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## Interview: José Veiga Simão

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# Fight communism with development

*Mr. Veiga Simão, Portugal's Minister of Industry and Energy, gave EIR this interview on March 18. Text excerpted.*

**EIR:** Can you tell us what the situation, the background, and the perspectives of Portuguese industry are?

**Veiga Simão:** For a long time Portugal, under Dr. Salazar, had a policy of protectionism, and industrial development was centered on the domestic market. That was the strategy. It lasted a long time. In the 1960s, however, Portugal decided to go ahead with a new policy. Very unfortunately, all the industries that got started then—heavy industries, naval construction, petrochemicals—came at the wrong time. If they had been developed 20 years before that, they could have given a more solid basis to Portuguese development. But since they came too late, with the competition of the other countries and also the first energy shock, all those companies—like our petrochemical industry, our chemical industry, which are public companies, and were developed based on petroleum—were built at the wrong time, not on our own capital but with dollar loans. As a result, we have quite a number of investments which cannot pay for themselves. Some of them will have to be closed, or at least taken over by the state.

Portugal's development came at the wrong time, and its technological aspects were subject to a protected market and were oriented to the African markets, the newly independent nations, always with state protection. Competitiveness and modernization were not important factors. If you look at the industrial structure here, a great part of industry is technologically obsolete. The big effort must be to acquire progressive technological autonomy, in the knowledge, of course, that full autonomy is impossible.

Where are the fundamental points to be tackled? I have developed a Technological Plan for the various industries. An industrial policy is difficult to develop for many years ahead. It is, however, possible to define the guidelines and have a philosophy for a new type of development.

I believe that heavy industry has no future in Portugal. It is necessary to restructure some of it here, not to expand it. We have a steel mill, the government is now discussing whether we should close the production unit and leave only transformation, or if we should modernize it. Look at heavy

mechanical engineering: There are quite some units which we are trying to restructure so that some be closed, some modernized. The future is more light industry, small and medium-sized industry, with products of high quality rather than mass production.

**EIR:** The situation in the United States is schizophrenic: on the one hand, a "McDonald, Burger King" recovery, the largest employers—that's not high technology. On the other hand, the U.S. moves fast forward with the Strategic Defense Initiative investment. This is a new industrial revolution: lasers, plasmas, fusion, space, etc. So, on the one hand, the fakery of a debt bubble, on the other hand, industrial revolution. This brings us to this: What will America's allies do now?

**Veiga Simão:** These are two problems. You say that new processes, new technologies can be developed which permit us to produce much better those goods which we need if we are to be expanding and developing, especially the Third World. Those processes and products are essential.

How are we going to participate in the development of the Third World? These countries cannot do it by themselves at present. It is therefore necessary to have a new policy, in which Europe could exercise a degree of leadership. The Portuguese, the Spaniards, the French, the British and even the Germans, have more experience in terms of especially Africa. All those countries are now in economic difficulties, and they cannot afford to participate in Third World development, they say in discussions of the matter. They are short of funds to help the development of Africa, Latin America. How can this be changed without the United States?

The problem is that at the moment, I believe that in Europe, for years, there has not been a lobby capable of dealing with the U.S.A., giving force to new ideas, new relations with the United States. You say that Mrs. Thatcher is wavering. France, you say, is not secure. In Germany, they have a better defined position vis-à-vis the United States. Then there are the small countries. If we do not organize and explain a new philosophy of relations that can gain force within Europe, the possibility of having a good effect is very small.

Next, another idea for Euro-American relations: After years of decolonization of Africa, I believe that Africans are fed up with the Russians. There is a vacuum, but nothing is being done there.

**EIR:** Then your policy is to tell President Reagan: We can regain Africa for the West, but we need the means!

**Veiga Simão:** Can President Reagan be convinced of this, he can be convinced to help wars against communism, but can he be convinced to help development against communism? When I went to the United States with Mário Soares, Reagan told us that the policies of the IMF are correct, the World Bank's policies are too permissive.