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The historiography of Portuguese colonialism in the nineteenth and early twentieth centuries is dominated by Richard Hammond’s thesis that it was pre-eminently ‘uneconomic imperialism’. The outline of the argument runs as follows: Portugal was a backward and underdeveloped country, which inherited residual colonial possessions in Africa by historical accident; the Portuguese set out to expand these footholds during the ‘Scramble for Africa’ for reasons of humiliated national pride, in spite of the fact that colonies were a constant and heavy burden for metropolitan finances; a large number of people in Portugal were caught up in a mystical colonial frenzy which cut right across class lines and class interests; in short, Portuguese colonialism was not economically motivated but was rather a form of ‘Veblenian conspicuous consumption’; in consequence, it provides an outstanding demonstration of the inanity of all marxist theories of imperialism. 2

The central thesis of this article is that ‘uneconomic imperialism’ is a myth, and that Portuguese colonialism was first and foremost an exercise in

1 The greater part of this article was written in 1977 as a draft chapter for F. W. Heimer (ed) The Formation of Angolan Society, forthcoming, Heinemann, London 1979; I would like to thank Professor Heimer for permission to publish it here. The draft was considered too concerned with Portugal, so that a very different Angola-centred chapter will appear in the Heimer collection. As it stands, the present article represents an early and tentative approach to the problem of Portuguese colonialism, which has already been modified by continuing research in view of the publication of a full-length study.

rational class-based economic choices. The colonial process can only be understood in the light of the profound changes which affected the Portuguese social formation during these years and which have so stubbornly been ignored by the historians of lusophone Africa. In essence, this period in Portuguese history was characterized by the successful revolution of the bourgeoisie against the feudal ruling class of the ancien régime, and the tenacious attempts on the part of the newly hegemonic class to reap the economic fruits of its political victory. The long civil wars of the early nineteenth century ended in the 1830s with the triumph of a group loosely referred to as the ‘Liberals’, who dismantled the political and legal structure of the ancien régime and resolutely set about transforming their country on the capitalist lines pioneered in north-western Europe.

These determined attempts at ‘modernization’ began to bear fruit from the 1850s. Roads, railways, ports, banks and so forth laid the basic infrastructure for future developments. Agriculture revived, with the systematic colonization of unproductive lands, and factories began to appear, especially in the Lisbon and Oporto regions. Food-processing, textiles and chemicals formed the core of this industrial revolution. By the 1920s, the economy of Portugal had become unrecognizable from what it had been a century earlier.

Clearly, the extent of these transformations must not be overstressed. Remote interior areas remained largely unaffected, although they also lost much of their population to the towns and to Brazil. Industrial units tended to be small and undercapitalized, especially in the northern textile industry. Heavy industry was absent, partly because of a limited internal market and a lack of raw materials, and partly because of traditional commercial links with Britain. Thus, by 1900, Belgium had about seven times the installed industrial horse-power capacity of Portugal, for an area and population which were roughly comparable. The level of external debt was very high and the penetration by foreign capital considerable. However, this latter point has often been exaggerated, for in 1900 only about a quarter of total capital invested was in foreign hands.¹

Whatever the relative ‘underdevelopment’ of Portugal compared to the nations of north-western Europe, the essential point remains that the bourgeoisie was the dominant class from the 1830s onwards, although different fractions of this class held political power at different times. From the 1830s to about the 1870s, the landed bourgeoisie (the ‘Liberals’) were dominant, their power based on the purchase of crown and church lands after 1832. From about the 1870s, the ‘Liberals’ were increasingly over-

shadowed by the rapidly developing urban bourgeoisie of the industrial, commercial and financial sectors. However, this urban bourgeoisie was itself split between a national group and a comprador group tied to foreign capital. In the 1910 Republican Revolution, the national group asserted its hegemony, in alliance with the urban petty bourgeoisie.\(^4\)

In the light of these rapidly summarized historical transformations, it becomes essential to review the thesis of 'uneconomic imperialism' in a totally different manner. In the first place, colonial deficits do not prove anything.

The Portuguese state may have lost money in making up for colonial deficits, but colonies were seen by all European powers as risky long-term investments for the future and not as securities giving immediate returns.\(^5\) Furthermore, peculiar Portuguese accounting practices tended artificially to inflate the levels of colonial deficits.\(^6\)

Much more important is the recognition that the Portuguese state in no sense represented some disembodied 'national interest', but on the contrary was the tool of very precise classes or fractions of classes. Thus the actions of the state must be understood in the light of the private interests of the groups controlling state power at any given time. It is classes that are economically motivated, never the state or the nation as such. This is not to deny the importance of other motivations within the processes of Portuguese colonialism, but simply to put forward the postulate that Portuguese colonialism cannot be understood in isolation from the class interests which promoted it and moulded it in specific forms.

