No Way to Treat an Ancient Ally

CHAPTER

No Way to Treat an Ancient Ally: Britain and the Portuguese Connection, 1919-1933

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As the senior partner in the Anglo-Portuguese alliance for most of its history, beginning in 1373, British governments had consistently interpreted their commitments to Portugal in terms of their own interests, notably strategic and economic ones, and had reserved their position when called on to render assistance to their oldest ally. In 1873, for example, they had not unconditionally guaranteed Portugal’s integrity and independence when she had been faced with a possible invasion by Spanish Republican forces, nor in 1877, when the Portuguese had asked for assistance in defending their Indian colony of Goa.¹ The alliance also did not prevent the British from engaging in discussions with Germany over the fate of the Portuguese colonies in 1898-1899 and 1911-1914, with only the outbreak of the First World War rendering them null and void.² Despite the wishes of the Portuguese authorities to enter the war immediately on the allied side, the British applied diplomatic pressure upon Lisbon not to become a belligerent. They suspected that if Portugal became involved she would make “very inconvenient demands for more territory”.³ When they relented in early 1916 and encouraged the Portuguese to requisition German ships in their ports, in the certain knowledge that the Germans would declare war on Portugal, they did so because of their desperate need for increased naval tonnage with the Admiralty declaring bluntly that it was “the ships we care about, not the Portuguese”.⁴ Portugal’s military engagement in the common struggle did little to increase British sentiment in her favour. On the contrary, there was much irritation with what was seen as the lamentable performance of the Portuguese armed forces, first in East Africa and later on the Western Front. The Curzon Committee, a sub committee of the Imperial War Cabinet, went so far as to recommend in April 1917 that far from supporting Portuguese claims to German colonial territory Britain should acquire Portuguese East Africa, Delagoa Bay in particular, and the Azores.⁵ While these claims remained recommendations and were

not adopted by the British War Cabinet, the British delegation at Paris in 1919 refused to support Portuguese demands for the southern part of German East Africa as a mandate and conceded to Lisbon only a small portion of territory in northern Mozambique called the “Kionga Triangle”, which rounded off Portuguese territory at the natural frontier of the Rouvuma river. This was given to them, in Colonial Secretary Lord Alfred Milner’s words, as “a matter of grace and convenience”.6

II

The low esteem with which Portugal was clearly held by her British ally before and during the First World War was to be a consistent feature for much of the period after it. British statesmen, diplomats and officials alike were scathing of the instability of the Portuguese parliamentary system until its demise in 1926 as the result of a military coup. The military dictatorship which followed was scarcely less stable in British eyes until 1932 and the complete ascendancy of the soon to be dictator of the Portuguese Estado Novo, António Oliveira Salazar, began to restore respect internationally. Coups, counter coups and rumours of counter coups were a regular feature of Portuguese political life during the parliamentary Republic. Between 1910 and 1918 there were fifteen governments and five presidents. In 1920 alone two prime ministers were murdered and there were nine different Cabinets between June 1919 and March 1921. In total, during the sixteen years of the parliamentary Republic, Portugal experienced forty-five governments.7 Disenchantment and disaffection with the parliamentary Republic affected all classes of Portuguese society, including the professional middle class and artisans who had originally been the most committed of its supporters. Political instability was complemented by economic instability with many Portuguese, including senior army officers, suffering a real decline in incomes.8

The British were unsympathetic and less concerned with the problems of the Republic and their causes than they were in the creation of a critical impression of chaos and instability in Portuguese life which they roundly deplored. In September 1920 the British Foreign Secretary, Lord George Curzon, advised Mello Barreto, the Portuguese Foreign Minister, that notwithstanding their ancient and enduring alliance, the influence of Portugal in popular British estimation was bound to be adversely affected by “the instability of her Ministries and the apparent lack of cooperation among her different parties and sections of opinion”.9 On reading the Lisbon Legation’s annual report for 1920, and the political situation in Portugal it described, he was moved to refer to it as “a rotten country”.10 The continuing inability of Portuguese politicians to achieve any kind of consensus in order to stabilise government and reduce political violence was reported assiduously and scathingly by

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10 Minute by Curzon, 13 May 1921. TNA, FO371/7109, W2606/2606/36.
British diplomats in Lisbon throughout the last years of the parliamentary Republic. In October 1920 the British Minister at Lisbon, Sir Lancelot Carnegie, had reported that on his return from leave he had found the general situation in Portugal much as he had left it with “a Government in which no-one has any confidence”, with “scarcity and ever increasing cost of the necessities of life” and “an abnormally low exchange, which tends to raise the price of everything”, and with “perpetual strikes, often on the most frivolous pretexts”.

Although the annual report for 1923 noted that “calm and contentment” had “prevailed throughout the country” owing to “an almost record harvest, a satisfactory vintage and the high wages now paid to the farm workers” it was also reported that strikes and bomb explosions had taken place in Lisbon and Oporto and revolutionary movements suppressed. But what was of greatest concern was the “deplorable condition of the country’s finances” which encouraged corruption by government officials.

Matters had deteriorated further when in February 1925 Carnegie, who had been promoted from Minister to Ambassador with the replacement of the British Legation by an Embassy the previous year, reported that:

The parliamentary system of Government, so unsuited in many ways to the Latin nations has hopelessly collapsed, owing partly to the indolence of, and partly to the perpetual quarrels between the Deputies….we find her [Portugal] with a weak government, an incompetent Parliament, her credit abroad impaired, no budget, a huge deficit, business at a standstill, high prices and a discontented working class. It would be difficult to find a more promising field for the cultivation of Communist and Bolshevik propaganda, which is already being actively carried out in the big towns - happily, so far, with but moderate success.

Further light concerning the decline of democratic standards and increasing corruption in Portugal was cast in August 1925 by the Chargé d’Affaires at Lisbon, Hugh Grant Watson, who reported that it was “a curious commentary of the futility of democratic institutions” in Portugal that it was essential for the various parties to be in power when dissolution was granted so that they could preside at the elections in order “to “make”, as the Portuguese say, the elections to control the lists of voters, the urns, the counters and the votes, so universal is the conviction that whoever “makes” the elections will win”. In February 1926, months before the military overthrow of the parliamentary Republic, Carnegie complained of the lack of discipline throughout the Portuguese nation, warned that “such little prestige and respect as Portugal still enjoys in the world will entirely disappear” and lamented that it was “the self-seeking unpatriotic professional politician who rules the country, and politics enter into every question”.

When the military coup took place on 28 May 1926 the British Government showed neither enthusiasm nor regret. When questioned about the coup in the House of Commons, the Parliamentary Under-Secretary of State for Foreign Affairs, Godfrey Locker Lampson, merely replied that he had nothing “to add to the

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11 Carnegie to Curzon, 6 October 1920. TNA, FO371/5491, W1046/449/36.
12 “Portugal: Annual Report 1923” enclosed in Carnegie to James Ramsay MacDonald, Secretary of State for Foreign Affairs and Prime Minister, 4 February 1924. TNA, FO371/10590, W1580/1580/36.
14 Hugh Grant Watson, British Chargé d’Affaires at Lisbon, to Chamberlain, 4 August 1925. TNA, FO371/11087, W7630/24/36.
15 Carnegie to [now Sir Austen] Chamberlain, 4 February 1926. TNA, FO371/11927, W990/12/36. Gerald Hyde Villiers, Head of the League of Nations and Western Department of the Foreign Office responsible for relations with Portugal, commented on Carnegie’s despatch: “This is worth reading. What a country!” Minute by Villiers, 9 February 1926. Ibid.
information contained in the press reports”.

