1. We have reported by telegram the salient events of the uprising in the Armed Forces which on 25 April swept away with astonishing rapidity Dr Caetano's regime and 45 years of government by stultification. It is too early to give a comprehensive review of these events, their cause and results. For one thing I would not wish to duplicate the full reports which have no doubt appeared in the British press (but which we have not yet seen); for another, the events have by no means run their full course. It seemed worth attempting however to give you as balanced an assessment as we can at this stage of what has been achieved.

2. After the ineptitude of the isolated mutiny at Caldas da Rainha in March, the professionalism and efficiency of the successful coup came as a complete surprise. The Armed Forces won a virtually bloodless victory in a very short space of time. This indicates a degree of thoroughness in the preparation which is quite untypical of the Portuguese scene. But an equally important factor was the hollowness of the previous regime's pretensions. They were at loggerheads with almost every sector of the population: with the Armed Forces over the dismissal of Spinola and Costa Gomes; with big business over spiralling labour costs; with the Church over missionary agitation in Mozambique; with the man in the street because of the high cost of bacalhau and inflation in general. Consequently when the crunch came virtually no-one was willing to stand up and be counted on their side. The old regime, which had seemed from the confident pronouncements of its heavily controlled press all too likely to last forever, collapsed like a house of cards at the first well co-ordinated putsch.

3. The Junta of National Salvation have banished Dr Caetano and all his works as effectively as the summer sun disperses the early morning mist, but they have yet to contend with the forces which they have unleashed. The abolition of the censorship and the secret police, the release of political prisoners, the return of prominent exiles such as Mario Soares, the possibility ..
possibility of political life outside the orthodoxy of the ANP (also now abolished) have all created an unprecedented ferment and it is not clear where this may lead. The Portuguese have never been so animated as in the last few days, and while the general feeling is one of liberation, there is also an undercurrent which is more sinister. One of the last acts of the previous regime was as a precautionary measure to lock up prominent members of the extreme left, who were it was alleged plotting an uprising of their own for 1 May. To judge from the number of hammers and sickles daubed on the walls of the town and some of the manifestos now being distributed they are still plotting to that end. The Junta has declared 1 May an obligatory public holiday, and so far has shown no sign of wishing to ban the planned demonstrations. But it may find in them its own moment of truth: more troops have already been brought into the capital, and appeals for calm and criticism of "undignified incidents" have already appeared in the press. Although the clean break with the practice of the past which the Junta announced in its first declaration of policy (Lisbon telegram No 106) was undoubtedly sound, the Junta will probably find itself obliged to impose a measure of restraint if the situation is not to get out of hand.

4. Politically once the present euphoria dies down the new Regime faces a number of difficult and pressing problems. First and foremost is of course Africa, which indeed brought them to power. It is one thing to declare that the wars should be brought to an end, and another to devise acceptable ways of doing so. General Spinola’s book, and his conduct of affairs in Guinea when Governor, suggest that he would be prepared to go quite a long way towards internal self-government in the African territories, but he has to devise means to sell this solution to the "liberation movements" who have declared they want complete independence, and to the whites in Angola and Mozambique at least who will be reluctant to concede more than they have to to the black majority. Yet if there is no progress on this front the young and middle-ranking officers who supported the coup so enthusiastically will become disillusioned.

5. Secondly, there is the tricky question of how an authoritarian army is to hold the ring in a potentially anarchic situation where no one has experience of the restraints of ordinary democratic political life, and most of the politically active elements were forced by the policies of the previous regime to seek their expression in underground proscribed organisation whose raison d’être was (and is) conspiracy and violence. Thirdly, the Junta has declared that trade union activity may be resumed freely. Whatever other effects this may have it is bound to result in the short term in a further bout of wage inflation, as wages have hitherto been artificially depressed. Although there is some slack to be taken up as too much liquidity has recently been available, it will be difficult for the Junta to avoid aggravating the inflation by increasing the money supply to accommodate the higher wages, or alternatively if its advisers belong to the neoclassical school of monetary theory, creating a liquidity crisis, which will lead to bankruptcies, a collapse of business confidence and widespread unemployment. Either extreme looks bleak, and the middle track hard to find. Yet it must be found if the
economic promises of the Junta are to be made good, and the ambition of General Spinola to make Portugal an integral part of a prosperous Western Europe fulfilled.

5. On the military front, so far as we can tell the Army is solidly on the side of the Junta. The General officers who took the oath of allegiance to the old regime on 13 March command very little following among the rank and file, and have prudently gone to ground, or been removed by the Junta. The Navy too have now sought respectability by wholehearted support for the new regime, and as you will have seen from the Naval Attaché’s account of the role of the frigate Gago Coutinho on 25 April, only the brass hats supported the old order. About the Air Force there is less certainty. The paratroopers (an A.F. regiment) are entrusted with important guard duties now, but played no part in the uprising. As for the maintenance of public order referred to above, the Army has so far done well. It has fraternised with the people when appropriate, but when ugly scenes have developed it has maintained discipline and acted to prevent the worst excesses of mob violence. Psychologically its tactics are skilful. When for example an angry crowd attacked the offices of the extreme right wing newspaper Época the soldiers allowed the mob to overturn cars and smash windows, before they moved in to protect the individuals. The Army itself avoided becoming the focus of the mob’s anger, and tensions were relieved without loss of life and with only modest damage to property. Whether these tactics will work on May Day, when at least some of those demonstrating will be aiming to provoke the Army, remains, at the time of writing, to be seen.

Yours sincerely

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The excitement is confusing.