The rest of this article therefore examines the evolution of the political economy of Angola in three chronological periods, corresponding to the major shifts in political predominance noted above, attempting to see how each change in the constellation of class interests was reflected in colonial policy. These chronological ruptures should not be seen as absolute, even when they were marked by spectacular events such as the Republican Revolution of 1910. Nevertheless, they did lead to clearly demarcated changes in colonial policy and profoundly affected the history of Angola.

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The Liberals from the 1830s to the 1870s had only a rather remote and fluctuating interest in the colonies, for they were mainly preoccupied with domestic affairs and faced no serious foreign threat in Africa. Their major interest in Africa, and particularly in Angola, was as a potential source of revenue with which to finance the infrastructural equipment of Portugal.

\(^{4}\) Marques, *História*, pp. 39–43, 211–12 and passim; for the compradores see G. Papagno, *Colonialismo e feudalesimo, la questione dei prazos da coroa nel Mozambico alla fine del secolo XIX*, Turin 1972. This analysis is too crude as it stands, and needs considerable further refining.


The colonies were rarely seen as potential sources of raw materials, although there were some who hoped to save on foreign exchange when the prices of tropical commodities were high, especially in the case of cotton for the textile works.7

Nor were the Liberals particularly interested in the colonies as a way of retaining some control over the flow of Portuguese emigration, although this preoccupation was never entirely absent. Emigration was actually decreasing in the 1850s and 1860s, as a result of urbanization and agricultural development schemes in southern Portugal.8 Employment for Portuguese emigrants in the colonies was therefore a low priority, and the Liberals preferred to minimize the costs of administering the colonies by employing locally-born 'creoles' at very low salaries. Although some of these 'creoles' might be whites, the majority were mestiços and blacks, who formed the backbone of the bureaucracy, the church and the army in Angola during this period.9

The main colonial strategy of the Liberals was rather to maximize revenue by encouraging trade. Royal monopolies in ivory and other commodities were therefore abolished, and colonial trade was thrown open to all nations, on the assumption that an increase in the volume of trade would compensate for any immediate loss in revenue.10 There was also an attempt to rationalize and extend the taxation of Africans. However, direct taxation was always a much smaller source of revenue than customs duties, and the authorities usually stuck to the cautious policy of only demanding taxes from Africans directly under their control.11

Colonial tariffs brought the Liberals into sharp conflict with the British. The latter were keen on absolute free trade, to maximize markets for British manufactured goods and to obtain raw materials as cheaply as possible.12 But Portugal was still in an earlier phase of capital accumulation, and needed colonial revenues for infrastructural investments.13 Furthermore, the Portuguese imposed differential tariffs on cargoes carried in national and foreign ships, in order to afford protection to Lisbon merchants and ship-owners, and to the infant industries of the metropole.14 This led to several conflicts between Portugal and Britain, who consistently opposed

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9 Wheeler and Pelissier, Angola, pp. 93–8 and passim.
10 J. Mesquita, Dados estatísticos para o estudo das pautas de Angola, Luanda 1918, pp. 8–10.
11 Capela, Imposto, pp. 44–50.
12 Owen and Sutcliffe, Studies, pp. 43–5.
13 Cabral, Desenvolvimento, pp. 182–94, for infrastructures; Wheeler and Pelissier, Angola, p. 52, for emphasis on revenue.
14 J. M. Cerqueira de Azevedo, 'Pontos de vista sobre a industrialização de Angola nos séculos XIX e XX', in Boletim da Associação Industrial de Angola, IV, 15–16, 1953, p. 60.
the extension of Portuguese fiscal control over the Congo estuary. 15

The first major crisis faced by the new rulers of Angola lay in the British insistence that the Atlantic slave trade had to be suppressed, although the revenues of the colony depended almost exclusively on the export of slaves to the New World. As the Portuguese did not enforce the abolition decree of 1836, the British unilaterally declared in 1839 that all slave-ships would be seized for piracy. Under this pressure, the Portuguese government reluctantly signed a treaty with Britain in 1842, agreeing to the British right of search and to the setting up of a mixed court of arbitration in Luanda to deal with slavers. By 1850, the major pillar of Angola’s economy had been destroyed. 16

