Economic Area)⁸. Salazar wanted to alter the colonial pact, whereby the two largest and most important "provinces" would evolve from being mere suppliers of raw materials to becoming territories that would enjoy significant economic development. In this manner, the Portuguese Government would be able to safeguard the empire from criticism from its traditional allies, the U.S. and Britain. The "overseas provinces", in particular Angola, were open to domestic and foreign investment and the production sector was diversified as a result of the II Development Plan (1959-1964) and the III Development Plan (1968-73), involving major development of the transport infrastructures, communications, mining industries and manufacturing industries⁹. In tandem with this development effort, there was also significant

Lourenço Marques, Luanda, Salisbury and Pretoria. It was also known as Aspero - South Africa, Portugal and Rhodesia. The 'ALCORA Exercise' was an alliance between these three countries, whose main purpose was to prevent the communist-inspired Black Nationalist movements, supported by China and the USSR, from winning their 'wars of liberation' and conquering power.

⁵ Telo, 2004, p. 472-473.

⁶ Minter, 1972, pp. 128-132.

⁷ Documents available at: <http://www.dpp.pt/pt/base-de-dados/Arquivo-historico/Paginas/III-Plano-de-Fomento.aspx> [Consult. 3 Oct. 2012].

⁸ Telo, 1994, pp. 245-246.

⁹ Torres, 1983, pp. 1101-1119.

growth of the white population in Angola and Mozambique that expanded between 300% and 400% in comparison with 1940¹⁰.

Despite Portugal's accession to the European Free Trade Agreement (1959) and the General Agreement on Tariffs and Trade (1962), the operationalization of the Portuguese Economic Area - a kind of free trade zone within the empire - from 1962 onwards, was intended as a counterweight to those options. It aimed to create a "major national economic area" through the launch and restructuring of the various economies included within this area¹¹. The creation of the Portuguese Economic Area would also act as a catalyst to awaken the interest of the country's traditional allies for maintenance of the empire at the time of growing political isolation¹². Edgar Rocha states that economic relations with the colonies were a factor to be taken into account in Portugal's economic development, but this can't be assumed to be the main reason for these relations, since they had a considerable political impact, that led to international support for the war effort, which accelerated the process of opening up the economy¹³.

In the early 1960s, foreign investment in Portugal and its overseas colonies was severely hindered by Salazar. However, the outbreak of war in Angola served as a catalyst for important changes. Urgent development of the "provinces" was sought in order to raise the standard of living and ensure economic and financial support for the war effort. Given the lack of funds, the only option was a new investment policy that would enable economic development of the overseas colonies¹⁴. Several companies, banks and even the South African Government played a very important role in these investments. Marcello Caetano continued to advocate the inflow of foreign capital. A major investment was the construction of the Cahora Bassa dam, which involved political and economic goals. The concession for the supply of electricity was granted to the South African company, Electricity Supply Commission (ESCOM); the construction was awarded to the Zambezi Hydroelectric Consortium (ZAMCO), an international consortium that involved significant South African capital. South Africa also pledged to buy 50% of the electricity produced¹⁵.

It's in this context that we intend to analyse the relevance of economic strategy in the overall strategy formulated and pursued by the Portuguese government in southern Africa. Therefore, we will consider, as a theoretical foundation, use of the economy as an instrument of a State's national power and, simultaneously, as a goal in its own right.

As an instrument of national power, the economy serves to facilitate the action of other instruments. By means of positive action, e.g. economic support to friendly countries, and by coercive action, to influence an adversary to act in a manner that is better suited to its interests.

As a goal in its own right, the economy is a means by which a State can attain and improve its conditions to attain other objectives, i.e., it functions as a self-induced mechanism. Activities

¹⁰ Telo, 1994, pp. 266-267.

¹¹ Lains, 1998, p. 488; Torres, 1983, p. 1113.

¹² Telo, 1994, p. 267.

¹³ Rocha, 1977, pp. 616-617.

¹⁴ Ferreira, 1977, p. 53; Lains, 1998, p. 490.

¹⁵ Ferreira, 1977, pp. 56-57.

such as military operations and other defence-related and security-related operations depend largely on economic capacity. Without the capacity to produce, finance or support its activities, a State becomes restricted to protecting its own interests, whether at an internal or external level¹⁶. Contemporary conflicts - ranging from diplomatic disputes to the conventional use of military forces - all involve the economy to a certain degree. Modern states use the economy as a means to achieve their goals and they are affected by economic events that affect national security. The capacity to obtain, transform and use resources constitutes a key component of national security.

In the context of affirmative action, we consider cooperation relations, in which two or more actors act together in order to attain common goals. The two players only rarely exercise the same degree of effort, but in this type of relationship, there is no dominating presence of one player over the other. However in a relationship of mutual support, there is a kind of minimal work that allows the relationship to proceed smoothly even in the event of mutual disagreements. In the framework of coercive action, we consider economic coercion as a means of economic suffocation, or a significant interruption to the production of goods, caused to the State's opponent. This action aims to change behaviour and it is expressed, for example, by a set of measures - ranging from boycotts, exploitation of dependencies, imposition of tariffs and disruptions to transport systems¹⁷.

1. The relationship with South Africa: Anchoring in southern Africa

In the wake of the fall of "Portuguese India", the Portuguese Government started to consider establishment of a new step in bilateral relations with South Africa and Rhodesia as priority courses of action to mitigate Portugal's growing international isolation. Portugal lacked the internal economic, political and military resources to opt for war and pursue economic development. It was therefore necessary to strengthen military and economic relations with South Africa and Rhodesia, in which Portugal could provide energy and transport, in exchange for financial loans, product placement facilities and military support¹⁸.

After some friction during the 1950s, Portugal's approach to South Africa changed after 1961 due to various reasons¹⁹. After the outbreak of armed conflict in Angola and the hijack of the Santa Maria cruise liner, Pretoria believed that Salazar could be replaced by another ruler, who would quickly grant independence to the "provinces", thus causing a blow to South Africa's defensive belt, designed to protect its apartheid regime. With increasing international pressure, including from the U.S. and Britain, despite the fact that both had major investments in South Africa, Portugal and South Africa considered that it was urgent to accelerate economic cooperation as a means of injecting money into the "provinces" and expanding the network of economic interests, in order to thereby strengthen the "white" presence. The goal

¹⁶ Chun, 2012, pp. 205-210.

¹⁷ Ribeiro, 1999, pp. 68-69; p. 73.

