

Post-war Settlement (Portugal)

By [Filipe Ribeiro de Meneses](#)

Two factors made it especially important for Portugal's interventionists not only to seize control of the Paris Peace Conference negotiations, but also to emerge victorious from the conference. The first was the nature of the Portuguese intervention in the First World War. The second was the reputational damage endured by the country's young republican regime as a result of its army's poor performance on the battlefield and Sidónio Pais' 'New Republic'. It was both expected that the Allies would force Germany to pay for their military expenses and also hoped that Portugal might receive a share of Germany's colonies and battle fleet – but in vain. Portugal's ill-fated campaign for the reparation of wartime damages would continue until 1933.

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Introduction

The Portuguese participation in the [Paris peace talks](#) – before and after the signing of the [Versailles Treaty](#) – was the fitting continuation of the country's participation in the war. As a result of domestic political upheaval, there were two distinct delegations to the talks, with very little continuity between them. This corresponded to the two distinct phases of belligerence, the Sacred Union and the 'New Republic' periods. Their focus and ambitions were different, but ultimately the two delegations' members were pitted against forces much greater than any Portugal could muster. Their efforts, too, were fatally undermined by the country's poor performance on the European and African battlefields. Ex-premier [Afonso Costa \(1871-1937\)](#) emerged as the leading Portuguese figure at the conference, surrounded by his closest wartime collaborators – [Norton de Matos \(1867-1955\)](#), [Augusto Soares \(1873-1954\)](#), and [João Chagas \(1863-1925\)](#).

But even this experienced team of committed interventionists and seasoned diplomats found it impossible to do much more than preserve that with which [Portugal](#) had entered the war. All dreams that the conference resolve the country's most pressing problems had to be set aside. As with many other aspects of the Republic's history, José Medeiros Ferreira made an initial foray into the study of Portugal's participation in the Peace Conference;^[1] his study, however, concludes with the signing of the peace treaties, whereas the negotiations continued for a long time thereafter.

The End of the "New Republic"

The Armistice

When the armistice was signed on 11 November 1918, Mozambique was beginning to recover from the prolonged presence of Paul von Lettow-Vorbeck's (1870-1964) forces. These troops had been active in the colony since the previous year, while, on the [Western Front](#), a few Portuguese units were returning to the front lines. A few committed interventionist officers had reassembled these scattered remnants of the Portuguese Expeditionary Corps (CEP), albeit in the face of considerable resistance from most soldiers. In Portugal itself, an increasingly embattled President [Sidónio Pais \(1872-1918\)](#) was running out of time, space, and collaborators. Most experienced commentators, Portuguese and foreign, did not see how he and his "New Republic", created in December 1917, could survive politically now that the war, and the special circumstances it had created, had come to an end.

It fell to Sidónio Pais, nevertheless, to organize Portugal's delegation to the Paris peace talks, whose leadership he entrusted to [Egas Moniz \(1874-1955\)](#), a renowned physician and future Nobel laureate

who had become one of Pais' principal political supporters. The minutes of a preparatory meeting, chaired by Pais, are most revealing. They show a desire to continue Pais' foreign policy that began with his assumption of power – in other words, to adhere as closely as possible to Britain's position in order to guarantee the preservation of the country's colonial empire. As the president put it:

The line to follow will be to present ourselves modestly, without making great demands, underscoring that we want neither to increase nor to exchange our territory; as far as compensation is concerned, we will gather the necessary elements of appraisal, in order to present our claims, in accordance with the line that might be adopted in the conference, defending the principle of fair compensation in order to cover our losses and wartime expenses. We will adhere to the policy of the English alliance, following the rights of the small nations.^[2]

There was no expectation that any good could come from Paris; the emphasis was on preventing a negative outcome. Pais reprimanded Moniz after he met British Foreign Secretary Arthur James Balfour (1848-1930) in London on the eve of the conference and spoke of Portugal's desire to increase African territory at the expense of German East Africa as an objective for the conference. This was one of the president's last actions; days later he was murdered at the Rossio train station in Lisbon. Moniz was still in London when the news reached him.

Portugal after Sidónio Pais

Without Pais, the "New Republic" was doomed. The only question was what would follow it and how the country's new political masters, whoever they might be, would view the peace conference (if indeed they had any view on the matter). For the moment, the delegation was operating in a complete political vacuum. Having successfully resisted an attempt to restrict the Portuguese representation at the conference to a single delegate, Moniz and his colleagues then settled down to implement the late president's wishes, restated by Pais' successor, Admiral João do Canto e Castro (1862-1934). Every day brought news of fresh complications in Portugal, where monarchist leader Henrique de Paiva Couceiro (1861-1944) launched an insurrection, based in Oporto. This became known as the "Northern Monarchy". "Old" and "new" republicans joined hands to overcome the monarchist threat, which they eventually did – but the more powerful "old" republicans quickly gained the upper hand against their leaderless rivals, and began to drive Pais' supporters out of power.

