

Portugal Left to meet Ford

From Jill Jolliffe
in Lisbon

The Portuguese Communist Party has agreed to talk with representatives of Ford Europe about a possible \$1.2 billion car investment project.

The second round of talks between Ford and Portuguese political leaders is due to begin next week. Mr Robert Lutz, president of Ford Europe, who led talks in July, will be accompanied by representatives of Ford's American mother company.

The Communist Party did not take part in the July talks, when Ford negotiators met President Eanes and leaders of the Social Democrat, Centre Democrat, and Socialist parties.

Ford is considering producing an export model car in Portugal, after earlier dropping the idea of a new European plant, given the energy crisis, rising labour costs, and industrial unrest. Spain is also a possible site for a new plant, but Portugal's cheap labour and generous tax concessions offer an attractive incentive.

Ford is expected to announce its decision in October. The company is known to be concerned about Portugal's political stability.

Ford is thus likely to ask for guarantees of industrial peace from the Portuguese Communist Party.

Although the Party constantly argues against Portugal's dependence on foreign capital, its agreement with Ford would assist the image of flexibility which it hopes to project in the December elections.

The political parties have reportedly all requested that Ford representatives meet them in their respective headquarters.

Ford's concern about the southern Sines plant, a possible site, is based on the lack of a consistent planning policy for the \$50 millions industrial complex. Successive Governments since the 1974 revolution have had inconsistent policies towards the project, with the result that several directors have resigned for lack of Government support. However, the Government of Miss Maria De Lourdes Pintasilgo appears to have a firm commitment to making Sines a going concern.

The Government is offering red carpet treatment to Ford. In the coming round of talks, beginning on September 23, negotiators will deal with three Cabinet ministers and the party leaders, and dine with the Prime Minister, before a final meeting with the President.

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