¹⁸ Instituto dos Arquivos da Torre do Tombo (IANTT) – AOS/CO/NE-30 B: Study on Portuguese Foreign Policy (1962).

¹⁹ The main relationship problems with South Africa stemmed from the discomfort felt by the Portuguese Government regarding South Africa's attempts to assume political primacy in defence of sub-Saharan Africa (concerning development of this point, see Barroso, 2013).

was to encourage white people with interests in the economy and agriculture to invest in, and emigrate to, the “provinces”.

As a consequence, in September 1962, South Africa and Portugal renegotiated the Mozambique agreement, relating to rail traffic and use of the port of Lourenço Marques. The agreement guaranteed that 47.5% of goods transported by sea to the heavily industrialized Witwatersrand region, would pass through Lourenço Marques²⁰. In May 1963, the two countries signed an air traffic agreement, revoking the agreement that existed before World War II and which was especially important to keep open South Africa’s commercial aviation routes in the event that it was denied access to the airspace of other countries: Johannesburg-Brazzaville; Sal-Lisbon-Paris; Windhoek-Luanda; Amsterdam-London; Johannesburg-Lourenço Marques; Durban-Lourenço Marques²¹. In 1963, the South African Government granted a loan of 3.8 million rands (about PTE 120 million) to the Portuguese Government to build an airport on the Island of Sal, in Cape Verde, to be used by South African Airways to minimize the effects of sanctions upon it²².

In early 1962, South Africa proposed resumption of negotiations to use the waters of the Cunene River to ensure the supply of water for irrigation and electricity production in South-West Africa, aimed at accelerating its economic integration²³. For Portugal, the need to strengthen relations with South Africa was an opportunity to receive important investments in Angola, while creating a further common ground to facilitate intensified military support. Moreover, investment in that zone would encourage the installation of more white settlers and reinforce the “assimilation” policy. In October 1964, the two countries signed an agreement for the use of the waters of the Cunene River to aid people in southern Angola and South-West Africa, and the construction of storage facilities of citrus fruits entering South Africa via the port of Lourenço Marques²⁴. According to a 1964 report by the South African Embassy in Lisbon, relations with Portugal were pursuing a safe path and there were increasing signs that South Africa was strategically and politically important for the Portuguese Government, because it was also engaged in “defence of Western interests in Africa”²⁵.

After initiating contacts in 1962, which were re-activated in Lisbon in 1963 and 1964, it was only in 1969, after guaranteeing that South Africa would buy 50% of the energy from the Cahora Bassa dam, that the project for the Cunene River was finally formalised²⁶. The investment, involving tens of millions of rands, might attract white

²⁰ National Archives of South Africa/Department of Foreign Affairs (NASA/DFA) – BTS, Box 10/5/31/2, Vol. 2: Secret report of the negotiations between the Portuguese and South African delegations in the framework of review of the Convention of Mozambique (17-25/9/1962); See Cunha, 1977, pp. 204-205.

²¹ Arquivo Histórico Diplomático do Ministério dos Negócios Estrangeiros (AHDMNE) – PAA, Proc. 921.14, Bundle 1132: Information n.º 13-63 (10/5/1963); IANTT – AOS CO/UL-55, Pasta 1: Agreements with South Africa.

²² IANTT – AOS CO/UL-55, Pasta 1: Agreements with South Africa; NASA/DFA – BTS, Box 1/14/3, Vol. 3: Reference found in a letter from the Minister of Finance to the Minister of Transport (18/10/1971). AHDMNE – PAA, Proc. 960.18, Bundle 1132: Speech by Franco Nogueira in a banquet given in honour of the Minister Louw (6/5/1963).

²³ Ferreira, 1977, p. 169.

²⁴ AHDMNE – PAA, Proc. 960.18, Maço 1132: Circular of Information Services no. 26 of the Ministry of Foreign Affairs (14/10/1964).

²⁵ NASA/DFA – BTS, Box 1/14/20, Vol. 166: 1964 Annual Report of the South African Embassy in Lisbon (1/3/1965).

²⁶ IANTT – AOS CO/UL-55, Pasta 1: Agreements with South Africa.

settlers and guarantee an important source of foreign currency in the future, from the sale of electricity to South Africa²⁷.

Another structural development was the Cahora Bassa dam on the Zambezi River. The objective of this dam was to control its waters in the Tete District, which bordered Malawi, Zambia and Rhodesia, as one of the richest areas of Mozambique and a corridor for the main communication routes between the Indian Ocean and the Rhodesian hinterland. Water from the Zambezi River could expand the cultivation area by around two million hectares. In August 1968, the Council of Ministers approved award of construction of the dam to the ZAMCO consortium, which had German, South African, French, Swedish and Portuguese share capital and involved the participation of several American companies. The multi-national composition of the share capital was instrumental in enabling Lisbon to secure recognition for its presence in Africa, in an attempt to diminish international pressure²⁸. But there were other interests of a political nature: the project was excellent publicity for the ability of the Portuguese to implement ambitious projects; it created an environment of trust amongst white settlers; it fostered dependency on the supply of energy to Malawi, Zambia and South Africa; and it led South Africa to “reconsider” its military border in the Limpopo River²⁹. Reconsideration of “the military frontier in the Limpopo river” was a figure of speech that referred to the excellent defence conditions that the Zambezi river would have following construction of the Cahora Bassa Dam, which aimed to convey the idea that the southern area of the Zambezi river would be outside the zone of influence and the threat of liberation movements. Thus, Portugal’s war effort in Mozambique could be more easily shared with Rhodesia and South Africa.

As a result of these two projects in Angola and Mozambique, Portugal would receive large sums of foreign currency and create conditions for the establishment of more white settlers. This was forecast in the III Development Plan, which sought to build roads in the areas planned for settlement³⁰. A study prepared for Salazar in January 1962, considered that it was essential for the “provinces” to attract white immigration, including Italians, Greeks, French citizens from Algeria, as well as settlers from the metropolis³¹. The drive to attract Portuguese emigrants led to a significant loss of remittances from abroad, which rose to 3.6% of GDP between 1958-1965 and to a remarkable 7.5% of GDP between 1966-1973³². Those two major projects could serve as the basis for launching an economic community in southern Africa that would definitely include Angola and Mozambique³³. An accelerated process had been set in motion in order to combat the spread of subversive movements in the southern African region, by implementing a major barrier: white settlements.

²⁷ Ferreira, 1977, pp. 171-172.

²⁸ South Africa National Documentation Centre/Department of Defence Archives (SANDC/DDA) – LB.MVV-P.W. Botha, GRP 2, Box 23, MV56-4 SA Army-Portugal Vol. 1.13.