It was only a matter of time before the delegation in Paris was targeted, but in the meantime its members found their feet and did their best. They were elected to a number of commissions, including the League of Nations; Ports, Rail, and Maritime Communications; Reparations; and, later, the Financial Commission. They began to argue the case for financial compensation for military expenses and damages suffered, the retention of the "Kionga Triangle", and the attribution of part of the German battle fleet. All the while they coordinated their actions closely with the British delegation, whose protection from South Africa's expansionist designs was especially desired.

Under the Leadership of Afonso Costa

Change of Leadership

The feared attack on the initial delegation, when it finally came, was delivered by the exiled republican wartime leadership, headed by Afonso Costa. Costa, prime minister in 1913, 1915-16 and 1917, had been arrested in Oporto on Pais' orders and detained for over two months without charge at a military installation in Elvas, near the Spanish border. In the meantime, a hostile press ransacked his house and poured over his financial arrangements. After his release, Costa headed for Paris, where he resumed his life as a lawyer, awaiting the end of the conflict and the "New Republic" in order to return to political life.^[3] In Paris, Costa enjoyed good relations with France's political leadership and the press, something Moniz quickly noticed upon his arrival from London. With the "New Republic" only a memory, Costa prevailed on the "old" republicans back in power to hand over the reins of the peace conference delegation to him. Moniz, despite a rearguard action, was removed from his position. Costa then pushed most of Moniz' collaborators out of the delegation, replacing them with his trusted war team.

A New Approach

As far as Costa and his collaborators were concerned, Moniz had set his sights too low. No doubt, they believed, because of the "New Republic's" tainted interventionist credentials. As the Portuguese leader most closely identified with Portugal's war effort, Costa, who held no office in Portugal, expected to be treated differently in Paris, and accordingly raised the stakes. A clear diplomatic victory in the French capital, leading to tangible gains, would serve to retroactively justify the decision to intervene in the war and the sacrifices made, and might very well serve to re-launch Costa's political career. A new generation had seized control of his Democratic party over the course of 1918 and had failed to consult him on tactical moves against Pais. Costa had to wow them – and the rest of the country – with a success.

Costa's absolute indifference to the great issues of the conference was remarkable. The League of Nations, the notion of collective security, generalized disarmament, the real state of the German economy and its ability to compensate the Allies for wrongs done during the conflict – all of these meant little or nothing to the Portuguese delegation, whose revanchist attitude seemed to know few bounds. For them, the "Wilsonian moment" identified by Erez Manela did not exist. One area in which Costa immediately sought a more prominent role was the colonial sphere. While Moniz had assured President Canto e Castro in his final Paris cables that the colonies were safe, Costa dramatized the situation, warning that South African claims on Mozambique amounted to a "terrible danger, which of its own would justify our participation in the war."^[4] This allowed Costa to begin to dictate colonial policy to the government in Lisbon, demanding a reform of administrative arrangements that would see governors replaced by more powerful and independent high commissioners.^[5]

Alongside this heightening of tension, moreover, Costa began to lay down a marker for a mandate over a German colony: Portugal should receive a mandate if one was attributed to Belgium, a

similarly sized power with less important colonial holdings. [Alfred Milner \(1854-1925\)](#), whom Costa met on 21 March 1919, was not impressed by the suggestion. He replied that Portugal already possessed sufficient territory and inquired if Portugal was trying to uncover why so many of its natives in Mozambique had helped the German army during the war – a question few in Portugal were willing to face.^[6]

The Treaty is announced

Costa also presented other new demands through his contact with other delegations. One was a seat on the proposed Executive Council of the League of Nations. This, he claimed, would be a fair recognition of the altruistic nature of Portugal's intervention, born of a desire not for territory, but rather for the rights of all nations, great and small. Another was preferential treatment when it came to reparations payments, again because of moral considerations, but also because it was the Great Powers' duty to ensure that small nations ruined by the conflict would survive it. Another demand still was the town of Olivença, seized by [Spain](#) in 1801 and never returned.

