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22 December 1961

MEMORANDUM FOR: Chief, International Organizations
Division

SUBJECT: The Political Outlook in Portugal

1. Attached is a short paper on the Portuguese political situation, responding to the request you made on 11 December in connection with the impending expiration of Radio Free Europe's license to operate in Portugal.

2. In brief, we feel that the Salazar regime is likely to remain in control, at least for the next year or so, and has even been temporarily strengthened at home by the Goa crisis. The shock of Goa's loss, however, has produced strong resentment against Portugal's allies and an atmosphere in which any US requests for concessions will probably encounter very rough going.

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- Dist: Orig and 1 - Addressee
- 1 - AD/CI
 - 1 - SIDO
 - 1 - CD/West
 - 1 - CA/FWJ
 - 1 - F-11 FIE
 - 2 - extras

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State Dept. review completed

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THE POLITICAL OUTLOOK IN PORTUGAL

The Salazar regime in Portugal, despite the loss of Goa, seems likely to remain in control at least for the next year or so and has even been strengthened domestically by the rallying of public support on patriotic grounds. The emotional shock of the loss has resulted in what one observer described as a quiet bitterness--directed in part toward Portugal's allies--markedly different from earlier resentment over Angola. In such an atmosphere, US requests to Lisbon for an extension of past concessions are likely to encounter very rough going, even though their objectives are consonant with Portugal's policy and serve that nation's defense interests directly.

Over the past four years, opposition to Salazar has become more evident, and some regime supporters have sought to oust the 72-year-old premier on the grounds he has outlived his usefulness; but the armed forces and the secret police (PIDE)--the regime's main prop--remain basically loyal. More important, there seems to be no one opponent who could command the allegiance of the military in effecting a coup or could effectively rally the fragmented democratic opposition.

However, new outbreaks in Angola or the initiation of hostilities in Mozambique or Guinea would sap the regime's strength and prestige. If prolonged hostilities seem in prospect in Portuguese Africa, pressure for Salazar's resignation might win sufficient support from influential civilians within the regime to bring about a change. In such a situation, however, Salazar's replacement would be unlikely to alter the regime's foreign or domestic policies substantially.

Goa is in a different category from the African provinces both economically and psychologically. It made little contribution to the national economy. Moreover, while some Portuguese feel the regime's policies have been partly to blame for the present situation in Angola, there appears to be almost no feeling of guilt over the Portuguese record in Goa.

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[REDACTED] An Indonesian move to take over Timor would probably further consolidate support for Salazar.

Domestic opposition to Salazar--besides that of the small, clandestine, but tightly organized Communist party--comes from two principal sources. One comprises the various democratic groups of Republican, Socialist, Catholic, and Monarchist sympathies, which desire a constitutional form of government and a program of political and socio-economic reform ranging from moderate to radical. These groups, which have no legal basis for existence and are repressed by the police, backed General Humberto Delgado in his unsuccessful campaign for the presidency in 1958, but have since found no leader of stature.

Another source of opposition is the Revolutionary Directorate for Iberian Liberation (DRIL), made up largely of exiles based in Latin America and dedicated to a campaign of terrorism and sabotage in both Portugal and Spain. Through ex-Captain Henrique Galvao, it participated in the hijacking of the Santa Maria a year ago. Its membership, however, is said to be wracked by dissension, and a former working relationship between Galvao and Delgado has apparently ceased.

Portuguese security forces have shown themselves capable of repressing the democratic opposition and of blocking the terroristic plans of the DRIL. Indeed their task has been made easier by the former's repugnance for the DRIL's methods for achieving a change of regime. Less certain would be the PIDE's ability to prevent a determined move by high-ranking military officers, based on substantial and fairly wide support from below, to oust Salazar. Such a move, however, is not likely to be made unless the armed forces are confronted with a hopeless military situation in the African provinces. The increasing drain on manpower and the financial strains imposed by military expenditures and economic losses in these provinces might then enable these officers to secure sufficient support from the army for a successful coup. Support of the democratic opposition could perhaps be secured by promises of more political liberty and some liberalization of economic policy.

Lisbon's attitude toward the US has become increasingly bitter in the past year because of the American position in the UN on the issue of colonialism; Portugal also regards its NATO partners as unreliable allies on this issue. High-ranking Portuguese officials have repeatedly indicated in the past that the security of Portugal's African holdings has precedence over its NATO ties.

The onset of the Goa crisis greatly increased the government's tendency to demand support from its NATO partners as the price of continuing in the alliance. On 15 December 1961, when Goa had not yet been invaded, Foreign Minister Franco Nogueira told Secretary Rusk there could be a fundamental change in Portugal's foreign policy if the Indian enclave were lost. During the crisis, Portuguese officials made bitter remarks to US representatives to the effect that Communist powers at least supported their satellites against attacks; although such remarks do not indicate any intention of actually reversing alliances, they do reflect the government's emotional state at the moment and suggest that it will be uncooperative in relations with the United States at least for the immediate future.