²⁹ AHDME – Fundo do Arquivo da Legação de Portugal em Salisbúria (FALPS), Proc.2714: Harnessing the Zambezi river in Cahora Bassa - Summary Note (1/20/1966).

³⁰ III Development Plan for 1968-1973, Vol. III (Volumes I and II) and Vol. V, available at: <http://www.dpp.pt/pt/base-dados/Arquivo-historico/Paginas/III-Plano-de-Fomento.aspx> [Consult. 3 Oct. (year) at 22h35].

³¹ IANTT – AOS/CO/NE-30 B: Study on Portuguese foreign policy (1962).

³² Neves, 1994, p. 1021.

³³ SANDC/DDA – LB.MVV-P.W. Botha, GRP 2, Box 23, MV56-4 SA Army-Portugal Vol. 1.13.

Immediately after the outbreak of the revolt in Angola, the Portuguese Government announced a plan for foreign investment “to show that it was in control of the situation and that Angola was a land of the future”³⁴. According to the Rand Daily Mail newspaper, Salazar had been obliged to open the colonies and the metropolis to foreign investment, due to international pressure on Portugal’s colonial policy. His goal was to encourage investment that would enable recognition of his overseas policy, associating foreign economic interests to maintenance of the overseas territories³⁵. One of his main preferential partners in mid 1961 was South Africa³⁶.

The relationship between the two countries continued at cruise speed from 1960-1965, whereby South Africa became Portugal’s main economic partner. South Africa’s participation was crucial, since if its economic interests were threatened in the “Portuguese province”, political and military intervention would thereby be “legitimized”. In April 1967, the South African Defence Minister P. Botha asked the Portuguese Minister Silva Cunha to implement a “policy of establishing more Portuguese people overseas” because “it was necessary to have many Europeans living in Mozambique” so that “everyone would be very strong in southern Africa”. The projects in the Cunene River and the Cahora Bassa dam would help attract settlers, which was also the reason for the war effort and for marking a change in the regime’s orthodoxy in relation to justification of the Portuguese presence to defend the overseas territories³⁷.

By increasing the density of the white population in the Tete region and in southern Angola, where the subversive forces were more active (FRELIMO – Frente de Libertação de Moçambique; SWAPO - South-West Africa People’s Organisation; MPLA – Movimento Popular de Libertação de Angola), Portugal, Rhodesia and South Africa sought to hinder support for the liberation movements. At the same time, a network of interests was forged, that included economic integration, leading to the creation of a Pretoria - Salisbury - Lourenço Marques axis³⁸. The importance of the Cahora Bassa dam also had to be combined with the railways of Mozambique, which were an essential infrastructure for economic development and an important source of revenue, due to the fees charged by the provincial government. The railway section between Beira-Umtali, that was inaugurated in 1899, was designed to connect the hinterland to the sea, essentially serving as a transit connection from mineral-rich neighbouring territories to the ports of Mozambique. The same was true of the Benguela Railway (Caminho de Ferro de Benguela – CFB), whose primary purpose was to connect the mining regions of the Katanga interior to the port of Lobito. This integration helped cement the Pretoria-Lisbon-Salisbury axis and could serve as a first step towards establishing an

³⁴ NASA/DFA – BTS, Box 1/22/1 Vol. 2: News item from the newspaper The Star entitled “Portugal Has a Big Development Plan for Angola” (5/4/1961).

³⁵ NASA/DFA – BTS, Box 1/14/6 Vol. 156: News item from the newspaper Rand Daily Mail entitled “Angolan Rebellion Forces New Policy: Salazar Changes Face” (18/11/1963).

³⁶ NASA/DFA – HEN, Box 1729 Ref. 225: News item from the newspaper Diário de Luanda entitled “Africa do Sul é o Maior fornecedor para Angola de Produtos Industrializados (11/5/1961).

³⁷ AHDMNE – PAA, Proc. 960.18, Maço 1132: Report of Conversation between Silva Cunha and P. Botha, minister of Defence of South Africa (7/4/1967); Cf. Caetano, 1970, pp. 10-11; Souto, 2007, pp. 50-51.

³⁸ Ferreira, 1977, pp. 156-157.

economic community in southern Africa, in which South Africa would play a major role, given that it was the region's biggest economic power.

2. Malawi and the Mozambican ports: a necessary complementarity

Secession from the Central African Federation in late 1963 should be viewed as one of the most important political events in Africa. The main reason underlying this event was the fact that Southern Rhodesia, unlike Zambia and Malawi, was unable to secure its independence, because the British Government was not sure that it would apply the political principle of "majority rule"³⁹. At a time when South Africa's apartheid was universally attacked, it was unthinkable that England could be complicit in the creation of a second segregationist regime⁴⁰.

In the wake of the following events, Portugal became a central actor, by pledging all the necessary support to Ian Smith in the event that he might decide to issue a Unilaterally Declaration of Independence. In the strategy followed by Salazar, the economy was the instrument of national power that complemented diplomatic initiatives and military actions in order to protect Angola and Mozambique from the liberation movements. In this strategy, the evidence of the importance of railways in Angola and Mozambique is related to their use as a means of coercion against Hastings Banda (Malawi) and Kenneth Kaunda (Zambia), and of cooperation with Ian Smith.

In 1962, the Portuguese authorities considered that Nyasaland was a subversive danger for Mozambique, given that it was favourable to the installation of liberation movements, complemented by the general poverty of the territory and the local population⁴¹. Salazar wanted to avoid Malawi being used as a sanctuary for liberation movements in Mozambique. Meanwhile, H. Banda aimed to establish a connection to the sea via Mozambique in order to ensure that Malawi had economic viability. He considered that his country's economic development was a key factor in ensuring that he remained in power⁴². And Portugal could be an important partner in this regard.

From early 1964 onwards, the willingness shown by H. Banda to cooperate with Lisbon corresponded to the need to establish a link with Mozambique in order to avoid economic isolation, in particularly the ports of Beira and Nacala. From the side of the Portuguese Government, attempts were made to pressure Malawi in relation to those facilities. Therefore, in the economic and political context, the complementarity of these objectives, made it possible to develop cooperation policies, despite their ideological differences. Because of Malawi's dependence, H. Banda stated to Nogueira in June 1962 that it was necessary to establish a rail link that would ensure that his country's products could be transported via the port of Nacala to avoid the dependence on Southern Rhodesia and establish a connection to Dar-es-Salem, in Tanzania⁴³.