However, the crisis caused by the abolition of the Atlantic slave trade was not as prolonged and severe as might have been expected. As in West Africa, both settlers and African producers quickly found substitutes for slaves as export commodities. A kind of Victorian optimism reigned, and the authorities encouraged varied experiments with new crops and prospecting for minerals. 17 In this, they were supported by the rising prices for raw materials on the world market up to the early 1870s. Coffee, palm oil, palm kernels and groundnuts in northern Angola, and cotton in southern Angola, were the major staples which replaced slaves during these years, together with ivory, wax and rubber from the far interior. 18 In 1874, Angola’s exports reached a peak of 2,671 contos, compared to 830 contos in 1825 at the height of the Atlantic slave trade and 201 contos in 1844, when the abolition of the slave trade had led to a slump. 19

The increase in exports was in part linked to the growth of a slave-run plantation sector in Angola and the neighbouring island colony of São Tomé. Large numbers of slaves had built up in the coastal areas as a result of the abolition of the Atlantic slave trade, and some use had to be found for them, for they represented an important capital outlay. 20 The new authorities in Lisbon were too poor to contemplate paying compensation to the slave-owners, and were keen to encourage local production for exports. 21 The Liberals therefore pursued a contradictory policy, appeasing British anti-slavery opinion with a large number of complicated laws and regulations, while effectively allowing the growth of a slave-run plantation

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19 G. Pery, *Geographia e estatistica geral de Portugal e colónias*, Lisbon 1875, p. 358; Hammond, *Portugal*, p. 51. No information is available on currency fluctuations, but this was a period of relative stability.
sector. This policy generated its own momentum, for it encouraged a continuation of the internal slave trade in Angola and made the problem of eventual compensation ever more intractable.22

However, most of the goods exported from Angola during these years were produced by an emerging African 'peasantry', rather than on slave-worked plantations. One hesitates to use the word 'peasantry' in this context, for it would appear that African production was overwhelmingly based on foraging rather than on cultivation. This is obvious in the case of ivory, wax and wild rubber, which were all exclusively in African hands. But it was also true of much of the coffee, vegetable oils and cotton which were produced by the Angolan 'peasants'. All these plants grew wild in the country, and even on settler estates, cultivation was often reduced to a minimum.23

Trading in peasant or plantation crops and commodities was in effect the predominant economic activity of the colonial nucleus, clearly overshadowing direct productive activities.24 Agents of the colonial nucleus penetrated deep into the interior in search of valuable commodities such as ivory, the most famous of them being Silva Porto, whose commercial activities extended far beyond the present eastern frontiers of Angola.25 But although such backwoodsmen attracted political and romantic attention, the vital commercial role of the colonial nucleus was centred in the coastal towns, where much of the produce of the interior was brought by the African producers themselves.26

Trade was also the main source of capital formation in the colonial nucleus. With the old Brazilian credit connection broken off by the abolition of the Atlantic slave trade, capital became much more local in character. The profits of trade were often reinvested in plantations, fisheries or artisanal industrial activities, so that local capital was fairly homogeneous in character.27 The great majority of the economically active population in the colonial nucleus appear to have been more or less permanently in debt, but their creditors were still for the most part the local plutocrats.28 However, the penetration of metropolitan capital developed rapidly after the opening of the first branch of the Banco Nacional

23 Monteiro, Angola, II, p. 92 and passim.
24 Oliveira, Angolana, pp. 684-5.
26 Monteiro, Angola, passim. The only exceptions were the entrepôts along the lower Cuanza valley, especially after the introduction of steam navigation along the river in the 1860s.
28 See for example, C. Duparquet, Viagens na Cimbebasia, Luanda 1953, p. 163; also Clarence-Smith, forthcoming 1979.
Ultramarino in 1865 in Luanda. The bank had a monopoly of banking and note issuing and soon had a finger in almost every economic pie in Angola. 29

