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Ms. Margarida da Gama Santos,
Presidencia do Conselho de
Ministros,
Gabinete do Primeiro Ministro
LISBON
Portugal

MAB/FP

8th November, 1979

Dear Margarida,

I'm sorry this is late, but! You see I don't actually have time for this, but I am interested and I feel it might be more useful than most of what I do.

I hope this is roughly what you had in mind. I have not put in costs since that is left to you, as I said. I am told there is a "cheap" fare with only 12 days advance notice required, which costs only £92. That seems a big saving. I believe that it means one cannot fly on week-ends, in which case all the dates I gave could be moved forward one day.

If you feel unhappy with these arrangements don't be embarrassed to call the whole thing off at this stage. On the other hand Ajit and I are keen to come.

A final point is that the arrangement to leave the manuscript behind is essential since I can't carry the work back with me. It is also your guarantee to have the results quickly.

All the best,

Yours,

Manfred Bienefeld.

enc:

In response to a request it is proposed to review critically, existing proposals for the performance criteria which might be applied to the Public Sector manufacturing capacity now in existence in Portugal.

The review would take as its point of reference the proposals now being drafted, as well as the criteria currently applied. It would attempt to analyse these, along with alternatives not currently in existence or proposed, in relation to various alternative assumptions about the role to be played by the public sector in the industrial strategy of Portugal, as envisaged in the context of accession to the EEC.

Since the time available for the study is very short it is proposed that an analysis of current proposals must constitute the core of the work being suggested. This is because the formal presentation of some alternative proposal would require a knowledge of the functioning of the public sector which could not be obtained in such a short time. Nevertheless the work would attempt to indicate potential alternatives, as well as specifying those characteristics of the public sector which would be critical in determining the applicability of such alternatives.

The work would address a range of issues, all initially derived from some conception of how the public sector might link to some industrial strategy based on the priority development of some priority sectors.

This would entail looking at the role the public sector could conceivably play in relation to such a strategy with respect to its effect on factors like: linkages, training, technology acquisition, marketing, or finance.

Furthermore the discussion would consider the potential effect (on the public sector's ability to play certain roles) of various policies with respect to prices, interest rates, capital structure, form of organisation, workers participation, or profit.

The proposed work would involve roughly 19 man-days of consultant's time. Dr. Bienefeld would propose to come on the 5th December and to leave Lisbon on the 15th, while Dr. Singh would come on the 8th and leave on the 15th. The last three days of their stay would be spent preparing the report which would be left behind by them in manuscript form.

The visit would require advance provision (where possible) of materials describing current practice and current proposals concerning public sector performance criteria. Interviews would have to be arranged between the 6th and the 12th with a wide range of people including relevant, senior officials at the: Central Bank, Banco de Fomento, Ministry of Industries, LNETI, several major public sector firms, possibly in chemicals, cement and shipbuilding, as well as others to be determined at a later date.