In addition to these causes, Costa insisted, following instructions, on the need to secure part of the German fleet. But nothing came of his repeated contacts with the other delegations. The weeks and months that followed would bring repeated blows to Costa. The first was that military expenses would not be included in the reparation settlement to be imposed on Germany, whose payment would be prolonged until 1930, or later. Portugal would neither be included in the Inter-Allied Commission established to determine the full extent of reparations nor receive any of the 20 billion gold marks to be paid immediately by Berlin. This news, received on 23 April 1919, was a shock, but worst was to follow; at the 28 April 1919 plenary session of the conference, it was announced that neutral Spain – and not belligerent Portugal – would receive a seat at the League's Executive Council. This development fatally undermined one of the planks of the interventionist position which Costa, more than anyone else in Portugal, represented: that of the post-war resurgence of Portugal as a power respected by the whole world. Costa, aware of the dismay expressed by the Portuguese press, then played to the gallery at the 6 May 1919 plenary session of the conference, when the full treaty was finally read out. Costa described the terms to be presented to Germany as an insult to Portugal and the other small countries represented in Paris. The 80 million pounds sterling spent fighting the war were now to be lost to the Portuguese economy; the country was facing bankruptcy. Costa asked the representatives of the Great Powers:

You say that Germany has no more money. And because you say that she has no more money, what lesson will be learned in the wake of the greatest crime ever committed since Humanity began? Will it be that in 1919, a country that committed four years' worth of crimes was not forced to pay even for the expenses of the monstrous conflict it provoked?^[7]

The matter of Spain and the League's Executive Council was not ignored either:

Let us compare the small nations which threw themselves into the fire to defend the rule

of Law and those that remained neutral. The Treaty ruins the former, and gives the latter both the advantage of profiting from the wealth amassed while others were sacrificing themselves and the honour of being a part of the first government of the League of Nations [...] I request that my country, which sent its soldiers to France, be at the very treated like those countries that sent only their travelling salesmen.^[8]

Playing the nationalist card in this manner paid some political dividends. At the very least, it gave the Portuguese press something to cheer about in what was, after all, a sombre moment. But these powerful words, and the written complaints submitted to the Conference, could not disguise the fact that Portugal had been defeated.

After the Treaty

The Struggle for Ratification and the Question of Mandates

Afonso Costa was nothing if not persistent. By wrapping himself in the national colours to attack the treaty, he had bought himself time and domestic support. He understood as well that with the reparations question still open, there remained a possibility of overturning, in part, the poor impression made by the treaty's announcement. If anything, then, his work rate increased in the months that followed. One issue that consumed much of his time and effort was the ratification of the treaty by the parliament in Lisbon, a necessary part of being heard in Paris. This did not prove easy, so intense was the political turbulence at home, where the fight for power was more absorbing than the words of caution arriving from Paris. Every time that it seemed that the debate was set to begin on the issue, the government of the day would fall. Talk of ratifying the treaty also galvanized the old opponents of Portugal's intervention in the conflict, who unearthed their demands for a Portuguese White Book that would make clear why the country had gone to war in the first place.

By March 1920, in order to put pressure on the government of the day, Costa began to release members of his delegation, alleging there was no need for them to remain in Paris in such circumstances. His gamble worked; before the month was out, and after a very short debate, the Versailles Treaty was ratified in Lisbon. The way was now clear to attack the financial settlement. By then, another issue had been resolved: in September 1919, Portugal's claim to the disputed territory of Kionga, which its army had occupied in 1916, was upheld. Portugal was not, however, awarded any mandates. For Costa, who had staked a claim to a mandate for his country should Belgium receive such a territory, this should have been another defeat, since the conference had awarded Belgium Rwanda and Burundi. But in a long letter to Foreign Minister Melo Barreto (1873-1935), written two days later, Costa retroactively moved the goalposts and claimed a great victory, since Kionga had not been granted to Portugal as a mandate, which would have been "a total humiliation for Portugal." This had been avoided thanks to the delegation's tireless efforts. A friendly press in Lisbon agreed that a great victory had been achieved. *O Mundo*, the Democrats' mouthpiece, claimed, incredibly, that 'the fact of Kionga's recovery is sufficient of itself to justify our intervention in the war, where Portuguese virtues were so eloquently demonstrated'.^[9]

Reparations: Unlimited Ambition

Afonso Costa's plans to recover as much money as possible for Portugal rested on two planks. The first was the Reparations Commission and its works. Costa hoped to exploit its conclusions to the full, for which he regularly requested information from Lisbon regarding the total cost of the war in all of its aspects. The second was the little-known paragraph 4 of the Annex to Article 298, which he had helped to steer through the conference. It stated that:

All property, rights and interests of German nationals within the territory of any Allied or Associated Power and the net proceeds of their sale, liquidation or other dealing therewith may be charged by that Allied or Associated Power [...] with payment of claims growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and before that Allied or Associated Power entered into the war. The amount of such claims may be assessed by an arbitrator appointed by Mr Gustave Ador [the Swiss President], if he is willing [...]^[10]

This provision meant that Portugal could bill Germany for the losses incurred as a result of German incursions into Portuguese colonies before the two countries were officially at war. Given that one such incursion, in December 1914, led to the virtual collapse of Portuguese authority in southern Angola, the sky was the limit when it came to compensation. The colonies were also used to maximize Portugal's claim to the reparations bill; in May 1920, a Portuguese memoir estimated that 273,547 people had died in Portuguese colonies as a result of German actions there. At the conference's going rate of 5,000 dollars per civilian killed, this meant that Portugal was owed, on that score alone, some 287 million pounds sterling.