Although the Liberals generally had little interest in Angolan affairs, there was a small band of politicians, grouped around the Marquis of Sá da Bandeira, who advocated a more interventionist policy in order to increase revenues. These men were particularly concerned with expanding Portuguese control along the coast of Angola, so as to multiply the number of customs posts. However, British opposition limited this expansion to the commercially marginal regions of the far south and to the port of Ambriz. 30 Sá da Bandeira also hoped to promote white settlement in the healthy highlands of southern Angola. This policy was linked partly to the continuing, if less severe, flow of emigration from Portugal, and partly to increasingly burdensome imports of cereals into the metropole, which drained the country of gold and foreign exchange. 31 However, Sá da Bandeira’s dreams of Portuguese peasants producing wheat in the Huila highlands was never realized, in spite of some ill-planned attempts at settlement in the 1850s. 32

The interventionists also argued for a policy of internal expansion, which the British would be powerless to check, and whereby trade could be forcefully rerouted to Portuguese ports. A subsidiary aspect of this policy consisted in extending the direct taxation of Africans, which would help to cover the costs of military expeditions and garrisons. 33 During the 1850s, the Portuguese thus initiated a series of campaigns of conquest, especially in northern Angola. By 1860, they had reached São Salvador, the old capital of the Congo kingdom, and Cassange, the most important commercial centre in the north-east. There were also subsidiary campaigns in the south, aimed at preventing the ivory trade from falling into the hands of the Walvis Bay traders, and by 1860 the Portuguese had reached the Cunene River at Humbe. 34

But this policy of expansion into the interior proved financially disastrous. Trade was disrupted and diverted even more than before by the insecurity and violence which reigned in the interior. Taxation only provoked more violence and the migration of Africans away from Portuguese domination. Expeditions were plagued by bad organization and

29 Braga Paixão, Cem anos do Banco Nacional Ultramarino na vida portuguesa, 1864–1964, Lisbon, [1964], I, passim; [Banco Nacional Ultramarino], Bancos Coloniaes, [Lisbon] [1911], part III.
31 Marques, História, pp. 5–6 and 33–4.
32 A. de Albuquerque Felner, Angola, apontamentos sobre a colonização dos planaltos e litoral do sul de Angola, Lisbon 1940, III, p. 66 and passim.
33 Wheeler and Pelissier, Angola, pp. 52–6.
decimated by tropical diseases, so that military costs soared. Coupled with similar problems in the Lower Zambezi valley in Mozambique, the experience of intervention convinced the Liberals that *laissez-faire* was a better policy to pursue in order to extract revenue from the colonies.\(^{35}\)

In the late 1860s and early 1870s, the elusive goal of extracting colonial revenues was temporarily reached in Angola, for the colony at last began to produce regular, if modest, budgetary surpluses.\(^{36}\) Interior expansion was halted in the early 1860s and this was followed by a more or less general retreat to the coast in the latter part of the decade.\(^{37}\) The new production and trade patterns which had emerged after the abolition of the Atlantic slave trade were now free to blossom, and this was favoured by the generally maximal prices of tropical commodities on the world market in the 1860s.\(^{38}\) But the period of peace and prosperity was short-lived, for it was threatened by the reversal of the secular trend in commodity prices and by the gathering momentum of the ‘Scramble for Africa’.

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From the 1870s to 1910, a more complex and diversified urban bourgeoisie moved to the centre of the political stage in Portugal, with a much more direct interest in the colonies. Industrialists sought protected markets for their goods, threatened by a world conjuncture of falling prices and ruthless competition.\(^{39}\) However, industrialists were not particularly interested in colonial raw materials, in view of the rapidly falling prices of these commodities on the world market.\(^{40}\) Commercial and financial interests sought monopolies in the fields of transport and credit and favoured an induced re-routing of all colonial trade through the metropolis, whatever its final destination.\(^{41}\) The comprador bourgeoisie saw in the colonies an opportunity to extend the field of its mediating functions for foreign capital.\(^{42}\) Lastly, the upper échelons of the state, army and church hierarchies viewed the colonies as a means of expanding career prospects.\(^{43}\)

This new interest in the colonies, coupled with the international rivalries sparked off by the ‘Scramble for Africa’, brought colonial affairs to the forefront of Portuguese public opinion for the first time during the nineteenth century, and created a temporary unanimity between the

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\(^{36}\) Sideri, *Trade*, p. 181.


\(^{41}\) H. de Paiva Couceiro, *Angola, dous annos de governo*, Lisbon 1910, p. 182.

\(^{42}\) Papagno, *Colonialismo*, pp. 141–50.

different factions in the bourgeoisie. Only a few socialist theoreticians and radical pessimists argued that the colonies were a burden and should be sold to the highest bidder in order to develop Portugal. Colonial propaganda even had some success in the emerging working-class, perhaps because they realized the extent to which jobs in the textile and other industries depended on colonial markets.