British indifference was matched in Portugal where few if any mourned the passing of the parliamentary Republic. The Embassy in Lisbon reported that the General Confederation of Labour had proclaimed a general strike in protest at the coup but “no one paid the slightest attention to the order and work went on as usual”. When in mid July 1926 Grant Watson was assured by the new regime that they “wished to show themselves worthy of the alliance by rehabilitating the country and by regaining Portugal’s lost prestige” the Embassy and its political masters remained to be convinced. The Foreign Office seemed to be in no hurry to grant de jure recognition to the new regime doubting it would bring stability; not least because the coup had within a matter of weeks produced three separate Prime Ministers leading three governments one after the other – Naval Captain José Mendes Cabeçadas, General Manuel de Oliveira Gomes da Costa and General António Oscar de Fragoso Carmona. But when the Portuguese Ambassador in waiting, General Garcia Rosado, commander-in-chief of the Portuguese Expeditionary Force in Flanders during the Great War and former Governor of Mozambique, having raised the recognition issue a week earlier with Foreign Secretary Sir Austen Chamberlain himself, warned Deputy Permanent Under Secretary Sir Victor Wellesley on 27 July of “the exceedingly bad impression which our attitude was creating” which threatened “to embitter relations” between Britain and Portugal, it was decided to concede recognition, albeit reluctantly. There was no disagreement with Assistant Under Secretary Sir John Gregory’s observation that “all Portuguese (like all Mexican) Governments are bad” and that there would probably be “dozens more revolutions and dozens more governments in Portugal, but unless we get something quite outrageous, we may just as well recognise them one after the other” because the alternative was probably “to leave our most ancient Ally in a permanent state of non-recognition”. Chamberlain acknowledged that “the least of the evils is to recognise the Government”.

Despite the relative stability eventually brought about by the military dictatorship, British diplomats continued to have doubts as to the capability of the Portuguese to put their house in order. In 1928 the Chargé d’Affaires, Francis d’Arcy Godolphin Osborne, lamented that while in most other countries financial stability was feasible, in Portugal, where “politics is rather a distemper than a healthy function of the State”, optimism would be rash. According to Osborne, there were a variety of disruptive elements in Portugal “any of which may combine to effect a disturbance of the process of national regeneration”. Such critical observations and views were commonplace in the minds of British diplomats in Portugal and the officials in the Foreign Office. But none of them reached the appalling level of racist vituperation contained in the Lisbon Embassy Report of 1928, approved by the British Ambassador, Sir Adrian de Rune Colville Barclay:

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17 Carnegie to Chamberlain, 21 June 1926. TNA, FO371/11927, W5917/12/36.
18 Grant Watson to Chamberlain, 16 July 1926. TNA, FO371/11827, W6662/12/36.
19 Foreign Office Memorandum, Villiers, 9 August 1926. TNA, FO371/11927, W6960/12/36.
21 Minutes by Sir John Gregory, Assistant Under Secretary at the Foreign Office, and Chamberlain, 31 July and 2 August 1926. TNA, FO371/11927, W6960/12/36.
22 Francis d’Arcy Godolphin Osborne, British Chargé d’Affaires at Lisbon, to Lord Cushendun, Acting Secretary of State for Foreign Affairs, 17 August 1928. TNA, FO371/13421, W7961/73/36.
There is no denying - and there are many Portuguese who admit it – that while the soil and resources of Portugal and her Colonies offer in abundance all that is necessary to national health and prosperity, the nation, owing partly to the copious admixture of negro blood and partly to a rather enervating climate, is physically, mentally and morally degenerate. Some 80 percent of the population are either tubercular or syphilitic, 60 percent are illiterate, and almost all are incurably emotional, volatile and incapable of sustained effort or logical thought.23

These comments were exceptional and extreme but there could be no disguising the low esteem in which the Portuguese were held by their British allies throughout the 1920s. The Portuguese for their part were hardly enamoured by the attitude of successive British governments. They complained about Britain’s lack of support at the Paris Peace Conference in 1919; her negativity when requested to provide economic assistance, notably in pursuing reparations from Germany, or in modifying and rescheduling the debts owed to Britain in consequence of Portugal’s participation in the First World War; the seeming indifference of the British to their proposals to establish imperial air communications to the different parts of the Portuguese empire and Brazil; Britain’s apparent reluctance to support Portugal’s candidature for a seat on the Council of the League of Nations; or British bullying, as the Portuguese saw it, in support of the deplorable British owned Charter companies in Mozambique, such as the Nyassa Company.

III

Occasionally, the Portuguese would abandon diplomatic reserve altogether and complain bitterly about the lack of appreciation and support shown by their British partner. In November 1919, for instance, the President of the Republic, António José de Almeida, complained to Carnegie that while Great Britain had emerged from the Great War more powerful and dominant than ever, Portugal “who had made enormous sacrifices in blood and money by participating in the campaigns in France and Africa”, had lost much and gained nothing, not even any recognition of what she had done, only coldness and indifference.24 Eight years later, in October 1927, little had changed when the Portuguese Foreign Minister, Dr Bettencourt Rodrigues, protested to Carnegie that “the coldness now shown to his country by His Majesty’s Government was really undeserved and caused him much regret”. British aloofness was in stark contrast, he argued, “with the very friendly attitude towards Portugal of Belgium, France, Germany, Spain and especially the United States of America”.25 Likewise, in October 1930, the Portuguese Foreign Minister, Commander Fernando Augusto Branco, “expiated at great length” to Sir Francis Lindley, British Ambassador at Lisbon, on “the infamy of a country such as Guatemala being preferred to Portugal for a seat on the Council of the League of Nations”. He warned Lindley that Portuguese public opinion had not understood why Britain, “the ancient ally of Portugal” had not supported her candidature at Geneva and ensured her election.26

23Portugal: Annual Report 1928” enclosed in Sir Adrian de Rune Colville Barclay, British Ambassador at Lisbon, to Chamberlain, 8 March 1929. TNA, FO371/14159, W2291/2291/36. Alexander Leeper, First Secretary in the League of Nations and Western Department, commented that it was “an excellent report: very clear, comprehensive and readable”. Minute, 23 September 1929. Ibid.
24 Carnegie to Curzon, 12 November 1919. FO371/4119, 153682/692/41.
There was nothing new in Britain’s reluctance to support Portugal’s candidature for a place on the Council of the League or to accept Portuguese complaints. Previously, on 6 September 1927, the Portuguese representative at the League of Nations, Dr Augusto Cesar de Vasconcellos, had approached Chamberlain at Geneva “to press the claim of Portugal to a seat on the Council and to express the usual hope that she would receive the support of her Ancient Ally”. The Foreign Secretary told Vasconcellos, “politely but plainly”, that the Portuguese Government were “very prompt to appeal to the alliance whenever it was a question of obtaining help from Great Britain” but that the appeal would “come with better grace if they on their side attached more importance to the Alliance when the situation was reversed”. Not to be intimidated, Bettencourt Rodrigues, on 13 October, expressed his deep disappointment to Carnegie at the lack of support given by Britain to Portugal’s bid for a place on the Council and his regret at the coldness of Chamberlain’s remarks to Vasconcellos at Geneva.

In similar vein, although the British Government decided in May 1924 to raise the status of the legations in London and Lisbon to embassies, it was a decision six years in the making and taken with a great deal of reluctance. For more than a century, with the exception of a short period between 1824 and 1833, when Ambassadors were appointed in Lisbon and London, diplomatic representation was on the basis of Minister and Legation. Then towards the end of the First World War, in May 1918, a proposal to accredit an Ambassador was submitted to King George V by Arthur Balfour, the British Foreign Secretary, and approved because it was considered desirable in view of the elevation of the Legation at Rio de Janeiro to the rank of Embassy. On instruction, Carnegie notified the Portuguese Government of Britain’s intention and indicated that the alteration would take place when the next change was made in the Head of the British Mission. Apart from putting Carnegie in, in his words, “a most disagreeable and equivocal position”, this qualification was used to backtrack from the original decision as the Minister continued in his post. Moreover, by the end of 1921 the continuing instability of the situation in Portugal had provided an additional reason for refusing to proceed with the upgrading of the legations in Lisbon and London. Carnegie was instructed on 25 January 1922 to impress on the Portuguese Foreign Minister that the decision not to proceed was “definite”, and further discussion was “for the present useless”.

