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## ***Interview: Industrial chief Eugenio Marín***

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# **‘Spain needs technology and credit for economic growth’**

*Eugenio Marín, the head of the Energy Commission of the Spanish Employers Association (CEOE), granted this interview to the EIR on June 15 in Madrid.*

**EIR:** What are the main problems of your economy?

**Marín:** These are the same problems as those of the world economy and of the developed countries, in which we are included, and this of course should be qualified with an aspect peculiar to Spain, that of our political transition [since the 1975 death of Generalissimo Franco—ed.]. We are suffering from the paralysis caused by the collapse of the growth model which had prevailed after World War II. At a certain point, as a result of energy becoming more expensive, we found ourselves confronted with two fundamentally differing viewpoints: that of those who believe that we should return to zero growth and to previous eras, through policies which I would describe as Malthusian; and that of those who think we should look for a new technological model, to go forward and enter a second development phase.

Furthermore, we in Spain have had to recreate the whole concept of the state. Traditionally, we have not been a centralized country. We were practically a confederation up to the time of the advent of the Bourbons. We then became a totally centralized country, a model imported by the Bourbons from France. We then went somehow back to the original situation, to a type of decentralized, quasi-federal state. This has meant brutal changes in our structures, and all this has compounded the crisis. Unfortunately, our country is rather unbalanced economically; the North and Catalonia are very well-positioned, but zones like Andalusia are really underdeveloped. Our problem is to work out a coherent policy for all this.

**EIR:** Where is the present tendency to federalism going?

**Marín:** Well, I think that the model of a totally centralized state is not the one which prevails in the world at this moment, as people tend to think that the way to solve a problem is nearest to where the problem arises. I think this new federalism could be a good thing. However, in Spain this has to be qualified by something else, which is that each [more prosperous] region cannot solve the

problems of all the others, since we have an economy which is abnormally disparate. Yet Catalonia cannot wash its hands of the problems of Andalusia. So with this nuance of inter-regional solidarity, I think that federalism for Spain is a good idea.

**EIR:** The high interest-rate policy of the U.S. Federal Reserve is obviously creating a lot of problems for the world economy. What would you like to say about this?

**Marín:** Well, this is obviously one of the reasons for the interest-rate problem in the world. They say this is a transitional phase towards a second phase: once inflation is crushed, these controls will be weaker, and it will be possible to enter a more expansionist phase. The question is whether this is really just a transitional phase, or whether this will last forever. The reality is that inflation has to a great extent been stopped, but the high interest rates continue. There is something here which does not confirm their economic theory, and we are all very worried about this: how long can this go on?

It is obvious that the current interest rates make investment very difficult. I think we all agree on that. We are in a vicious cycle of inflation, non-investment, expectations on the part of capital holders that they will get remuneration, which leads back into this vicious cycle.

**EIR:** What would you like the Spanish government to do to promote investment, and to do in terms of grand industrial options?

**Marín:** Several things basically are required to foment investment in Spain. First, there must be a decrease in the public deficit, so that in the private sector, the investing sector, there can be access to cheaper credits. It is obvious that the state is a tough competitor in the capital market, and in such a situation it is very hard to invest. Second, it is easy to say you have to invest; the real question is, what do you want to invest in? Expectations of profits are very low, there is a lack of demand, and the Spanish technological model does not allow one to go to very high technology, which means it is hard to see where to invest. Third, we are living through a crisis of confidence.

To relaunch industry, we need three things. More and cheaper credit, first of all, especially cheaper credits.

Second, renewal of confidence, which is a tricky thing to define. Third, renewal of our technology, which is easy to say but hard to do. In our country, we do not suffer from the saturation phenomenon which you have in the rest of Europe. There is plenty of room for development here.

**EIR:** What do you think about the Japanese model of Third World development?

**Marín:** The Japanese have really done marvels, but I don't know whether in places like Ibero-America or Africa, where there the social structure is different, this would work.

**EIR:** Of course the Japanese, contrary to the so-called Anglo-Saxon model of the last few years, have invested massively in advanced technology. . . .

**Marín:** I think investing in high technology for the Third World calls for a social base, which, in the best circumstances, can be created simultaneously. An effort of education is required, of creating a social infrastructure, and I think that if it is not done at the same time, it can lead to failures. But I do think that there is no solution other than high technology for the Third World, even though this calls for a gigantic educational effort.

**EIR:** What energy options do you see for Spain in the years ahead?

**Marín:** We took the right path, i.e., we started a truly ambitious nuclear program, which is being put into practice on a smaller scale, but which *is* being put into practice.

The nuclear program is going ahead, in spite of the problems created by the high cost of money today, and by social opposition, which is fortunately not really very strong. We have problems still with gaseous combustibles, with gasification. I think Spain must go ahead with the nuclear program, make a bigger effort to explore hydrocarbons, use domestic coal to the utmost, and consider petroleum only as a supplementary energy source. In essence, the CEOE agrees with the government of Spain's energy program.

**EIR:** Is Spain working on fusion power?

**Marín:** We are interested in it from a technical standpoint, but unfortunately, we cannot carry forward major research because fusion requires enormous investments which our country simply cannot supply at this point. We do follow it, of course, from the standpoint of studies, following the process of research. I think that really only the U.S.A. and the U.S.S.R. have the means to work on fusion seriously. . . . I think it is a more general problem of the social philosophy here, since for some time now, research has not been considered a top priority. We have tended perhaps to take the easy path: to say that technol-

ogy is something you buy elsewhere. We are lacking in that second step, which involves saying: you buy a technology, you study it, and then you bring out your own technology. The social effort, which means holding back a little on consumer goods to dedicate them to research, has not been made. . . . Ten years ago, we missed the advanced-technology train, and getting back onto this train is tough; but an initial effort in pure science, which is not a priority here, must be made. This is the only way out.

**EIR:** What options do you see for the Spanish nuclear industry, in South America in particular?

**Marín:** We started to participate in the Mexican nuclear plan, which unfortunately was cancelled. I think that we are one of the countries that can participate in the nuclear plan, because we have a very acceptable technological level, and we have experience in developing nuclear energy here. Unfortunately, when the thing started to get moving, problems arose: in the case of Brazil, for a number of reasons; so too in Germany. Mexico and Brazil are the only two countries in Latin America which had started to take the nuclear option seriously. For the other Ibero-American countries, we are, of course, well situated.

**EIR:** What would you like the Spanish government to do to help promote Third World industrialization?

**Marín:** I think one of the few things in which the government really has been very clear, is promoting outlets for export, which is in any case the only way out of the present crisis. We received advantageous credits, help of various kinds, which led to our really getting beyond our frontiers. I think whatever government is in power must continue this option, in particular the industrialization of that area of the world which is so close to us, South America.

**EIR:** The PSOE [Socialist Workers Party of Felipe González] signed posters on the walls of Madrid saying "throw the *Junta de Energía Nuclear* out of Madrid—No to nuclear energy". Is there a problem with ecologists here?

**Marín:** No. It is totally artificial. In the hypothetical case that the Socialists came to power, I think that they would not adopt what they say in that poster.

**EIR:** Do you agree there are too many people in the world, that industrialization must be stopped?

**Marín:** I am not a Malthusian. I just am not. To reduce this argument to the absurd, why not rush toward general holocaust, thus achieving the same results as the atomic bomb? If we all drop dead, there will be no population problem. The only way to have moderate demographic growth in any case, is through education.