All told, according to this document, Portugal's reparation bill came to 432 million pounds sterling, a truly staggering total, in addition to which there would be the claims made under Article 298. Manuel Teixeira Gomes (1860-1941), Portugal's minister in London, sent the document to Sir Eyre Crowe (1864-1925), a British diplomat generally well disposed towards Portugal. Gomes, turning logic on its head, pointed out that "One can now begin to understand (because, unfortunately, it is only in figures that we can trust) that the part played by my country in the losses suffered during the war is far from insignificant."^[11] The Allies, as can be imagined, were appalled.

Reparations: The Reality

The Spa Conference, held in July 1920, decided on the share of reparations that each Allied country should receive. Speaking to journalists, Costa announced that Portugal was entitled to 8 percent of these reparations but that, in a spirit of compromise, he was willing to accept 2.5 percent. In the event, Portugal was awarded 0.75 percent, and even then Costa claimed a victory, since Portugal's total, equal to that of Japan, was its alone: Portugal had not been lumped with the Central and Eastern European states, awarded 6.5 percent of the reparations and told to negotiate their individual share among themselves. In addition, it had been decided that Portugal could keep all of the intact ships seized from Germany in 1916. On 21 April 1921, when the final reparations bill was

established, Portugal's percentage entitled it to 50 million pounds sterling, very little of which ever materialized. As for Article 298, Swiss mediation took place and resulted, in 1930, in an award to Portugal of 48.2 million gold marks. However, German appeals, based on the provisions of the Young Plan, resulted in a victory to Germany. By then [Adolf Hitler \(1889-1945\)](#) and [António de Oliveira Salazar \(1889-1970\)](#) were the two countries' heads of government.

Conclusion

Afonso Costa, the most prominent politician in Portugal from October 1910 to December 1917, was both his country's leading interventionist and the leader of its delegation at the Paris Peace Conference (from March 1919 onwards). Costa had hoped that an important triumph at the conference might provide a justification for the interventionist campaign, tainted by Portugal's difficult war experience, which had led, among other results, to the violent overthrow of his government at the hands of Sidónio Pais. The Paris Peace Conference, however, yielded few results for Portugal, notably on the financial front. Instead, it generated some real setbacks, such as the place of honour reserved for [neutral Spain](#) at the League of Nations' Executive Council, a place which Costa coveted and for which he had actively campaigned. Costa's political career was essentially finished – he would never lead a government again, despite some attempts – and the conviction that intervention in the conflict had been a mistake continued to grow.

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Notes

1. ↑ Ferreira, José Medeiros: *Portugal na Conferência da Paz*. Paris 1919, Lisbon 1992.
2. ↑ Arquivo Histórico Diplomático (AHD), Lisbon, L 591-A, Sala, minutes of meeting of 27 November 1918. The minutes of all the meetings of the Portuguese delegations to the Peace Conference have been published: See Cruz, Ivo Duarte (ed.): *Estratégia Portuguesa na Conferência da Paz*. As Actas da Delegação Portuguesa, Lisbon 2009.
3. ↑ On Costa's life and career, see Meneses, Filipe Ribeiro de: *Afonso Costa*. Portugal, London 2010.
4. ↑ AHD, Third Floor, A9, M6B, Telegram, Paris, 20 March 1919, Afonso Costa to the Minister of Foreign Affairs.
5. ↑ AHD, Third Floor, A9, M6B, Telegram, Paris, 26 April 1919, Afonso Costa to the Minister of Foreign Affairs.
6. ↑ Meneses, Afonso Costa 2010, p. 96. On Portugal's difficulties in Mozambique during the First World War, see Pélissier, René: *Naissance du Mozambique*. Résistance et Révoltes Anticoloniales (1854-1918), Orgeval 1984.

7. ↑ AHD A6 M20, Discurso do Dr Afonso Costa na Sessão Plenária das Preliminares da Paz de 6 de Maio de 1919.
8. ↑ Ibid.
9. ↑ *O Mundo*, Lisbon, 27 September 1919.
10. ↑ Treaty of Versailles, 28 June 1919, online: <http://avalon.law.yale.edu/imt/partx.asp> (retrieved 21 October 2014).
11. ↑ AHD, Third Floor, A11, M20, letter, Paris, 24 May 1920, Teixeira Gomes to Sir Eyre Crowe.

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