

Presidential elections are scheduled for the end of the year, and President Eanes will have to step down in January, since the Constitution precludes more than two mandates. Much byzantine maneuvering is underway among the political parties, and the fragile government coalition of PSP and PSD might blow apart before that, and early legislative elections be held before the presidential ones. It is not the intricacies of the political playpen however, which really matter. More to the point, there is one current in Portugal which advocates "transforming the country into a new Singapore, with off-shore banking and finance, reintegrating the black economy, free enterprise zones, etc.," which would destroy the industrial economy. A leading political figure explained that "our youth are already looking too much to the stars. It is natural of course for them to be excited by great projects, development, space exploration, but we have so little to offer that they leave the country."

Portugal's future—and its allies

Where could solutions be? Every political and military leader met by *EIR* in Lisbon stressed that Portugal's experience and expertise must be brought to bear by the West to develop Africa. This is not only a matter of regaining Africa from the twin brothers of Soviet control and economic destruction for strategic reasons. Portugal's labor force, its linguistic abilities, its experience, must be used in the framework of a plan for triangular cooperation—both United States-Portugal-Africa and Europe-Portugal-Africa—to develop infrastructure, training, and overall economic development.

The enthusiastic response to *EIR*'s March 15 conference in Lisbon on beam-weapon defense shows the potential for another promising orientation: that of using Portuguese participation in the Strategic Defense Initiative as a lever to develop high-technology industry. Machine-tool production and research in lasers and plasma physics could begin an economic development program aimed at "leap-frogging" from the present backwardness and low productivity, directly into 21st-century technologies. Similarly, the Armed Forces need new equipment, a new mission and doctrine—and the conditional deals for military aid which have prevented Portugal from developing its own arms industry must be revised in the same light. Portugal is not just a major base at the Azores, a refueling and stopover capability and convenient port of call.

The precondition is the end of the IMF's financial dictatorship. The choice will be open to President Reagan in the next weeks. "Portugal is not a desk at the State Department!" one hears often in Lisbon. A collapsing ally, one might add, is no asset at all. The United States alone has the power to save Portugal from what could otherwise be the path to renewed revolutionary troubles and civil war.

The following interviews were conducted in Lisbon by EIR's team of correspondents—Elisabeth Hellenbroich, Michael Liebig, and Laurent Murawiec.

Interview: Dr. Rui Machete

Portugal is open to the SDI program

Dr. Rui Machete is Portugal's deputy prime minister and, since February, defense minister. He is a leader of the center party, the Partido Social-Democrata (PSD). EIR interviewed him on March 11. Text excerpted.

EIR: Dr. Machete, what is your view of the developments associated with the Strategic Defense Initiative?

Dr. Machete: First of all, you must remember that Portugal is a small European power, with many friendly links to the United States, and our history for centuries has emphasized the Atlantic Ocean as our horizon. We are in that sense divided between two horizons, that of Atlantic policy and that of European policy.

On the SDI, first, we recognize that Europe needs to have a defense policy. I cannot understand why Europe has not been able, for so many decades after the war, to have a defense policy. This does not mean a policy against the United States, but that Europe ought to have its role in international relations.

With the recent debates on missiles, pacifism, neutralism in Germany's public opinion, reunification, etc., some Europeans fear that the U.S. could tell us one fine day, "We feel that we are strong enough to defend ourselves isolated from Europe," and there are documents that show that.

EIR: You mean the Nunn Amendment for example?

Dr. Machete: Yes, the withdrawal, the recall of American troops. U.S. troops in Germany have the same role to play in Germany as the French atomic capacity: to create a situation which would involve the United States. A French nuclear strike would create a higher-level conflict, or many American soldiers would be involved that the U.S. could not neglect the conflict. The eventuality of a recall of those troops would create an enormous shock in Europe. The Strategic Defense Initiative, in turn, creates a new situation: Is it a specifically

American thing, would it protect the United States against Soviet attack? The fact that cooperation can take place with Europe means that a scientific gap between the U.S. and Japan on the one hand, and Europe on the other hand, would not be allowed to increase, which would be very dangerous for Europe and for the world. Next, the SDI creates a new situation in East-West relations. I agree that the Soviets will not easily allow the SDI to be implemented in Europe. But the very fact of the existence, the possibility, of the SDI is a new element.