³⁹ Borstelmann, 1993, p. 125.

⁴⁰ Darwin, 2009, p. 645.

⁴¹ Antunes, 1996, p. 159; Kalinga, 2005, p. 239

⁴² AHDMNE – PAA, Proc. 16-F, Maço 1099: Official Letter from the Consulate-General in Salisbury (14/2/1962); Kalinga, 2005, p. 264.

⁴³ AHDMNE – PAA, Proc. 960.17, Maço 1099: Copy of a Telegram sent to the General Government of Mozambique (20/6/1962); AHDMNE – Fundo do Arquivo da Embaixada de Portugal no Malawi (FAEPM), Proc. 1.3.120, Maço 5: Letter from H. Banda to Salazar (24/2/1964).

During 1964 and 1965, the correspondence exchanged between the two statesmen focused on rail links and the need for political and economic cooperation⁴⁴. The railway infrastructure to establish a link to the port of Nacala was also important, because Banda suspected that J. Nyerere did not intend to connect Malawi to the Dar-es-Salem – Lusaka railway line (known as TANZAM)⁴⁵. This factor proved to be very important in Salazar’s strategy to win over Banda that was pursued via the businessman Jorge Jardim⁴⁶. In June 1964 the Portuguese Government announced to Banda that it would provide transportation facilities and connection of Malawi to the Mozambican transport system⁴⁷. Salazar wanted to exploit the situation in two distinct dimensions: the connection between Malawi and Mozambique would provide a new economic impetus to the Mozambique Railways; and would lead Prime Minister Kaunda of Zambia to consider the connection between Lusaka and Nacala via Malawi. Given that the TANZAM railway line posed a serious threat to Portugal, because it would displace the strategic position of the ports of Mozambique, it was necessary to express to H. Banda that the connection could be finished by late 1965, “even while knowing in advance that the deadline wouldn’t be met”⁴⁸. The interest of the connection to Nacala, in the Tete district, began to assume even greater importance when British investments and aid began to decline from early 1969 onwards, when the III Development Plan was already in progress. However, M. Caetano never showed any really interest in quickly carrying out that connection, and tried to “entertain” H. Banda until the project had genuine economic justification⁴⁹. The links to Lourenço Marques and to Beira represented the greatest weight in the specificity of the railways in Mozambique, whose goal was to establish a connection to the hinterland. The III Development Plan forecast that in 1969 the port of Mozambique would handle twice the tonnage compared to 1964⁵⁰. However, from the strategic point of view, it was necessary “to uphold Banda’s interest in preserving the tranquillity of the Tete region”, where the majority ethnic group was the same as that of the President of Malawi⁵¹. The Portuguese Government intended to put Malawi in the centre of the rail link to the hinterland, thus becoming the hinge point in rail links to the Indian Ocean and at the same time increase the political weight of H. Banda vis-à-vis K. Kaunda and other African leaders.

H. Banda could be the spearhead of a strategy to build a political-economic project in southern Africa. Portugal and South Africa sought to prevent countries ruled by black people falling into the orbit of Moscow and Beijing. This project, which resulted from a strategy designed between Portugal and South Africa in mid-1967, was based on the creation of a regional organization, of an economic and technical nature. It was this project that F.

⁴⁴ AHDMNE – FAEPM, Proc. 1.3.120, Maço 5.

⁴⁵ Henderson1977, pp. 429-430.

⁴⁶ AHDMNE – PAA, Proc. 950.173, Maço 1119: Jorge Jardim: Personal contacts during the visit of Dr. Banda [to Nacala and Nampula] (17/5/1964).

⁴⁷ AHDMNE – PAA, Proc. 950.173, Maço 1119: Jorge Jardim: Nota (8/6/1964).

⁴⁸ AHDMNE – PAA, Proc. 950.173, Maço 1119: Jorge Jardim: Nota (8/6/1964).

⁴⁹ AHDMNE – PAA, Proc. 940.1, Maço 950: Note entitled “Conversations with the Authorities of Malawi on Future Railway Connections” (28/5/1969);

⁵⁰ III Development Plan, Vol. III, Volume 2, pp. 757-758; p. 762.

⁵¹ AHDMNE – PAA, Proc. 940.1, Maço 950: Note entitled “Conversations with the Authorities of Malawi on Future Railway Connections” (28/5/1969).

Nogueira presented to H. Banda in July 1967 during his visit to Malawi. The Portuguese minister, aware of the urgent need to link Malawi with Mozambique, heard H. Banda say that this project would constitute an “irresistible temptation” for Zambia to join the project and abandon “the foolish projects providing a connection to Dar-es-Salem”⁵². If the president of Madagascar, P. Tsiranana, who was openly adverse to political connections with China and the Soviet Union, “embraced the idea”, other countries would follow, such as Lesotho, Botswana and Swaziland⁵³. One of the key objectives of this strategy was Zambia. Lisbon believed that cooperation was important for the region and that Malawi could make a very significant contribution to ensuring that Zambia and Congo would also join⁵⁴.

In 1970, at the time when Portugal cemented its participation in the “ALCORA Exercise”⁵⁵, M. Caetano launched a “diplomatic offensive” aimed at H. Banda in order to convince him that the new railway lines and other facilities in Mozambique would be implemented. This approach would also serve to demonstrate to Zambia that it was worth cooperating with Portugal⁵⁶. From 1973 onwards, the precarious military situation in Tete would lead to important changes in H. Banda’s political position in relation to FRELIMO, wherein he recognised that that movement would have to be his own in the future if he wanted to establish the link to Mozambique⁵⁷.

3. Southern Rhodesia: keeping Ian Smith in power

From the point of view of the Portuguese Government, the crisis in Rhodesia could accelerate the disappearance of the Portuguese presence in southern Africa, since the possibility that a government formed by a black majority or multiracial majority might take office in Salisbury, would leave Angola, Mozambique and South Africa as the final ramparts of European control. Therefore its strategy, which had already begun with Banda, was to ensure that Ian Smith remained in power, in the expectation that South Africa would also strive to support Rhodesia and, as a consequence, support Portugal. Two factors linked the fate of the Central African Federation to Portugal: the geographic dependence of Mozambique and

⁵² IANTT – AOS/CO/NE/30A, Pasta 20, Caixa 213: Report of the Conversation. Conversation with the President of the Republic of Malawi, Dr. Kamuzu Banda (31/7/1967).

⁵³ IANTT – AOS/CO/NE/30A, Pasta 20, Caixa 213: Report of the Conversation. Conversation with the President of the Republic of Malawi, Dr. Kamuzu Banda (31/7/1967).