Paradoxically, the Portuguese bourgeoisie was almost certainly the most economically motivated of all the European bourgeoisies during the 'Scramble for Africa', in spite of the tenaciously held myths of 'uneconomic imperialism'. Whereas colonies could be considered an ideological or political luxury for the rich bourgeoisies, they were seen as a matter of life or death by their Portuguese poor relations. As a weak and insecure class, the Portuguese bourgeoisie was more in need of protectionism than any of its counterparts, and the 'Scramble for Africa' was essentially a part of the wave of protectionism against British manufactures, which swept across Europe in the late nineteenth century.

But in spite of this general unanimity over the broadest aspects of colonial policy, there remained an important cleavage between the comprador and the national groups within the bourgeoisie. The compradores, as representatives of foreign capital, were opposed to strict economic protectionism and were only interested in asserting Portuguese sovereignty over as large an area of Africa as possible in order to maximize their role as intermediaries. This internal struggle resulted in a kind of 'partition within the partition', with large areas of the colonies, especially in Mozambique, being handed over to foreign companies with very wide powers. Members of the comprador bourgeoisie then obtained highly paid positions on the boards of directors and could often hope to be granted titles by the Portuguese monarch.

Although Angola was in general terms reserved for Portuguese capital, both metropolitan and local, there were some exceptions. A French consortium, the Companhia de Mossamedes, received a vast concession along the southern frontier of Angola, and nearly managed to obtain a similar concession in Central Angola. However, the Companhia de Mossamedes failed to obtain the very wide powers of the chartered companies in Mozambique, notably the rights to levy customs duties, police the territory

44 Papagno, Colonialismo, pp. 94–140.
45 C. Oliveira, O socialismo em Portugal, 1850–1900, Oporto 1973, p. 162, on the success of republican propaganda, including colonial propaganda, on certain sectors of the working-class.
46 Munro, Africa, pp. 65–6; Capela, A burguesia, chapter 6.
47 Papagno, Colonialismo, pp. 141–51 and passim.
48 Archives du Ministère des Affaires Etrangères, Paris, nouvelle série, Portugal, 7, 1896–1907, Rouvier to Delcassé 22/4/1899. Mining and railway-building rights were sub-conceded to British companies linked to Cecil Rhodes.
and levy taxes on the indigenous inhabitants. Furthermore, it proved an almost total economic failure. The area of its concession was all arid and semi-arid, the gold mines of Cassinga turned out to be an illusion and all the railway-building plans of the company came to nothing.

More successful was the Benguela Railway Company, granted its concession in 1902 and controlled by Robert Williams’ Tanganyika Concessions. However, in its initial stages, the company was undercapitalized and ran into innumerable difficulties. By far the most expensive length of track to build was that climbing the coastal escarpment, and at that stage the company could count on practically no revenue. Although the railway finally reached Huambo in the densely-populated Central Highlands in 1910, it remained a line of very local importance until it was finally connected up to the Copperbelt in the 1930s. Nevertheless, Lobito Bay did develop as an island of foreign capital predominance, on lines reminiscent of Beira in Mozambique.

Most of Aigola was thus left to Portuguese capital, but as the urban bourgeoisie was still interested in markets rather than raw materials, very little was done to attempt a thorough mise-en-valeur of the colony. Production continued to be based on the slave-worked and foraging sectors, and the main interest of the metropolitan and local interests was in keeping trade flowing smoothly. Military expeditions were kept to the minimum needed to prove ‘effective occupation’ vis-à-vis foreign powers, and direct taxation of Africans was completely abolished between 1896 and 1907. The Portuguese were still interested in extracting commodities rather than labour-power from the pre-capitalist tributary societies of Angola.

However, the urban bourgeoisie did take significant steps in order to assure its protectionist interests, especially through the thorough-going tariff reforms of 1892. These tariffs created such high differentials between Portuguese and foreign imports to Angola that the latter were more or less driven out of large sectors of the import trade, especially in the case of textiles. From the point of view of exports, the 1892 tariffs also made it financially crippling not to send goods in Portuguese ships to the metropolis in order to be re-exported from there to their final destination. The compradores in Lisbon argued that these measures were in fact harmful to Portuguese interests, because they limited the overall volume of trade very

50 H. Forte, Compagnie de Mossamèdes, Sud-Angola, historique et situation actuelle de la société, Paris 1931.
52 Couceiro, Angola, p. 222 (tax) and passim.
53 Ibid., pp. 364–5 and 371.
The Portuguese in Angola greatly. This argument was enthusiastically taken up by foreign powers, but it is not certain that it was accurate. It should also be noted that international pressures maintained the whole of Angola north of the Lóge River outside these tariffs and in the Conventional Congo Basin tariff zone.