The Portuguese refused to be intimidated and insisted on pressing the issue. The Portuguese Minister at London, Manuel Texeira Gomes, who had been in post since 1912 and was a strong Anglophile, reminded Sir Eyre Crowe, Permanent Under Secretary at the Foreign Office, in June 1922, that the establishment of embassies had been the subject of a formal pledge by the British Government and he stressed that the perception of his Government was that the British attitude in the matter seemed “to

27 Foreign Office to Leo Amery, Secretary of State for the Colonies, 15 September 1926. TNA, FO371/12709, W8748/3569/36.
29 According to an old “Foreign Office List”, the last British Ambassador at Lisbon was Frederick Lamb, Viscount Melbourne, appointed in 1827. His successor, appointed in November 1833, was a Minister. See Grant Watson to MacDonald, 12 July 1924. TNA, FO371/10590, W5983/2495/36.
30 Foreign Office Memorandum by Terence Shone, Second Secretary in the League of Nations and Western Department, 25 March 1924. TNA, FO371/10590, W2900/2495/36.
foreshadow the definite refusal to carry out their undertaking”. Curzon, however, was in no mood to be conciliatory as he intimated at the beginning of August, although his temporary stand-in at the Foreign Office, Lord Balfour, and Eyre Crowe were inclined to be more sympathetic. The Permanent Under Secretary, who was socially well acquainted with Gomes, noted that the present Government led by António Maria da Silva was “certainly the most efficient and energetic that we have to deal with of late years”, had “actually got the budget voted” and were showing “much readiness to deal with matters in which we are interested”. He also admitted that there was force in the Portuguese argument that the rapid change over of governments was never connected with any questions affecting Anglo-Portuguese relations and that “the Portuguese nation always supports a pro-British policy”. Accordingly, if it was considered that sooner or later the Government must act on its promise there was “no very strong ground to make further delay from the point of view of the internal situation in Portugal”. As the Foreign Secretary responsible for giving the undertaking to the Portuguese in 1918, and recognising that it was Curzon’s decision to make rather than himself as temporary stand-in, Balfour expressed the opinion that there could be no doubt that the pledge must be fulfilled and there was “no way out of it”. He queried whether there was anything to gain by delaying consummation which could not be avoided but which created “the maximum of irritation at Lisbon” and was disposed, other things being equal “to proceed with the creation of the embassy now” and to Carnegie’s promotion to Ambassador.

While admitting the Portuguese right to claim fulfilment of the British pledge, Curzon was not inclined to grant the Portuguese what he regarded as a “great compliment” or “mark of favour” without conditions relating to the satisfaction of British claims and grievances against Portugal. These were subsequently identified and prioritised in late 1922 as the final settlement and payment of debts owed to British firms by the Transportes Marítimos do Estado (a Portuguese government shipping department) and of British compensation claims concerning certain cargoes on board ex-enemy ships confiscated by the Portuguese during the war; the conclusion of a commercial treaty with regard to shipping matters, notably a 50 per cent reduction of dues on British goods at Portuguese ports; and the introduction of safeguards for British interests in connection with Atlantic cable concessions through the Azores to American cable companies. The Portuguese were receptive up to a point. By the summer of 1923 with one exception all shipping debts and claims were regarded as settled but the Portuguese could not agree to a 50 per cent reduction in port dues as the British Government was not prepared to offer reciprocal reductions bearing in mind, as the Board of Trade admitted, that British shipping had already

32 Minute by Sir Eyre Crowe, Permanent Under Secretary at the Foreign Office, 27 June 1922. TNA, FO371/8370, W6673/272/36.
33 Minute by Curzon, 1 August 1922. TNA, FO371/8370, W6675/272/36.
34 Minute by Eyre Crowe, 2 August 1922. TNA, FO371/8370, W6675/272/36. For Crowe’s friendly relations with Gomes, including social contact at the Paris Peace Conference in late 1919 and the Brussels Conference in the summer of 1920, see the Permanent Under Secretary’s personal correspondence with his wife, Lady Clema Crowe (nee von Bonin), including letters dated 17, 23 and 29 December 1919, 1 and 5 January 1920, 3, 4, 5, 6, 11, 12 and 14 July 1920. The Papers of Sir Eyre Crowe (Bodleian Library), ms. Eng. d.2905 and d.2906.
35 Minute by Balfour, 10 August 1922. TNA, FO371/8370, W6674/272/36.
36 Carnegie to Sir William Tyrrell, Deputy Permanent Under Secretary at the Foreign Office, 12 September 1922. TNA, FO371/8370, W7655/272/36.
obtained a reduction of 25 per cent under most favoured nation treatment. The safeguards demanded for British interests in the negotiations between the Portuguese and United States governments concerning cabling concessions could not be resolved satisfactorily; not least because of American resistance to the granting of such safeguards.\(^{38}\) It was the considered view in the League of Nations and Western Department of the Foreign Office that reasonable satisfaction had been given by the Portuguese with regard to the specific debts, claims and shipping dues and that the lack of satisfaction over the cabling issue should not prevent the fulfilment of the pledge to upgrade the respective legations. The recommendation was therefore made that the Embassy in Lisbon should be created on the assumption of office of the new President of the Portuguese Republic in October. Unfortunately, Curzon was not prepared to concede to this recommendation. In January 1924 before leaving office to make way for his Labour successor, James Ramsay MacDonald, Curzon made his position on the British pledge abundantly clear:

Before I leave office I would like to place on record that I have never proceeded with this appointment because I do not agree that the conditions have been satisfied – in fact I could easily demonstrate the contrary – and because it seems to me absurd to go to the expense of creating an Embassy in a country of such minor importance and where there is so little stability of government as Portugal. We no sooner give a decoration to a Minister than he falls. We no sooner offer a compliment to the Portuguese Government than it collapses.

His advice was equally clear; his successor should “desist as long as possible from the Portuguese appointment”.\(^{39}\) As Curzon’s successor, Ramsay MacDonald, Prime Minister as well as Foreign Secretary, was not minded to take his advice but to follow that of his officials. The Head of the League of Nations and Western Department, Gerald Hyde Villiers, expressed the discomfort felt by the Foreign Office when on 26 March he confessed that “our behaviour in this matter has been deplorable” and admitted that they had “stooped to every kind of subterfuge and while refusing to honour our solemn promise we have pretended that we would do so eventually”.\(^{40}\) Carnegie was accordingly instructed by MacDonald on 3 April to inform the Portuguese Government that Britain desired to fulfil all its pledges and that the Prime Minister intended to discuss the Embassy question with the new Portuguese Minister in London, Dr Augusto Castro, as soon as he arrived.\(^{41}\) When he saw Castro on 8 May MacDonald told him that it was his intention to fulfil the pledge given previously and elevate the legation at Lisbon to an Embassy.\(^{42}\) Carnegie was promoted to Ambassador and the Portuguese lost little time in appointing General José Mendes

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\(^{38}\) Foreign Office memorandum by Shone, 25 March 1924. TNA, FO371/10590, W2900/2495/36. For Portuguese concerns with regard to the cable concession issue see minute by Eyre Crowe of a meeting with the Portuguese Minister, Manuel Texeira Gomes, 1 December 1922. TNA, FO371/8370, W9859/272/36.