⁵⁴ AHDMNE – FAEPM, Proc. 960.173, Maço 2: Telegram from the Ministry of Foreign Affairs (5/12/1967).

⁵⁵ A kind of secret military alliance, derived from the Contingency Plan for Southern Africa presented by Rhodesia in early 1969, which allied Portugal, Rhodesia and South Africa.

⁵⁶ AHDMNE – FAEPM, Proc. 1.3.140, Maço 5: Visit of President Banda to Mozambique (1970).

⁵⁷ Hastings Banda raised three modes of action: to expel FRELIMO from his country, that would lead to pressures from the OAU; to ask for support from “the white minority regimes” with whom he had “friendly relations due to their poverty and geographic constraints”; or collaborate with FRELIMO, given that the movement had already secured control of access to the Indian Ocean. This last hypothesis seemed to be the most likely, since H. Banda was likely to step down from power in the near future and it was known that the Portuguese government would not close the lines of communication because of Rhodesia. In September 1973, H. Banda met with leaders of FRELIMO to discuss the future of Mozambique and its relations with Malawi. Probably one of the most important issues that was discussed was Malawi’s access to rail and port infrastructures in Mozambique. Despite the change of the authors, Malawi’s interiority continued to be the most important aspect of H. Banda’s foreign policy (AHDMNE – FAEPM, Proc.1.3.35/74, Maço 3: Official Letter from the Portuguese Embassy in Zomba (05/02/1974); AHDMNE - PAA, Proc.940.1, Maço 10-A: Information from the Mozambique Military Region on relations between FRELIMO and Malawi (17/09/73).

the close relationship between the two countries' black populations⁵⁸. The dissolution of the Federation would mean that the "rear guard" of the "provinces" would be left unguarded, since it was certain that Northern Rhodesia (Zambia) and Nyasaland (Malawi) would be controlled by Black Nationalist parties which supported pan-Africanism in southern Africa. Therefore, the fate of Rhodesia was vital for safeguarding Portugal's future in Africa⁵⁹.

In the spring of 1964, Ian Smith was appointed prime minister and he brought with him a political project that aimed to maintain the white minority in power. That goal conflicted with the intention of Britain's Labour Party to ensure the principle of "majority rule", thus placing Portugal and England in opposing camps. But Salazar was determined to help Ian Smith. Although incurring a considerable risk, he ordered his consul in Salisbury, Pereira Bastos, to initiate a campaign with the Government of Southern Rhodesia to convince them that only unilateral independence could maintain the standard of living of the whites and political stability in the region⁶⁰. After speaking with Bastos, Smith asked to use Portugal as a "warehouse" enabling products from Southern Rhodesia to access new markets (thereby enabling it to become more independent from the Commonwealth market) and supply fuel and establish air links with the rest of the world from its airports⁶¹. Dependence on England placed Rhodesia in a delicate situation in the case of a Unilateral Declaration of Independence (UDI), and constituted one of the main reasons to diversify the country's market at the regional level. As Salazar had promised him in Lisbon in September 1964, Portugal would "collaborate in any aspect related to overcoming boycott measures (sic.)". Thus, much of the weight of Smith's decision to advance with the UDI depended on Lisbon, since it was unclear whether South Africa also wanted to become involved⁶².

In 1964 and 1965, there were intensive contacts between the sectorial officials of both countries. In addition to sending a Rhodesian diplomatic representative to Lisbon, which caused intense friction between Lisbon and London, the negotiation of economic aspects to minimize the effects of a possible embargo on Rhodesia assumed particular importance. In February 1965, a trade delegation headed by the diplomat José Calvet de Magalhães went to Salisbury to find mechanisms in order to open up new avenues for exporting Rhodesian products⁶³. The visit by the Portuguese trade delegation was particularly important, since Salazar's "general political guideline" was to offer "unrestricted solidarity in all fields" that the Portuguese Government was willing to study and implement⁶⁴. The cooperation agreement

⁵⁸ AHDMNE – PAA, Proc. 950.17, Maço 50: Special Report N° 1 "Situation in the Central African Federation" (25/06/1962).

⁵⁹ AHDMNE – PAA, Proc. 950.17, Maço 884: Information Service entitled "Outline of the status of the problem of the Rhodesias and Nyasaland Federation and Southern Rhodesia before the Victoria Falls Conference on June 28, 1963 (8/7/1963).

⁶⁰ AHDMNE – FALPS, Proc. 960. 142, Maço 2: Letter from Pereira Bastos a F. Nogueira about instructions given to support Ian Smith (7/7/1964).

⁶¹ AHDMNE – FALPS, Proc. 16, Maço 2: Report sent to the Portuguese Consulate-General in Salisbury (30/7/1964); AHDMNE – FALPS, Proc. 16, Maço 2: Report sent to the Portuguese Consulate-General in Salisbury (30/7/1964).

⁶² AHDMNE – FALPS, Proc. 16, Maço 10: Note from Pereira Bastos on meetings with officials of the Government of Southern Rhodesia on 7, 8 and 9 December 1964 (10/12/1964).

⁶³ AHDMNE – PAA, Proc. 960. 172, Maço 1114: Telegram from the Consulate-General in Salisbury (22/2/1965).

⁶⁴ AHDMNE – PAA, Proc. 960. 172, Maço 1109: Official letter from the Portuguese Consulate-General in Salisbury (18/12/1964).

comprised six committees: the trade agreement; international rivers; roads; railways, aviation and ports; agriculture and veterinary activities; information, tourism and immigration. Notwithstanding the scale of the agreement and its 5-year validity, the agreement was above all a political move in support for Smith⁶⁵. To facilitate economical relations, the Luso-Rhodesian Committee for Economic and Business Affairs was established, whose purpose was to facilitate the removal of barriers to trade with the Portuguese Economic Area, e.g. exports to Angola and Mozambique of paper, tobacco, sugar and agricultural implements⁶⁶. It was also admitted that financial losses might be incurred in order to support Smith, because economic and financial considerations should be subordinated to “purely political criteria”⁶⁷.