Certain metropolitan groups also received lucrative monopolies in the fields of banking and transport. The Banco Nacional Ultramarino, was the first of these and it expanded its activities considerably from the 1890s. The Empreza Nacional de Navegação was founded in 1880 and obtained first a monopoly of maritime transport and later government subsidies. In 1885 the Companhia dos Caminhos de Ferro Atravez d’Africa was established to build the Luanda railway. This last company obtained subsidies and concessions which resulted in the ludicrous policy of building a maximum of track and carrying a minimum of freight. Again, however, it should be stressed that the inefficiencies and sheer economic wastage which sometimes characterized these monopolies were at the same time a source of lucrative profits for the companies concerned.

More significant than the abstract economic rationality of such enterprises, or lack of it, was the fact that metropolitan capital was increasingly entering into conflict with local capital. The small locally financed textile industry of Moçamedes was destroyed by placing artificially high import tariffs on cotton thread. This industry had sold coarse cotton cloths in the Congo estuary area, together with dried fish, the staple product of the south. It is possible that similar small industries were affected in the same way by the new tariffs. At the same time, local trading interests in Angola constantly complained that expensive imports from the inefficient metropolitan industries, coupled with expensive services performed by the various monopolies noted above, were stifling commerce and diverting trade to other colonial territories.

Also underlying much of the rivalry between metropolitan and settler capital was the credit structure. Bankruptcies became frequent after the boom of the early 1870s, as commodity prices fell sharply on the world market. Labour supplies were also affected by the large-scale export of slaves to the cocoa plantations of São Tomé, which drove up prices of slaves, and by

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54 Papagn, Colonialismo, pp. 192–3.
55 Boletim Oficial, June 1918, Apenso 4, pp. 82–3.
56 [Banco Nacional Ultramarino], Bancos coloniais, pp. 116–27.
57 Couceiro, Angola, pp. 10, 113–17 and 373.
60 Arquivo Histórico Ultramarino, Lisbon, Correspondência dos Governadores Gerais de Angola, Segunda Repartição, Pasta 21, Governor General to Minister 28/9/1895.
various regulations aimed at concealing the de facto survival of slavery after its legal abolition in 1878. More and more mortgaged plantations fell into the hands of the Banco Nacional Ultramarino, which was bitterly denounced by the ruined settlers. However, the wealthiest settlers also enlarged their holdings as a result of this spate of bankruptcies.

That the export trade of Angola survived and even prospered during these slump years was due only to an ever increasing reliance on a single export commodity: wild rubber. The growing industrial utilization of rubber and the difficulties encountered in setting up plantations made the price of rubber evolve in a very untypical manner. Between 1886 and 1910, prices rose more than threefold on the Antwerp market. In 1895, 34 per cent of Angola's exports were already made up of rubber, and by 1910 this figure had risen to 77 per cent. In brief, the essence of the political economy of Portuguese colonialism in Angola during this period lay in the manipulation of tariffs to ensure that Portuguese rather than foreign manufactures, especially textiles, were employed to barter for the precious rubber.

The Republican Revolution of 1940 was a complex phenomenon, which is still generating much controversy, but two aspects of this movement were particularly relevant to the colonial process. On the one hand, the Republic was in part a reaction by the national fraction of the bourgeoisie and the urban petty bourgeoisie against what were seen as excessive concessions to foreign interests under the monarchy. On the other hand, the Republicans believed strongly in a more rational exploitation of the colonies in the interests of Portugal. But opinions as to how to develop the colonies were legion, and the Republic was affected by extreme political instability. Colonial policies were thus hesitant, confused and often contradictory, as each new minister or governor cancelled the measures taken by his predecessor. It was therefore left to the Salazarist dictatorship after 1926 to

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63 Arquivo Histórico Ultramarino, Primeira Repartição, Pasta 23, Governor General to Minister 26/1/1911; Viúva Bastos e Filhos, A derrocada, carta aberta ao Senhor Ministro das Colónias, Doutor Almeida Ribeiro, Lisbon 1913, pp. 16–17.