\(^{39}\) Foreign Office memorandum by Shone, including minute by Curzon, 25 March 1924. TNA, FO371/10590, W2900/2495/36. In his minute Curzon deprecated “the movement to create Embassies everywhere”, lamented the decision to create an embassy in Brazil and complained that the enhanced prestige acquired by Belgium as a result of the establishment of an Embassy in Brussels had been “a source of unmitigated embarrassment ever since”.

\(^{40}\) Minute by Villiers, 26 March 1924. TNA, FO371/10590, W2900/2495/36.

\(^{41}\) MacDonald to Carnegie, 3 April 1924. TNA, FO371/10590, W2495/2495/36.

\(^{42}\) Minute by MacDonald, 8 May 1924. Minute by Walford Selby, Private Secretary to the Secretary of State for Foreign Affairs, attaching relevant papers to MacDonald, 8 May 1924. TNA, FO371/10590, W4012/2495/36.
Rebeiro Norton de Mattos, former Governor of Mozambique and Portuguese War Minister during the First World War, as Ambassador at London.43

IV

In view of the low esteem in which Portugal was held by her British ally, and Portuguese ill feeling towards British aloofness and indifference towards their many problems, it is remarkable that there was any mileage left in the Anglo-Portuguese alliance in the 1920s. Yet for both countries it retained its value and importance. For Portugal it still provided the best external guarantee of her integrity and independence and that of her colonial empire and for Britain it continued to contribute towards the strategic defence of her global interests. From time to time the British needed to be reminded of this fact. Before the war, in late 1912, the Admiralty, led by the First Lord of the Admiralty, Winston Churchill, and the First Sea Lord, Prince Louis Battenburg, convinced that Spain was more important from a military strategic view than Portugal, had ordered a review of the alliance.44 The review, while recognising the importance of Portugal’s several outlying positions in various parts of the world, including the Azores, Cape Verde Islands and Portuguese Guinea, concluded that Britain derived no direct advantage from the alliance, which tended to increase her responsibilities without adding to her strength, and did not confer upon Britain’s national interest any direct advantage of supreme importance.45 Appalled by the Admiralty’s attitude, the Foreign Office, notably Eyre Crowe, countered with a blistering response in defence of the alliance. Crowe argued that by giving up the alliance Britain would have no legal right, no *locus standi*, to intervene to prevent other powers from taking and occupying Portuguese territory, including the Atlantic Islands. In this connection, he revealed that under existing arrangements the alliance prevented any third power from acquiring the Portuguese islands, “except by going to war with England and defeating her”.46 The force of Crowe’s argument had been accepted though the British Government before the war continued to hold the view, as they did in 1913, that they “should reserve to themselves the right of judging the circumstances under which help might be given or withheld”.47

After the war the British continued to insist on this reservation. When questioned in the House of Commons, in March 1926, as to whether British obligations “to defend and protect all conquests and colonies belonging to Portugal against all enemies, future as well present” were still in force, Locker Lampson repeated the pre-war statement to the letter.48 Unsurprisingly, the statement excited both interest and consternation in Lisbon and the Permanent Under Secretary, Sir William Tyrrell, was compelled to assure Norton de Mattos that there was no

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44 Neither Churchill nor Battenburg was well disposed towards Portugal at this time because of the recent overthrow of the Portuguese Monarchy and the establishment of the Portuguese Republic. See John Vincent-Smith, “The Portuguese Republic and Britain, 1910-1914”, *Journal of Contemporary History*, 10, 4 (1975), pp. 709, 711.
45 Admiralty War Staff Memorandum, 18 December 1912. TNA, FO371/2105 (40102) or FO367/342 (7899).
46 Foreign Office Memorandum by Sir Eyre Crowe, 12 February 1913. TNA, FO367/342 (7899).
47 Memorandum by Sir Edward Grey, Secretary of State for Foreign Affairs, to the Cabinet, 30 July 1913. FO371/1741 (36217).
deviation from the pre-war statement and that it “‘neither added nor subtracted from the value of the treaty of alliance’. While the Portuguese Ambassador appeared mollified, Tyrrell’s assurance did little to convince the Portuguese public or Parliament for whom Locker-Lampson’s words had fallen, in Carnegie’s words, “like a cold douche”. According to the Ambassador, Tyrrell’s assurance had not convinced anyone in Portugal of Britain’s “good faith, for who can believe in a declaration of our loyalty to our treaty engagements if at the same time we reserve to ourselves the decision as to when they are valid or not”. The Foreign Office rejected Carnegie’s advice for a further parliamentary question and answer, optimistically regarding the incident as “now forgotten” and therefore “the less said the better”.

Public assurances aside, the significance and value of the alliance to British strategic interests continued to be recognised. In April 1926 the Foreign Office stated emphatically if somewhat complacently:

The British alliance is the sheet-anchor of Portuguese foreign policy, and though the Portuguese Government are behaving extremely badly in commercial and financial matters, notably as regards British claims, we can safely count on their support in any question of really first-rate importance. Such support would be of negative rather than of positive value. The Portuguese army and navy do not count, but… it would add to our liabilities if there were any danger of the mouth of the Tagus or the Portuguese Atlantic Islands being placed at the disposal of a hostile power.

In recognising Portugal’s strategic significance, however, the Foreign Office raised considerable doubts as to its continuation in the long term owing to what they regarded as the continuing maladministration of the Portuguese African Empire which, they insisted, was a source of constant trouble to British, and, in particular, South African interests. Unless the Portuguese “put their house in order” of which at present there was “neither sign nor prospect” the Foreign Office was convinced that “the conscience of the civilised world” would “one day demand that Mozambique and Angola should be handed over to some other Power”. As it was believed that the Union of South Africa was the most suitable successor Britain would find it difficult to resist such an outcome.

In making this critical charge the Foreign Office reflected the ongoing humanitarian campaigns in Britain, the European press and in the League of Nations aimed at labour abuse in the Portuguese colonies. These campaigns and the publication in 1925 of a highly critical report by Edward Ross, an American sociologist, which accused Portuguese officials of complicity in slavery and forced labour, contributed to the demise of the parliamentary Republic and revived memories of similar pre-war campaigns against Portugal in which the Foreign Office had been heavily involved in defending their oldest ally.

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49 Minute by Sir William Tyrrell, Permanent Under Secretary at the Foreign Office, 18 March 1926. TNA, FO371/11933, W2290/1696/36.
51 Gregory to Carnegie, 12 April 1926. TNA, FO371/11933, W2879/1696/36.
Discussion of the value of the Anglo-Portuguese alliance continued in the Foreign Office and in September 1927, incensed by Portugal’s failure to provide any satisfaction to British and South African interests in Mozambique, Chamberlain instigated another full review of its worth, claiming “I can see what we stand to lose by the Treaty of Windsor” by which he meant the liability of dealing with inconvenient Portuguese claims for British support, such as their candidature for the Council of the League of Nations, but “I cannot see what we gain”. The subsequent review dispelled any doubt as to the importance of maintaining the alliance. It guaranteed Portuguese assistance in time of war and despite the inefficiency of Portuguese armed assistance it had proved valuable during the Boer War and the First World War. The alliance also guaranteed to Britain the use of the Tagus and the Portuguese Atlantic Islands as bases for warships, submarines and aircraft in time of war. It was admitted that Britain’s situation in the Great War would have been “immeasurably more dangerous and difficult” if the Portuguese had been in alliance with the Germans or had been neutral in the same way as Sweden and that it “might indeed have cost Britain the war”. In supporting this view reference was made to the Admiralty’s review of the alliance in 1912 and the Foreign Office response, and it was considered that despite the elimination of the German menace, Eyre Crowe’s contention remained sound. Legally, it was admitted that a denunciation of the treaties of alliance on Britain’s part would be problematic as there had been no vital change of circumstances since the decision to “defend and protect the Portuguese colonies” in 1899. It was presumed that if the British Government told the Portuguese they intended to denounce the treaties they would demand arbitration, which Britain could not refuse and she would lose her case.