In October 1965, Salazar asked J. Jardim to deal with the supply of fuel, due to the threat of a blockade of the port of Beira. The SONAREP Petroleum Refining Company was used to establish the forms of production, reserves and fuel distribution. This decision was highly appreciated by the Rhodesian Government, given that the British Prime Minister, Harold Wilson, had stated to Smith that the U.S. supported them and Portugal would never become involved in the situation⁶⁸. After issuance of the UDI, on November 11, 1965, economic support assumed the same importance as political and diplomatic support, since the UN declared an economic and political embargo on Southern Rhodesia, and Salazar didn't want Smith to be overturned by economic asphyxiation. In December 1965, Britain banned the sale of petroleum-derived products and cancelled the importation of Rhodesian tobacco and sugar. Wilson believed that the decisive factor in order to terminate the “Smith rebellion” would be the fuel embargo, through the combined action of a naval blockade, closure of the Beira-Umtali pipeline and preventing supply via South Africa⁶⁹.

In January 1966, a report showed the strategic importance of oil supply. If sanctions were not “bypassed” major sectors of the Rhodesian economy might collapse followed by the exodus of thousands of whites to South Africa and the overthrow of Smith. Consequently, there was the risk of creating another Congo or Tanzania “with tragic consequences for the Portuguese position in Africa”⁷⁰. Thus, fuel supply became one of the central issues in the Rhodesian crisis, propelling the Portuguese government close to rupture with London. The main reason was the UN mandate to the Border Patrol, constituted by British air and naval forces, to prevent Rhodesia from receiving and exporting goods from the Mozambican port of Beira⁷¹. Despite the difficulties, the Portuguese Government, developed alternative fuel delivery mechanisms to circumvent British and U.S. pressure. In some cases, Rhodesia was supplied via the port of Lourenço Marques through “Sonarep-South Africa” which ordered fuels that were diverted to Rhodesia through “clever” wagon manoeuvres and requests for locomotive supplies⁷².

⁶⁵ Oliveira, 2007, pp. 330-331.

⁶⁶ AHDMNE – FALPS, Proc. SC 457, Maço 8: Memorandum from the first meeting do Portuguese-Rhodesian Committee for Economic and Commercial Affairs that took place between 22/2/1965 and 24/2/1965.

⁶⁷ AHDMNE – FALPS, Proc. SC 457, Maço 8: Dispatch by Franco Nogueira (18/4/1966).

⁶⁸ AHDMNE – PAA, Proc. 960.173, Maço 1199: Jorge Jardim: Rhodesia. Supply of Fuel – 2 (30/10/1965).

⁶⁹ Letter from Salazar to M. Mathias on 22 February 1966 (Serrão, 1984, p. 550).

⁷⁰ AHDMNE: PAA, Proc. 960,172 Maço 1114: Report drawn up by the SCCI (26/1/1966).

⁷¹ Resolution 221 of the Security Council.

⁷² Jardim, 1978, pp. 158-159.

Another important support in helping Rhodesia was the award of certificates of origin of production to their goods. The fact that the “denomination of origin” for several Rhodesian products was Angola or Mozambique made it possible to circumvent the embargo. One such product, which had great weight in Rhodesian exports, was sugar. In 1966, the difficulties in exporting sugar via South Africa led some Rhodesian companies and authorities to contact the Portuguese consul in Salisbury, Freitas Cruz, to liaise with the governor-general of Mozambique in order to approve the issuance of “certificates of origin” to about 50 000 tonnes of sugar⁷³.

In mid-1967, a Rhodesian trade mission was established in Luanda, which made it easier for Rhodesian business to set up operations abroad and, from there, negotiate via the channels used by the Portuguese⁷⁴. From late 1965, Rhodesia “established a passage to Europe in Lisbon”, in complement to its policy of “industrial diversification” and agricultural production⁷⁵. A report from the Organisation for Economic Co-operation and Development, published in an abridged format in *The Irish Times*, stated that Rhodesia had quadrupled its exports in the first nine months of 1967 in relation to 1966 values⁷⁶. The vitality of economic relations between Lisbon and Salisbury was visible in the 120% increase in trade between 1965 and 1968⁷⁷. The Rhodesians also bought low production mining land, in order to gain export licensing mechanisms, by simulating production in Mozambique⁷⁸.

Several airlines ceased flying from Salisbury due to the imposition of sanctions. Given that it was necessary to increase the number of flights in order to service increased air traffic to Rhodesia, the Portuguese airline TAP opened a regular weekly flight to Salisbury in January 1968, which was increased to two flights per week in June 1968. This facility transformed Lisbon into a “bridgehead” between Rhodesia and Europe, given that Portela Airport had more than thirty daily flights to various destinations throughout Europe⁷⁹.

Although there is no official data on the economic and financial relations between the two countries, the importance that Lisbon assumed in keeping Smith in power is quite evident. Relations with Portugal continued to focus on political, military and economic cooperation until the end of the regime in Lisbon, as a leverage for military sphere cooperation that intensified from 1965 onwards.

4. Zambia: the inability to win over Kaunda

Further evidence of the importance of the economy as an instrument of national power in Portugal’s strategy in southern Africa was the attempt by the Portuguese Government to

⁷³ AHDMNE – FALPS, Proc. 22, Maço 1: Letter from the consulate-general in Salisbury to the Governor-general of Mozambique (27/5/1966).

⁷⁴ AHDMNE – PAA, Proc. 960.172, Maço 1114.

⁷⁵ AHDMNE – PAA, Proc. 960.172, Maço 1109: News item from the newspaper *The Star* entitled “Rhodesia Portugal Affirm Accord” (25/7/1965).

⁷⁶ Idem: News item entitled “Portugal Increases Trade with Rhodesia”.

⁷⁷ AHDMNE – PAA, Proc. 950.172, Maço 908.

⁷⁸ Idem: News item from Reuters on 15 May 1967.

⁷⁹ AHDMNE – PAA, Proc. 960.172, Maço 110: News item from the newspaper *The Rhodesian Herald* entitled “TAP Inaugural Flight to Bring 50 Visitors from Portugal” (28/2/1968); AHDMNE – PAA, Proc. 960.172, Maço 1114: News item from the newspaper *The Cape Argus*, entitled “Portuguese Airline to Help Rhodesia” (4/5/1968).

persuade Kenneth Kaunda to prevent the establishment of liberation movements in Zambia. When, in the wake of Rhodesia's UDI, the British Government declared embargoes on Rhodesia, Smith responded by closing the border with Zambia and cutting electricity supplies to the Copperbelt, which was its main source of wealth⁸⁰. Zambia also depended upon the CFB in order to export ore. Thus, any cut to those connections would strangle its economy. For this reason, Kaunda was eager to advance the TANZAM railway connection, thus relocating the functional importance of Mozambique and Angola⁸¹. Portugal's approach to Zambia was an important element in Portugal's overall strategy for southern Africa. After having won over H. Banda and made a commitment to support Ian Smith, the Portuguese Government wanted Kaunda to "collaborate" against "infiltrations" in Angola and Mozambique. To accomplish this goal, the Portuguese government sought to take advantage of its transport and power supply facilities, which were the most important factors for the survival of Zambia.