First, the idea of Euro-American cooperation on the SDI is very important. Second, it will permit stationing of such systems in Europe—and could create in public opinion on both sides of the Atlantic the idea that the link remains, that “isolationism” does not exist, or that tendencies for a “West Coast shift” do not exist in policy.

EIR: Henry Kissinger’s doctrine that the United States will turn away from Europe and concentrate solely on the Western Hemisphere, the Pacific. . . .

Dr. Machete: Exactly. This is resented in Europe in many places. As to the scientific and strategic issues of deployment of weapons systems to defend against Soviet weapons that are targeted on Europe, I consider this as very, very important. It could also allow us to reshape NATO—an institution that played a very important role in the past but, in the last few years, has been criticized, because it did not have the ability to cope with problems of democracy, welfare, political culture, problems among members—like the problem between Greece and Turkey—and the economic crisis. NATO is absolutely incapable of dealing with such problems, being strictly limited to the military sector. This may have created the sentiment that NATO is only a club for the military, not really dealing with strategy, a very poor role in mobilizing the West for great projects, and that the professional soldiers that get together there are only dealing with professional military matters. That’s at least the impression the laymen gets.

This brings us to the economic question. The whole of Europe, and particularly my country, are facing a big financial and economic crisis. And this crisis is mainly a monetary crisis. The fact that the value of the dollar is increasing and the parity rises all the time creates very, very, very serious problems. The foreign debt rises; it is clear for my country, not to speak of the Third World. The foreign policy of President Reagan may have a contradiction between defense and military policy—his dream and his project of a vast, united West against the totalitarian Soviet Union, on the one hand, and on the other hand, his monetary policy, mainly as far as the IMF is concerned. The IMF in Portugal has not created the kind of resentment—and the resentment against the U.S. as identified with the IMF—as has been generated in other countries. Portugal is one of the European countries with the least anti-American feeling. We have no popular anti-American feeling. On the contrary, there is a feeling of friendship

and sympathy toward the U.S. Of course it could disappear—such things are not forever, they depend on circumstances. But the IMF represents *doctrines* which are a problem. The IMF applies method taken from the U.S. which mean nothing in other countries. It’s like putting a Rolls-Royce from a highway into a desert. Of course the Rolls-Royce is a beautiful and powerful car, but in the sand it does not work.

In Portugal, or in developing countries, the fact is that the way the IMF is acting—and the impact of the dollar policy—could lead to a crash, we do not know when. Now, it’s very easy to print dollars, but it costs very much to countries that need to pay in increasingly expensive dollars on the world markets—it’s true for Germany, for France, for Britain, as well as Portugal.

EIR: It is our view that defense starts with a strong economy. . . .

Dr. Machete: And a moral mind, they are interconnected.*

EIR: The other aspect is to leverage the SDI into a new industrial and technological revolution.

Dr. Machete: Perhaps this will be one of the ways out of a very bad present situation. Sometimes we wonder, ask ourselves, what can we offer to our youth? It is not a slogan for a rally, it is real.

EIR: What could Portugal do to participate in Euro-American cooperation on the SDI? Do you consider such collaboration as desirable for your country, and what areas would you wish it to concern?

Dr. Machete: Our first reaction is positive, it is one of openness. Secondly, we must realistically consider that we have limited means, and must choose carefully where it would be most useful for the project itself and for Portugal. We have industries that must be developed, supported, aided. We have some problems with our debt. We have military problems—the Navy, the Air Force. They must be strengthened. This must all be considered within a new approach which requires careful study. That is why I say that our first response is positive and open—we consider that this must be used, we are interested in it.

We are aware that we are not a medium power but a small power, but we can have a role—and our geographic situation is important on the strategic map. There is the Atlantic, the fact that we are part of Europe, and we have our relations with Africa’s Portuguese-speaking countries, where many things can be done. It’s not that we “dominate” these nations or want to, but if we had the means and support to engage in triangular cooperation, we could intelligently do many things. If the idea is only to sell things, to do business and nothing else, our leeway is very limited. But then, we can do much for education in Africa, primary, secondary, and technical schools, training, administration, diplomats—they use our language. This all requires financial means, skilled manpower—with our limited resources. It can be done, with support.