The review of the Anglo-Portuguese alliance proved salutary from the British point of view. It was discussed by Cabinet in November 1927 and ministers concurred in Chamberlain’s revised opinion that “it was undesirable to reconsider Britain’s treaty obligations with Portugal”. With the review in mind, the Foreign Secretary offered to make a public declaration of support which the Portuguese Government, taken by surprise, accepted. The decision to stand by the alliance was accordingly reaffirmed in the House of Commons on 21 December 1927. Asked whether the official attitude towards the Anglo-Portuguese alliance had been, in any way modified in respect of the Portuguese colonies in Africa, Chamberlain announced that “His Majesty’s Government had every intention of maintaining in force the ancient alliance between Britain and Portugal which, of course, covered the Portuguese colonies”. According to Carnegie, the statement had created “a most favourable impression” in Portugal and was linked in the press with the forthcoming visit to Lisbon of the cruiser squadron of the Royal Navy’s Atlantic fleet.

The strategic significance of the Portuguese connection was tested during 1928 when in July Bettencourt Rodrigues, acting within “the letter and spirit of the alliance”, informed Barclay that there was a growing competition for air concessions in the Azores, Madeira and the Cape Verde Islands by foreign countries, such as the

54 Chamberlain, at Geneva, to Tyrrell, 18 September 1927. TNA, FO371/12711, W8897/4573/36.
56 TNA, CAB 23/55 C.M. 53 (27), 2 November 1927.
United States, France and Spain; Spanish aviation being regarded by the Portuguese as a cover for German aerial development. Despite strong diplomatic pressure, the Portuguese had granted and accepted nothing, preferring to work with Britain in anticipation of commercial and financial investment similar to that offered by the other interested countries.\(^{60}\) The Foreign Office immediately recognised the strategic implications and reminded the Air Ministry that the Government had been in the habit of seeking and receiving from successive Portuguese Governments “an assurance that no concessions or facilities in Portuguese Atlantic ports will be granted to any foreign Power without prior consultation with them”. While the motive for demanding such an assurance had been the desire on strategic grounds to prevent the creation by foreign powers of naval bases in the Atlantic the same consideration presumably now applied and would increasingly apply to the acquisition of potential air bases.\(^{61}\)

The issue was remitted to a sub-committee of the Committee of Imperial Defence, chaired by Sir Ronald Lindsay, Permanent Under Secretary at the Foreign Office, which met on 22 August. While acknowledging that it would, of course, be preferable for all civil air routes employing the Portuguese bases to be exploited by British enterprise, it emerged that the Air Staff were compelled to concentrate on the air routes through the Middle East which were of the greatest strategic importance and the air routes proposed in the Portuguese schemes were “definitely in a lower category of strategic importance”. The Admiralty concurred generally with the Air Staff and emphasised that the essential requirement as far as the alliance was concerned was the preservation of the South American and South African trade routes and that it was therefore desirable that potential enemy powers should be prevented from establishing themselves on the Portuguese islands, so that in war “the islands might without difficulty be converted to their use as air bases for sustained air operations”. Lindsay considered that relations with Portugal were the key to the situation and that no danger was “to be apprehended” provided Britain was assured of “the support, or at least the friendly neutrality, of Portugal in time of war and possesses sufficient command of the sea to secure it”. The Committee concluded that in view of their existing commitments the Government were not in a position to offer any material help to Portugal but that the Portuguese authorities should be urged to ensure that any aerodromes constructed on Portuguese territory “should be open to the aircraft of all countries” and be available for “foreign civil aviation only”.\(^{62}\) The sub-committee’s report was approved by Lord Hailsham, the acting Prime Minister, and Osborne was instructed subsequently to inform the Portuguese that because of prior commitments to aviation schemes in the East and Africa the British Government had no resources to embark on fresh enterprises but did not wish to delay the development of aviation in Portugal until they became available. At the same time, they were urged not to grant a monopoly to any foreign power or company but to take adequate steps to ensure that any airports which might be created could not “be converted into a military air base by the concessionaires in time of war”.\(^{63}\) According to Osborne, Bettencourt Rodrigues had “displayed less mortification” than he had anticipated and had accepted in good part the statement that the British Government were too deeply

\(^{60}\) Barclay to Chamberlain, 15 July 1928. TNA, FO371/13428, W6898/1559/36.

\(^{61}\) Foreign Office to Air Ministry, 6 August 1928. TNA, FO371/13428, W6898/1559/36.

\(^{62}\) TNA, CAB4/18, CID 910-B: “Concessions and Facilities in Portuguese Atlantic Ports in Connection with Aviation Schemes, 22 August 1928”.

\(^{63}\) TNA, CAB4/18, CID 910-6: Note by the [Committee of Imperial Defence] Secretary, Sir Maurice Hankey, 16 October 1928. Cushenden to Osborne, 11 September 1928. TNA, FO371/13428, W8450/1559/36.
engaged in other schemes to be able to embark on any further enterprise. The Foreign Minister also accepted “with no great enthusiasm the advice offered him by His Majesty’s Government”.  

When Barclay saw Bettencourt Rodrigues on 1 November on return from leave, the Foreign Minister said that he realised that the air schemes in the direction of the East and Africa had priority for Britain and expressed the wish “to work in complete accord with His Majesty’s Government in this matter”.

The change from a Conservative to a Labour Government in 1929 brought no change in the resolve of the British to uphold the treaties of alliance. When questioned in the House of Commons on 22 July 1929 whether in view of Britain’s adherence to the League of Nations the Government intended to take an early opportunity to terminate the Anglo-Portuguese alliance Arthur Henderson, the Labour Foreign Secretary, rejected the suggestion outright. He saw nothing in Britain’s obligation to Portugal which was in any way inconsistent with the Covenant of the League of Nations and saw no reason for “wishing to terminate an association which has united the two countries in friendship for many hundreds of years”. From the British point of view the case for retaining the alliance with Portugal was strengthened further in 1930 when the Foreign Office considered its economic dimension and recognised that the Portuguese connection gave to Britain a certain standing in pressing for equitable treatment for the very large British commercial and financial interests in Portugal, Mozambique and Angola. It was certain that a “repudiation of the Alliance would be fatal to those interests”.

While the Portuguese expressed their satisfaction, not to say gratification at the public reaffirmation of the alliance in 1927 and 1929, they recognised the caveats included in those statements. Moreover, they continued to be concerned that their colonial territories might be the subject of Anglo-German negotiations as they had been prior to the First World War or that the Union of South Africa might annex Mozambique. They also resented the resistance of the British Government to changes in their African colonies which threatened the interests of British owned or dominated companies, such as the Nyassa Company. Indeed, it was colonial issues above all which threatened during the period under review to create a schism in the Anglo-Portuguese relationship and with it the alliance.