The political situation created by the UDI in southern Africa definitely separated the white "stronghold" from the other black states⁸². For this reason, there were increased reasons for supporting the liberation movements, justified on racial grounds. Zambia, which has borders with Angola, Mozambique and Rhodesia, was the perfect platform to support their operations. For this reason, from the secession of the Central African Federation, the Portuguese Government had striven to influence Kaunda, using the connection to the sea as the main means of exercising pressure. Thus, between 1967 and 1969, Lisbon sent two missions to Lusaka to negotiate a kind of "non-aggression pact" with Kaunda in exchange for transport and power supply facilities. The Cahora Bassa dam project, improvements foreseen in the railway line and in the port of Beira, or alternatively, the connection from Malawi to Nacala, constituted "a new weapon of manoeuvre [available] to the Government" in order to counter implementation of TANZAM. The "controlling factors" of the Zambian economy could be transferred to Portugal⁸³. Moreover, from the moment when it was made public that the Portuguese Government was cooperating with Zambia, continuation of Portugal's presence in Africa was viewed as a factor of regional stability.

The window of opportunity to influence Kaunda's behaviour appeared in early 1965. According to news obtained by Freitas Cruz, British representatives had convinced Kaunda to use the CFB instead of the connection to Beira (via Rhodesia Railways), given the certainty of a UDI in Rhodesia. The approach made by the British enabled greater effectiveness of sanctions on Rhodesia from Beira and minimized the consequences on Zambia⁸⁴. In March 1965, Freitas Cruz informed F. Nogueira that Kaunda would be very concerned by the fact

⁸⁰ This measure was a means of placing pressure on London, since most of the fuel for the Rhodesian hinterland derived from the ports of Lourenco Marques and Beira via the Rhodesia Railways.

⁸¹ Henderson, 1977, p. 429.

⁸² "White Redoubt" was the terminology used by the Kennedy Administration to refer to the set of countries and territories dominated by white governments: Angola, Mozambique, Southern Rhodesia and South Africa (The White Redoubt [Cover Letter Entitled "Planning Group Meeting, July 10, 1962" Is Included], Secret, Report, July 6, 1962, 28 pp. Collection: South Africa).

⁸³ AHDMNE – FALPS, Proc. 1968, Maço 6: Expert Opinion no. 448 of the General Directorate of Public Works and Communications of the Overseas Ministry (13/12/1965).

⁸⁴ AHDMNE – FALPS, Proc. 960.171, Maço 1: News item from the newspaper Sunday Mail entitled "Zambia may use Lobito" (7/2/1965).

that South Africa and Portugal were drawing closer to Rhodesia. For this reason, he proposed that this was the right moment for “an attempt at rapprochement” in order to reach an “understanding”⁸⁵. The executives in charge of several mining companies in the Copperbelt also asked K. Kaunda to get in touch with the CFB in order to ensure that it would remain open, even in the event of a UDI in Rhodesia⁸⁶. For this reason, F. Nogueira authorized contacts and assignment of facilities for transport of ore and the importation of coal for mining activities⁸⁷. The momentum was thereby created in order to enable Lisbon to pressurise Lusaka into agreeing to collaboration.

Use of the CFB was an excellent alternative to Kaunda’s efforts to build the TANZAM, which, when built, would imply “disastrous economic and political consequences for Mozambique”⁸⁸. Drawing closer to Lusaka was a “very delicate issue and the most important in defence of the interests” of Portugal, given that Smith had sounded out the Portuguese Government in order to know whether it would authorize Zambia to use the CFB, and had obtained assurances from Portugal that it wouldn’t “weaken the position of Rhodesia”. Lisbon’s “willingness” distanced it from the intentions of Salisbury and Pretoria towards Kaunda, who they accused of being the main sponsor of subversion in the region. For this reason, Smith sought to control the instruments of pressure on Zambia in order also to be able to dissuade England, given that it depended on Rhodesia for the supply of electricity, transport and coal⁸⁹.

However Salazar was determined to ensure freedom of action for Portugal, since the eastern zone of Angola was one of the most problematic for Portuguese troops. After contacts between Zambians and Portuguese officials in Lisbon in November 1967 the Portuguese government sent a diplomatic mission, constituted by Manuel Fernandes, member of the Board of Directors of CFB, and the diplomat Leonardo Mathias⁹⁰. Portugal’s objective was that, in return for communication facilities via Angola and Mozambique, Zambia would not be used as a base for “terrorist” activities in Angola and Mozambique⁹¹.

The diplomatic mission stated to Kaunda that it had reliable information that Zambia had permitted the installation of movements which had even attacked the railway, which it considered had “disastrous consequences”. If Kaunda was willing to terminate these movements, the Portuguese Government was willing to cooperate in the fields of trade, economy, communications, and other “non-political” activities. The mission also undertook to establish the connection between the CFB and Zambian Railways, avoiding the Congo,

⁸⁵ AHDMNE – Special Collection of Secret and Confidential Telegrams, Pasta 159: Telegram from the Portuguese Consulate in Salisbury (1/3/1965).

⁸⁶ AHDMNE – FALPS, Proc. 16, Maço 1: Official Letter from the Ministry of Commerce and Industry to Alexandre Pinto Basto, director of the CFB (15/10/1965).

⁸⁷ The director of the CFB, Alexandre Pinto Basto, requested authorization from the Overseas Minister to travel to Zambia to negotiate those facilities and show the willingness to cooperate, whereby it might also be possible obtain important income at the time when the railway link from Rhodesia to Beira would certainly be cut. AHDMNE – FALPS, Proc. 16, Maço 1: Letter from Alexandre Pinto Basto, director of the CFB, to the Overseas minister (21/10/1965).

⁸⁸ AHDMNE – FALPS, Proc. 44.3, Maço 1: Expert opinion no. 379 of the Overseas Ministry (22/10/1965).

⁸⁹ AHDMNE – FALPS, Proc. 16, Maço 1: Official Letter from the Portuguese Consulate-General in Salisbury (4/12/1965).

⁹⁰ AHDMNE – PAA, Proc. 960.171, Maço 11-A: Telegram from the Ministry of Foreign Affairs to the Portuguese Embassy in London (27/10/1967).