64 Ibid.; Arquivo Histórico de Angola, Luanda, Avulsos 41-92-1, Curador Geral to Minister 18/3/1905.


66 Boletim Oficial, June 1918, Apenso 4.

67 This is particularly clearly spelled out in F. Pimentel, Investigação comercial na província de Angola em 1902–1903, Oporto 1903.

68 Papagno, Colonialismo, pp. 141–50; Marques, História, pp. 209–10. This point needs a great deal more research and is hotly contested by D. Wheeler—see his Republican Portugal, a political history, 1910–1926, Madison 1978.

implement more consistent policies of colonial exploitation and protection of national interests.  

The crucial question of protection for Portuguese industry provides the clearest example of such confusion. There was a fierce debate between vested interests in Portugal, who wished to maintain differential protective tariffs, and local interests in Angola, who argued that a reduction of differentials would greatly stimulate the overall volume of trade and thus compensate metropolitan suppliers for any decrease in their share of the market.  

This latter policy was briefly implemented during the 1920s, with disastrous results for Portuguese exporters. During the World War, Portugal had supplied about 60 per cent of Angola’s imports by value, but by 1927, this figure had sunk to 23 per cent and was by no means compensated by the increased volume of trade.  

In effect, Portugal could not afford to pursue the confident policies of political and economic decentralization implemented by Britain in Southern Africa. 

Republican measures to ensure the predominance of metropolitan capital as against foreign capital were marked by the same contradictions. In 1923, the government abolished the charter of the Companhia de Mossamedes on technical grounds, although allowing it to continue as a limited ranching company in the south. In the same year, measures were taken to reinforce the ‘Portuguese character’ of foreign companies in Angola, which referred especially to the Benguela Railway Company.  

But at the same time, the Republic encouraged the growth of the DIAMANG diamond-mining consortium in north-eastern Angola. DIAMANG quickly became a kind of state within the state, ensuring its power vis-à-vis the colonial government by lending large sums of money to it.  

Foreign farmers were also encouraged to settle in Angola, as in the case of the German sisal planters.  

However, under the Republic, the balance between metropolitan and local capital generally moved in favour of the metropolis. The old colonial rum industry was suppressed, using the pretext of the international campaign against the consumption of alcohol by Africans. But Angola was simply made into a market for the metropolitan wine industry, which now specialized in an extremely alcoholic ‘colonial wine’ to replace rum.  

The resulting crisis in the plantation sector, which had in many areas turned to a virtual monoculture of sugar-cane for rum production since the 1890s, was a further spate of bankruptcies.  

The problems of local capitalists were
made far worse by the collapse of rubber prices in 1913.\(^7\) There was thus a further concentration of local capital and a further penetration of metropolitan capital into the plantation sector. However, the late 1910s and the 1920s were marked by the recovery in the prices of most tropical commodities, which sparked off an agricultural and commercial boom in Angola. As a result, the fortunes of some settler dynasties were restored, while new ones emerged.\(^7\)

The Republic’s labour policies also dealt a great blow at local settler interests. The old compromise solution on slavery was brought to an end, partly as a result of mounting international pressure over the Sao Tomé question, and partly in the interests of greater economic rationality.\(^8\) Slave labour was notoriously inefficient, because of the high level of supervision required and because it was impossible to reduce the labour force in times of slump.\(^8\) The settlers would thus have accepted the abolition of the *de facto* situation of slavery which still reigned in Angola, but only if they were paid adequate compensation. However, the Republican government was as unable or unwilling to pay compensation as its predecessors. The credit situation of the settlers thus foundered, as one of their chief capital resources was destroyed at one stroke. It is in this particular set of circumstances that one must place the fierce settler resistance to the Republic’s labour policies, and not in some ideological reactionary attachment to slavery as an institution.\(^8\)

In the place of slavery, the Republic generalized the forced labour policies which had been introduced in Mozambique in the 1890s. These policies were characterized mainly by the obligation placed on most Africans to seek wage labour on a recurrent basis. Forced labour in a strict sense was limited, in law, to labour on public works for the state.\(^8\) The implementation of this legislation was however dogged by the twin obstacles of settler opposition and low-paid corrupt local officials. In effect, employers now paid officials for the labour which they required.\(^8\)

But the Republic did not come down unequivocally on the side of an economy dominated by a wage-labour sector, and it also attempted to revive and develop an African peasantry. Angola was in this sense a

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\(^{7}\) Meyer, *Das portugiesische Kolonialreich*, p. 38.