The British were only too aware of the imperialist ambitions of the Union of South Africa which centred on southern Mozambique and particularly the port of Lourenço Marques on Delagoa Bay, which was, in General James Barry Munnik Hertzog’s words, “the natural harbour for the Transvaal, the [Orange] Free State and Swaziland”. When, in May 1922, General Jan Chritiaan Smuts’ Government at Pretoria proposed a new Mozambique convention respecting the trade route from

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64 Osborne to Cushenden, 20 September 1928. TNA, FO371/13428, W9920/1559/36.
65 Barclay to Chamberlain, 1 November 1928. TNA, FO371/13428, W10623/1559/36.
67 TNA, FO371/20512, W825762/36. This particular Foreign Office memorandum is indexed as appearing in FO 371/14990, W11381/2123/98 but within the volume and file there is no trace of such. The information which appears here is taken from a reference to the memorandum in one of a series of minutes representing a discussion on the value of the alliance amongst Foreign Office officials in January-February 1936.
Pretoria to Lourenço Marques, Eyre Crowe realised that this was “a move on the part of the Union of South Africa towards the absorption of the Portuguese colonies” and knew this “to be their ambition”. But he also realised that “the Portuguese Government also know it and are always on their guard” and that they particularly mistrusted “the present government at Pretoria”.69 This was borne out by the Portuguese response to a proposal by Smuts for the revision of the Mozambique Convention of 1909 which sought to establish a joint railway and harbour board “to have the management and control of the port and harbour of Delagoa Bay and of the railways thence to the Transvaal”, with the Union Government having the majority of members, and to Smuts’ insistence that no agreement would be concluded unless such a board was agreed to with a Union majority.70 The Portuguese Government were adamant that they could not accept any solution which could involve the diminution of Portuguese sovereignty over any part of Mozambique.71 Eyre Crowe was told by Gomes in no uncertain terms in late June that because the proposed agreement would remove the principal railway and port of Mozambique once and for all from the control of the Portuguese authorities no Portuguese Government could possibly agree to it and Parliament had almost unanimously rejected it. The Minister revealed that his Government were “much alarmed at the general spirit manifested by General Smuts and his Government”. It was clear in their minds that Smuts’ policy was to convince the Portuguese Government to believe that “they could do nothing, and could get nothing done, so long as the Union Government opposed them” and by this means bring them “to accept any terms and proposals that suited South Africa”.72

The Foreign Office was placed in an uncomfortable position faced with Smuts’ expectation of support at Lisbon and Portugal’s determination to resist his demands. When at the beginning of July an alternative proposal was presented to set up a concession company (along the lines of the Mozambique company in respect of the port and railways at Beira) to administer the port and railways at Delagoa Bay and to be controlled by the Union Government, Lord Balfour, who as Lord President was standing in for Curzon, expressed to the Colonial Office his strong aversion to any infraction of Portuguese sovereignty and rights which, he believed, had been present in Smuts’ original proposal and the alternative was scarcely different.73 The negotiations between the Union Government and the Mozambican authorities ran into the sand and the Mozambique-Transvaal Convention was renewed on 31 March 1923 with no substantive changes other than to acknowledge that the Union Government had taken the place of the Transvaal Government for purposes of the convention.74 Only too aware that the Portuguese were incapable of developing their African colonies without foreign assistance and that developments in Mozambique,

69 Paraphrase Telegram from the Governor General of the Union of South Africa, Sir Arthur Frederick, to Winston Churchill, Secretary of State for the Colonies, 19 May 1922, transmitting message from Prime Minister Jan Christiana Smuts to Curzon. Colonial Office to Foreign Office, 20 May 1922. Minute by Eyre Crowe, 22 May 1922. TNA, FO371/8373, W4335/860/36. For Smuts’ grand design for South East Africa at this time, including Mozambique see Ronald Hyam and Peter Henshaw, The Lion and the Springbok: Britain and South Africa since the Boer War (Cambridge University Press, 2003), pp. 110-12.

70 Paraphrase Telegram, Frederick to Churchill, 19 May 1922. TNA, FO371/8373, W4335/860/36.

71 Carnegie to the Foreign Office, 3 June 1922. TNA, FO371/8373, W4596/860/36.

72 Minute by Eyre Crowe, 27 June 1922. TNA, FO371/8373, W5392/860/36.

73 Paraphrase Telegram, Frederick to Churchill, transmitting message from Smuts to Curzon, 1 July 1922. Foreign Office to Colonial Office, 8 July 1922. TNA, FO371/8373, W5550/860/36.

particularly concerning the railways and ports, would continue to be stalled, the Union Government persisted in seeking a substantial revision of the Mozambique-Transvaal Convention. In November 1926 Hertzog, as South African Prime Minister, disclaimed personally to the Portuguese Ambassador in London any wish to impinge on the sovereign rights of Portugal over Mozambique and emphasised that his Government desired to cultivate the most friendly of relations with Portugal and to develop the railway and port facilities at Lourenço Marques and Beira to their mutual advantage. At the same time, Hertzog stressed that if satisfactory facilities could not be arranged on the Mozambique route his Government would develop an alternative railway and port. It was indicative of the assertive tactics employed by the Union Government that in order to prevent the Portuguese from halting the flow of labour to the Rand and prejudicing South African interest in dominating the port and railway development at Delagoa Bay they sought British help in early 1928 to undermine Portugal’s request for a reconstruction loan, amounting to £12 million, from the League of Nations. Chamberlain told the South African High Commissioner, the ardent Afrikaner Nationalist Jacobus Smit, on 26 January 1928, that he was reluctant to interfere with the work of the League’s Financial Commission which was not responsible to individual governments but the League as a whole and considered that it was to the advantage of both the Union and Britain that Portuguese finances and credit should be restored, an objective which could not be achieved without a loan. In the event, Portugal rejected the proposed loan because of the stringent terms imposed by the League.

While the Portuguese entered into discussion with the League they also took the decision to denounce the Mozambique Convention and to negotiate a new one with the Union Government which focused on the recruitment of Mozambican labour for the Rand mines and the administration of the Lourenço Marques railway and port. As Bettencourt Rodrigues intimated to Carnegie on 27 October 1927, the Portuguese were concerned at the considerable increase in the recruitment of labour from southern Mozambique, from 60,000 a few years previously to over 100,000 at a time of growing labour shortage in the colony, a concern which was manifested in Portugal’s refusal to supply labour for French Madagascar and the Cameroons and the Belgian Congo. Portugal’s denunciation of the convention coincided with the Cabinet review of the Anglo-Portuguese Alliance and the decision to maintain it. Chamberlain was concerned about the friction which continued to exist between Pretoria and Lisbon and he urged Hertzog to seek improved relations with Portugal. With little progress made towards a new convention Chamberlain instructed Carnegie early in February 1928 to emphasise to the Portuguese Government that despite his statement supporting the alliance in the Commons in December and the visit of the British fleet to Lisbon in January, it would become “well nigh impossible” to maintain intimate and cordial relations unless “the disputes and difficulties between the Union

75 Chamberlain to Carnegie, 12 November 1926. TNA, FO371/11935, W10607/10607/35.  
78 Chamberlain to Balfour, 7 November 1927. Chamberlain to Barry James Munnick Hertzog, Prime Minister of the Union of South Africa, 24 November 1927. TNA, FO371/12710, W10752/3569/36.
and Portugal be solved within a reasonable time"); shortly afterwards at Geneva, the Foreign Secretary assured General Ivan Serraz, the Portuguese Minister of Colonies, that Hertzog had no intention to infringe Portuguese sovereign rights and wished only to conclude a mutually beneficial agreement concerning labour supply and an improvement in facilities afforded by the port and railway of Lourenço Marques. In the event, a new convention was signed at Pretoria in September 1928 that regularised the supply of labour at 80,000, which required a reduction of 20,000 to be attained over a five year period. As far as the port and railway administration was concerned there was no infringement of Portuguese sovereign rights but Union ambitions concerning southern Mozambique were by no means diminished.