⁹¹ AHDMNE – PAA, Proc. 960.161, Maço 11-A: Memorandum (21/11/1967).

and also to develop the railway connection between Malawi and Nacala that could be used by Zambia. The construction of the Cahora Bassa Dam would also bring many advantages, since the supply of electricity was made via Rhodesia⁹².

The mission aimed to demonstrate that Portugal had “good intentions” in this approach⁹³. In fact, traffic via the CFB to Zambia had risen from 350 tons to 12 283 tons (i.e. 34 times) during the period between December 1965 and September 1966⁹⁴.

The CFB was the reason for Kaunda not to choose the TANZAM and could also serve as a means of pressure to expel the UNITA and the MPLA from Zambia. Thus, the Portuguese Government proposed to him that a high-level meeting should take place in Rome in October 1968, which would discuss the creation of a company to initiate the studies and surveys that were necessary for the construction of an extension of the CFB to the Copperbelt⁹⁵. However, the meeting was cancelled, probably due to Salazar’s accident and his replacement by Marcello Caetano. Kaunda was reluctant to adhere to the facilities granted by Lisbon, because he didn’t want to rely solely on Angola and Mozambique, since, if they followed the same path as Rhodesia, Zambia would be “stuck” between two potentially hostile countries.

From early 1969 onwards, the border incidents with Portuguese, Rhodesian and South African forces demonstrated that Zambia was considered to be support platform for movements in southern Africa and was the main enemy of the “Unholy Alliance”⁹⁶. For this reason, it was logical that Zambia should begin to be considered by the ALCORA countries as “the key to subversion” in southern Africa.

From 1970 onwards, their distancing became irreversible. After the attempts to establish closer ties were thwarted at the end of 1969, Portugal adopted a more bellicose position, largely due to the inability to win over Kaunda with economic arguments. The construction of TANZAM, which in 1969 was expected to be completed in late 1974, meant that Lisbon would lose its pressure mechanism, allowing a constant flow of military equipment to support the movements lodged in these two countries and therefore should be considered to be a serious problem [98]. In May 1973, at the request of H. Banda, J. Jardim contacted Kaunda following the closure of the border by Rhodesia⁹⁷. But the approach was fruitless, since Kaunda didn’t intend to rely solely on territories that in the near future might be controlled by white minorities⁹⁸. The Zambian prime minister considered that Portugal wouldn’t back down and that the future of Angola and Mozambique would depend upon the liberation movements.

⁹² AHDMNE – PAA, Proc. 960.161, Maço 11-A: Memorandum (21/11/1967).

⁹³ AHDMNE – PAA, Proc. 960.171, Maço 11-A: Note for conversation with Presidente Kaunda, in Lusaca, in 20 November 1967 (s.a.); see Themido, 2008, pp. 78-80.

⁹⁴ AHDMNE – FALPS, Proc. 931, Maço 1: Official Letter from the Portuguese Consulate in Salisbury (23/1/1967).

⁹⁵ AHDMNE – PAA, Proc. 960.171, Maço 11-A: Letter from Alexandre Pinto Basto to Kaunda (2/10/1968).

⁹⁶ The term “Unholy Alliance”, was used by Connor O’Brian e Basil Davidson in order to classify the alliance between Salazar, Verwoerd and Smith (AHDMNE – PAA, Maço 368); AHDMNE – PAA, Proc. 960.18, Maço 1133: Conclusions of the meetings between the Police Services in charge of Security of the State [of the Republic of South Africa, Rhodesia and Portugal] (29/5/1970).

⁹⁷ Antunes, 1996, pp. 476-477.

⁹⁸ AHDMNE – PAA, Proc. 960.171, Maço 11-A: Service Information: Second Portuguese Mission to Zambia – February 1968 (9/2/1968).

For this reason, from late 1973 onwards, the Lusaka document⁹⁹ dominated the relations between the two countries, resulting in negotiation of the independence of Mozambique.

Conclusions

As we have tried to highlight herein, Portugal's political and diplomatic strategy in southern Africa, that was initiated to ensure support for the war effort in Angola and Mozambique, had an important economic dimension. This article hasn't attempted to provide an economic analysis of Portugal's relations with southern Africa, but it has stressed how the economy was used as a goal and an instrument of the power of the State. The economic growth that the Portuguese Government intended to generate through implementation of the Third Development Plan was a political goal that was subliminally intended to strengthen the position of colonial Portugal. In order to "resist decolonization", political considerations had priority over economic considerations, as was clearly visible in the attempt to demonstrate that the "provinces" were appealing for foreign investment and the creation of conditions for establishment of the white population. If this hadn't been the case, the railway system, for example, would have had territorial coverage projects and wouldn't have continued to focus on the transport service with the hinterland countries, as had been expounded in the Third Development Plan (1968-1973).

The relationship with South Africa is a clear example of the use of the economy as a goal. Determined to keep the Portuguese presence in southern Africa and avoid Angola and Mozambique falling under the control of the "revolutionary" movements, South Africa was an important partner to help the Portuguese Government implement some of the key measures of the Third Development Plan. The development of infrastructures in the Cunene River and the Zambezi River (the Cahora Bassa dam), in addition to being an important source of foreign currency, was above all a means to install settlements of "white immigrants" and thus establish a major barrier to the spread of subversion in the region. Moreover, it established an intricate network of regional political and economic interests that strengthened the Portuguese presence in Africa.

In relation to Southern Rhodesia, the economy was clearly used in order to foster cooperation. It involved providing economic means to an ally that would enable the country to avoid suffering from the international boycott. This support resulted in the opening of the Portuguese Economic Area, in order to enable Rhodesian trade to have access to international markets, and supply of fuel in order to maintain Rhodesia's productive capacity without suffering heavily from the blockades. Even if generating some losses, Portugal's economic support clearly served political interests.

With Zambia and Malawi, economic relations should be understood as subsidiaries of the previous two examples, since Portugal's power with its allies in the "white stronghold" depended on its ability to prevent Malawi and Zambia from permitting installation of the liberation movements. Transportation facilities served as a means of influencing the behaviour of political leaders and ensure that they were favourable to Portuguese interests. H. Banda was clearly

⁹⁹ AHDMNE – PAA, Proc. 960.171, Maço 11-A: Note for conversation with President Kaunda, in Lusaca, on 20 November 1967 (s.a.).

won over by the facilities granted by Portugal because his objectives were accommodated with ease, until the moment when he realized that Portugal ceased to be able to fully dominate Mozambique. K. Kaunda, meanwhile, was never won over, because he didn't want to risk contributing to the installation of two "white governments" in Mozambique and Angola.

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