\(^{7}\) Munro, *Africa*, pp. 135 and 148; for the career of the most successful of these settler capitalists, see *Grande Enciclopédia Portuguesa e Brasileira*, Lisbon and Rio de Janeiro, VII, p. 746.

\(^{8}\) Duffy, *A question*, chapter 8.


\(^{8}\) Arquivo Histórico Militar, Lisbon, Segunda Divisão, Segunda Secção, Pasta 19, 31, Relatório do chefe dos serviços de espionagem 31/3/1915.


typically transitional or mixed colonial economy, in which the capitalist sector was interested in extracting both labour and commodities from the pre-capitalist social formations. This in turn reflected the old dichotomy in the colonial nucleus between a commercial sector and a productive sector. Cotton-growing throughout Angola, cereal production in the central and southern regions and coffee production in the north were particularly marked by these ambiguities, with a plantation and peasant sector uneasily coexisting. Other products would be predominantly in the hands of planters, such as sugar and sisal, or in the hands of African peasants, such as palm oil and wax. 85

The more systematic extraction of labour and commodities demanded a much more general and firm control of African societies than had been needed in the old days of slaving and foraging for rubber. The Republic thus undertook the systematic military conquest of Angola, and imposed hut tax and labour obligations over the great majority of the territory. 86 The pre-capitalist tributary societies were now firmly integrated in a subordinate position within the colonial ensemble, instead of being loosely linked to the colonial nucleus by exchange mechanisms and occasional ‘punitive’ expeditions by colonial forces.

The new integration of African tributary societies under the hegemony of the colonial nucleus raised for the first time the problem of the establishment of a thorough-going and coherent ‘native policy’. The Portuguese Republic naturally turned to its French counterpart for enlightenment, for the French Republic had for long been the chief political model for the Portuguese Republicans. The break-down of large African political units into small chiefdoms, the division of the population into ‘natives’ and ‘civilized’, the provisions for the assimilation of the former into the latter group, the unitary concept of ‘national territory’, the recognition of African communal land-tenure and civil law, and the strongly anti-clerical attitudes towards missions were all based on the French model. These policies generally tended to strengthen the position of the colonial nucleus vis-à-vis the tributary societies, albeit under the stringent control of the metropolis. 87

The internal structure of the colonial nucleus in Angola was also greatly affected by Republican policies. The petty bourgeoisie in Portugal demanded colonial jobs as a payment for their services in the revolution, and this was made all the more urgent by the stagnant economic situation and the soaring rate of emigration. There thus occurred a veritable invasion of Angola by white functionaries, often occupying quite useless posts. 88

86 Wheeler and Pélissier, Angola, chapter 5.
87 See Matos, A província, pp. 230–75.
88 Teixeira, Angola, p. 263.
old African and mestiço 'creole' élite was swept aside to make way for the newcomers. The 'creoles' were relegated to a separate and inferior administrative division in the 1920s, and their anguished protests were ruthlessly suppressed by increased censorship and control of political organizations.89

Authoritarian tendencies in Portugal itself became increasingly evident after the first revolutionary euphoria had passed. The Republic was faced with the hostility of the conservative monarchies of Europe and then dragged into the holocaust of the First World War, in which Portugal lost much and gained nothing. Anti-clerical policies divided the country and mobilized the usually passive northern peasantry. After the brief post-war boom, the economy was affected by hyper-inflation, economic stagnation, labour unrest and massive emigration. It was thus not entirely surprising that the national bourgeoisie rapidly became disillusioned with the Republic and turned to the authoritarian and corporatist solutions of Salazar's 'Estado Novo' after the military coup of 1926.90

For Angola, this entailed a particularly thorough version of imperial autarchy or colonial pact, especially in the context of the Great Depression and its aftermath. The tariff system gave a very high level of protection to Portuguese industries and forced colonial raw materials to come to Lisbon, even if they were to be re-exported. Public and private metropolitan investment more or less dried up, and scarce foreign capital was discouraged by stricter controls and regulations. In the absence of capital, and in a political climate of totalitarianism, production in the capitalist sector in Angola came to rely on a particularly harsh form of forced labour. It was not until the liberation struggle in the 1960s that foreign capital was once more encouraged and repressive labour legislation was relaxed.91

89 Wheeler and Pélissier, Angola, pp. 120-8.
90 Marques, História, chapters on Republic and 'Estado Novo'.