Britain’s own relationship with Portugal’s colonies was to change considerably during the 1920s with Portuguese determination to achieve greater control in opposition to foreign owned companies, particularly British ones such as the Delagoa Bay Development Corporation, the Incomati Sugar Estates and above all the Nyassa Company (Companhia do Niassa). The latter was a chartered company and when its charter came up for renewal in 1929 it was cancelled by the Portuguese. The Nyassa Company’s record was abysmal, not to say appalling. Over forty years it did virtually nothing to develop the territories covered by its charter, its main sources of revenue, over 90 per cent, being the hut tax and customs dues imposed on the native population which increased inexorably during the 1920s; and to make matters worse the company paid its labour in devalued Portuguese paper but demanded taxes be paid in either silver coin or sterling banknotes which were not devalued. The Foreign Office had no illusions about the dreadful exploitation perpetrated by the company led by Sir Owen Phillips, later Lord Kylsant, former chairman of the Union Castle Steamship Company who towards the end of the war had been encouraged by the British Government to buy shares in its parent company, Nyassa Consolidated. As early as January 1915 Carnegie had argued that in view of the Nyassa Company’s “notorious maladministration of its territories and the shocking treatment of the natives by its officers” the prolongation of the present charter appeared “most undesirable” unless questions of high policy demanded it; particularly as the Portuguese regarded it as “a scandal and misfortune”. In view of the continuing maladministration by the Nyassa Company during the 1920s, the Foreign Office were disinclined to oppose the cancellation of its charter in 1929 but were reluctantly compelled to declare it illegal and to insist that the matter be referred to arbitration.

While acknowledging that the company had been badly run, the Permanent Under Secretary, Sir Robert Vansittart, was concerned about setting precedents and insisted that if the Portuguese were allowed to “get away with this predatory action” they would certainly be encouraged “to play the same game on more important and more blameless [British] concerns”, such as the port of

79 Chamberlain to Carnegie, 2 February 1928. TNA, FO371/13424, W875/261/36.
83 Vail, “Mozambique’s Chartered Companies”, p. 408.
84 Long Minute by Frederick Hoyer Millar, Second Secretary in the League of Nations and Western Department, 10 December 1929. TNA, FO371/15013, W67/67/36.
Beira. Portuguese rejection of arbitration prompted the Foreign Office to warn of the deplorable consequences on British public opinion, notably in financial and political circles. While Portuguese Foreign Minister Branco seemed inclined to consider arbitration, Salazar, the “most powerful person in the [Portuguese] Cabinet”, was far from convinced. Faced with Portuguese intransigence the idea of arbitration was dropped and replaced by a claim for compensation which had first been mooted in October 1929 by Kylsant himself at £500,000 but eventually settled more than a year later in 1931 at less than £150,000.

With regard to the possible repetition of the Anglo-German pre-war negotiations, the British were disinclined to engage in any such action during the period under review. In November 1924 Chamberlain went out of his way to reassure the Portuguese Ambassador that there was no foundation for the statement of the former Imperial German Navy Minister, Alfred von Tirpitz, in his published memoirs which made reference to the pre-war Anglo-German negotiations. He stressed that the British Government had “no desire but for the prosperous development of the Portuguese colonial empire”. However, while colonial revision was not an immediate priority in German foreign policy it was raised publicly on a number of occasions by the statesmen of Weimar Germany: in the course of negotiations for the 1925 Locarno Agreement; on the occasion of Germany’s entry into the League of Nations in 1926; and during the Young Plan negotiations in 1929. While there was no public announcement of German interest in Portugal’s African colonies on these occasions, discussion, both within and between official and unofficial circles, took place which revealed that the pre-war ambitions to acquire at least a part of these territories were far from moribund. Indeed, during the Young Plan reparation negotiations in March 1929 the former head of the German Foreign Ministry, Richard von Kühlmann, actually raised with Sir William Tyrrell, British Ambassador at Paris, the question of reviving the pre-war accords in relation to Angola and Mozambique. The Foreign Office view, in this case the Central Department, was that it was impossible to conceive that secret conversations could be entered into to redistribute these colonies “behind the backs of the Portuguese who are members of the League and our allies whose territories we are bound to defend”. Chamberlain agreed as did his Cabinet colleagues. As a result, the British Ambassador at Berlin, Sir Horace Rumbold, was instructed on 2 April to inform the German Foreign Minister, Gustav Stresemann, that Britain was unable “to contemplate the revival in any shape or form” the “former conventions” concerning the Portuguese colonies.

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89 Chamberlain to Carnegie, 14 November 1924. TNA, FO371/10591, W9912/9912/36.
91 Minute by John Victor Perowne, Second Secretary in the Central Department of the Foreign Office, 26 March 1929. Minute by Chamberlain, 26 March 1929. TNA, FO371/13615, C 2284/43/18. TNA, CAB23/60, CM 13 (29), 26 March 1929.
92 Chamberlain to Sir Horace Rumbold, British Ambassador at Berlin, 2 April 1929. TNA, FO371/13615, C2359/43/18.
The Foreign Office knew only too well the significance of the colonial issue for the Portuguese. In 1926, for example, responding to rumours of schemes to lease or buy Angola involving the President of the Reichsbank and future Economics Minister in the Third Reich, Hjalmar Schacht, Carnegie was adamant that the sensibilities of the Portuguese with regard to their colonies were “notorious” as were “their suspicions of the designs on them which various countries were suspected of harbouring”. He insisted that no Portuguese Government “would entertain for a moment any proposal involving the alienation either by lease or sale of any Portuguese overseas territory”. It was this awareness of Portuguese sensibilities which led Chamberlain in April 1929 to suggest that if the question should ever be raised at Lisbon it would be convenient for the Ambassador, Colville Barclay, to know “our attitude towards any revival of the old Anglo-German arrangement about the Portuguese colonies. Otherwise, we should not mention the subject”. This was sage advice and if any reminder was needed it came at the end of the period under review when Sir Claud Russell, in March 1933, reported the public response to rumours of Italian designs on the Portuguese colonies. According to the Ambassador: “The Government and the nation were quickly roused in defence of the one thing in which the Portuguese people are ardently united; namely, an uncompromising determination to keep their colonies”. At the same time, with the rumours in mind, the Portuguese Government expressed satisfaction that Foreign Secretary Sir John Simon and Prime Minister Ramsay MacDonald had succeeded, during their recent visit to Rome, in removing from Italian dictator Benito Mussolini’s draft communiqué any reference to the future treatment of the colonial question.

VI

By this time also the British had come to appreciate the greater stability created by the military regime headed by Salazar, even if it had been achieved at the cost of political democracy. Throughout the 1920s the officials at the Foreign Office had lamented the absence of a strong man in Portugal capable of creating stability. For example, in January 1922 Eyre Crowe commended Prime Minister Francisco Pinto de Cunha Leal’s realisation that without force government in Portugal could not govern and advised that “what Portugal wants above all [is] a strong man”. Ronald Hugh Campbell, First Secretary in the League of Nations and Western Department, wrote in a similar vein in 1925 when he commented that “some form of military dictatorship is the only hope for this despairing country. Unfortunately they lack the man”. Following the military revolution in 1926 and as a result of his reforms which created greater financial stability Salazar came to be recognised in the Foreign Office as the strong man in the Portuguese Cabinet even before his eventual appointment as

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93 “Foreign Office Memorandum: Dr Schacht’s Colonial Propaganda”, 21 June 1926. TNA, FO371/11303, C7296/539/18.
94 Minute by Chamberlain, 12 April 1929. Orme Garton Sargent, Counsellor at the Foreign Office, to Barclay, 20 April 1929. TNA, FO371/13615, C2541/43/18.
95 Sir Claud Russell, British Ambassador at Lisbon, to Sir John Simon, Secretary of State for Foreign Affairs, 25 March 1933. TNA, FO371/17433, W4104/2294/36.
96 Simon to Russell, 30 March 1933. TNA, FO371/17433, W3580/2294/36.
97 See, for example, Frederick Adam, British Chargé d’Affaires at Lisbon to Simon, 9 July 1932. TNA, FO371/16492, W8163/43/36.
98 Minute by Eyre Crowe, 18 January 1922. Minute by Ronald Hugh Campbell, First Secretary in the League of Nations and Western Department, 8 May 1925. TNA, FO371/8366, W502/11/36 and FO371/11086, W4005/24/36.
Prime Minister in 1932. Although they recognised fascist tendencies in the developing Portuguese Estado Novo, officials such as the Head of the League of Nations and Western Department, Charles Howard Smith, considered it to be relatively benign, believing neither President Carmona nor Salazar to be “a Mussolini”. British recognition of Portugal as a stable country capable of maintaining order was also confirmed by the suppression of the revolts in the Azores and Madeira in April 1931 and in Portugal itself in August. At the same time, it was recognised that the Portuguese Government faced a potential threat from Portuguese revolutionaries acting in concert with Spanish left-wing organisations, both of whom were encouraged by the onset of the Second Spanish Republic in the spring of 1931. Branco emphasised this threat to Russell at the end of August 1931. The Foreign Minister was concerned for the future and thought that the time had come when Portugal and Britain would be forced to act together to save the whole peninsula from falling under communist rule. Fear of Spanish developments encouraged the Portuguese to lay further stress on the alliance with Britain, as the Chargé d’Affaires, Frederick Adam, noted in August 1931: “But the whole population is keenly alive to the fact that…it is the existence of the Alliance which at the moment prevents the neighbouring republic or its communist demagogues from attempting by peaceful penetration or propaganda the absorption of Portugal into an Iberian federation”.

Despite British acceptance of the developing new state during 1931 and 1932, two issues arose which concerned British interest and which the Government could not ignore. The first was that of flag discrimination and the second immigration into Mozambique. With regard to the former, the Portuguese had for years instituted measures in favour of their mercantile marine, notably a remission of 10 per cent in customs duties charged on goods carried in Portuguese bottoms and preferential maritime and port dues. It was feared that if Portugal persisted in this discrimination other countries could follow suit with potentially disastrous consequences for British trade at a time of world economic depression. The issue was a constant source of questioning in the House of Commons and the Foreign Office, along with the Board of Trade, engaged in long and drawn out negotiations with Lisbon which concluded in late 1932 with Portuguese agreement to abolish flag discrimination in June 1934. The issue of immigration in Mozambique centred on a decree of July 1932 which was intended to preclude immigrants from entering the colony who could not speak and write a European language and another decree under consideration which would establish minimum salaries of various classes of workers. The Foreign Office believed these measures were discriminatory against British Indian subjects.
and would seriously affect British and Indian business interests in the colony.\textsuperscript{107} It was admitted that the Government had no treaty rights to protest against the enforcement of the decree since the Anglo-Portuguese Commercial Treaty of 1914 did not apply to the Portuguese colonies.\textsuperscript{108} Unable “to wave a stick” the Foreign Office settled for a compromise whereby the existing legitimate interests of British subjects employed in the Portuguese colonies would be safeguarded but the doors of Mozambique to British or British Indian immigration would be closed so that it was possible that British firms in the future would find it difficult to recruit “adequate staff”.\textsuperscript{109}

VII

British disdain at the political and economic instability of the Portuguese Republic which only diminished when Salazar began to fulfil the role of the long awaited strong man and take effective control was certainly a feature of Anglo-Portuguese relations during the period under review. It certainly accounted for the reluctance to support Portugal’s candidature for a seat on the Council of the League of Nations and for a time at least, particularly while Curzon was Foreign Secretary, to enhance the diplomatic relationship by elevating the Legation in Lisbon to an Embassy and allowing reciprocally the Portuguese to establish an Embassy in London. As Assistant Under Secretary Sir George Mounsey remarked in 1932, the Portuguese “do impossible things and then do listen quite reasonably to our remonstrances even though slow in effecting the necessary remedies”.\textsuperscript{110} Portuguese reticence or stubbornness in meeting constant British requests was certainly irksome to the Foreign Office but almost always the Portuguese acceded eventually to British pressure, unless it threatened Portuguese sovereignty with regard to their African colonies. Hence, they were prepared under British prompting to make the Mozambique Convention in 1928 with the Union of South Africa because it did not threaten Portuguese sovereignty whereas Smuts’ earlier proposals concerning the Delagoa Bay railway and port facilities were perceived as undermining Portuguese control in their East African colony. Although Salazar was extremely reluctant to compensate the Nyassa Company for the loss of its charter, a compromise was eventually worked out in deference to British pressure even though the Foreign Office recognised that the company had no moral grounds whatever to expect to retain the charter. Mounsey’s query, whether it was in the long run “ever good policy to espouse a bad cause” was salient in this context.\textsuperscript{111} The Portuguese were prepared on occasions to put up with perceived British aloofness and indifference, and on others with real criticism and pressure, not to say occasional bullying, which was naturally unwelcome, and to accede to British demands because the alliance was by far the best safeguard for Portugal’s independence in face of the historic Spanish ambition to

\textsuperscript{107} Russell to Dr Cesar Sousa Mendes, Portuguese Minister of Foreign Affairs, 2 September 1932. TNA, FO371/16497, W10082/2261/36.
\textsuperscript{108} Circular Letter, Howard Smith to the Board of Trade, India Office, Colonial Office, Dominions Office and Home Office, 6 October 1932. TNA, FO371/16497 W10582/2261/36.
\textsuperscript{109} Russell to Simon, 15 December 1932. TNA, FO371/16497, W14039/2261/36. The “stick” reference is made in a minute by Howard Smith, 30 September 1932; he recognised that it might well turn out to be “a boomerang”. FO371/16497, W10582/2261/36.
\textsuperscript{110} Minute by Sir George Mounsey, Assistant Under Secretary at the Foreign Office, December 1932. TNA, FO371/16497, W14039/2261/36.
\textsuperscript{111} Minute by Mounsey, 6 September 1930. TNA, FO371/15015, W8986/67/36. See also Vail, “Mozambique’s Chartered Companies”, p. 415.
reunite the Iberian peninsula and for maintaining the integrity of the Portuguese empire against potential predator powers, such as the Union of South Africa and a revived Germany. Indeed, it was largely because of the strategic significance of the alliance, reaffirmed in 1927, that the British Government would not countenance any suggestion to revive the Anglo-German pre-war conventions with Weimar Germany nor to encourage the imperialistic ambitions of the Smuts and Herzog Governments in the Union of South Africa. It is worth noting in this connection, that when the Assembly of the League of Nations convened a Committee of Nineteen in March 1932 to negotiate an end to the Manchurian Crisis Britain voted for Portuguese rather than South African membership.\(^\text{112}\)

While the consolidation of the *Estado Novo* after 1932 was welcome to Britain, no effort was made to create an effective relationship with Portugal and the Portuguese continued to complain as they had in the 1920s about British indifference and aloofness and the absence of real cooperation. In January 1936 the Portuguese Foreign Minister, Dr Armindo Monteiro, complained to Anthony Eden, the British Foreign Secretary, at Geneva, that Anglo-Portuguese relations were by no means satisfactory, that there was no real cooperation between them and particularly insufficient cooperation on matters of policy which were of “vital concern” to Portugal’s future.\(^\text{113}\) At the time and predictably, the British response was scarcely enthusiastic or conciliatory but within a matter of months and the outbreak of the Spanish Civil War in July 1936 Portugal’s international significance increased considerably and for the first time the British were confronted with serious rivals, Nazi Germany and Fascist Italy, in their relations with Portugal. Unlike previously, they were compelled to take a whole series of effective and proactive measures to retain the good will of the Salazar regime. Certainly, from the summer of 1936 onwards Portugal was no longer held in low esteem by her British ally and could not be taken for granted.\(^\text{114}\)

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\(^\text{113}\) Anthony Eden, Secretary of State for Foreign Affairs, to Sir Charles Wingfield, British Ambassador at Lisbon, 22 January 1936. TNA, FO371/20512, W771/762/36.