

# Will Spanish sovereignty survive the elections?

by Katharine Kanter, Paris Bureau Chief, and Elisabeth Hellenbroich

*EIR correspondents Elisabeth Hellenbroich and Katharine Kanter returned recently from a two-week trip to Madrid where they interviewed a broad spectrum of political and business leaders. Their comments follow.*

As we detailed in the economic section of the *EIR*'s Aug. 10 Special Report, Spain, with unemployment running at over 16 percent and a disastrous internal economic situation, stands, three weeks before the general elections Oct. 28, at a crossroads. Since Mexico's historic moves on Sept. 1, Spain is confronted more acutely than ever in modern times with a decision, whose consequences will determine whether or not this downtrodden country emerges from underdevelopment: Will Spain too demand renegotiation of its huge \$33 billion debt, in concert with Ibero-America, or will the Gaullist forces within Spain bend to the vicious financial oligarchy trying to turn the country into another Portugal?

At this point, sickly indecision seems to be the dominant mood. The banking nationalizations by Mexico's López Portillo caused a wave of panic and misunderstanding in Spain, fed by the fact that there is not a single national newspaper which covers the Ibero-American debt revolt sympathetically. Press magnates like the owner of the Socialist newspaper *El País*, Jesús de Polanco, ensure that dangerous information from the outside world is strictly controlled. It is highly significant that not one word appeared in the Spanish press on López Portillo's debt bomb speech to the United Nations Oct. 1, and that even EFE, one of the largest news agencies in the world, had by Oct. 4 still not received the full text of this speech from New York. Someone is very concerned indeed to prevent the Spanish from realizing that Ibero-America is exercising collectively a far greater sense of national responsibility than the mother country.

Few flowers can be thrown to the Spanish political leadership itself, however. Early elections were decided on in August, at a secret meeting on a farm in Catalonia between José María de Areilza, Count of Motrico and president of the

parliamentary assembly of the European Council, and Luxembourg Prime Minister Gaston Thorn. Both these gentlemen are intimates of the circles of Henry A. Kissinger and Hans-Dietrich Genscher, the present German FDP Foreign Minister implicated both in the fall of former Chancellor Helmut Schmidt and the Sept. 22 assassination attempt against European Labor Party Chairman Helga Zepp-LaRouche.

José María de Areilza and Gaston Thorn, being international gamemasters, knew what the narrow, localist Spanish political class never suspected, that Ibero-American leaders, strongly influenced by the economic proposals of *EIR* founder Lyndon LaRouche, were about to move the world crisis in a manner that might sweep up Spanish patriots in the impetus. It became of crucial importance to the Kissinger circles to render impotent the Spanish political and industrial leadership by keeping them occupied in an absurd, hopeless electoral campaign. Petty-minded individuals in the Unión de Centro Democrático (UCD, the ruling government party) were then sold the line that the elections must be held in October rather than in February 1983 in order to save the party from ex-President Adolfo Suárez. Suárez had in fact just created a new party, called the Centro Democrático y Social (CDS), to which many UCD members had defected over the summer, causing an outbreak of rabid personal jealousy among the UCD leadership. Holding the elections on Oct. 28 virtually guaranteed a landslide victory to the Socialist Party, the PSOE.

As the shock waves caused by López Portillo's moves rose, however, heightened by debate over the creation of an Ibero-American common market, British-allied factions decided to pull the plug on the Spanish economy from within, to shortcircuit any chance of a breakaway move by Spanish Gaullists. The chosen instruments for this chaos and confusion operation were Explosivos Rio Tinto and Aluminio Español. Rio Tinto, linked to Rio Tinto Zinc via Rio Tinto Minerías, owes \$1 billion, half of which falls due this year. The company has paid no dividends in four years and its

situation has been so desperate for months that the only viable solution would be to impound it and seize the books. Aluminio Español, half of which belongs to the state's Instituto Nacional de Industria (INI) and about a quarter to Pechiney Ugine Kuhlman, the recently nationalized French multinational, just defaulted on \$8 million interest on a \$350 million debt, and was declared in suspension of payments. This was a direct result of non-support from the French government. Both these firms have been in such severe difficulty in the recent period, that the only reasonable interpretation for such a spectacular declaration of bankruptcy is to cast a deep shadow of panic over the entire Spanish banking and industrial community. This is precisely the line of *El País*, that the bankruptcy of Aluminio Español throws into doubt the creditworthiness of the Spanish state. The notorious Wall Street firm Lehman Brothers Kuhn Loeb has been called in in the Rio Tinto case, and great pressure is being put on the private banking sector to throw good money after bad and bail the thing out, thereby risking the collapse of the internal banking system.

To add to the confusion, it was announced on Oct. 2 that two colonels and a lieutenant colonel were arrested for conspiring to overthrow the state, though the sloppiness and scatterbrained quality of the preparations makes the seriousness of the affair somewhat doubtful.

One need not be a crystal-ball gazer to divine the British game, which, as always, is mainly psychological warfare. They count on keeping the Spanish political and business elite fully intent on their navels throughout October and November, while the whole of Ibero-America is in an uproar. Meanwhile, as discussed at the Oct. 2 NATO foreign ministers meeting, interventions can be organized to crush that continent, with general indifference in Spain. Let us hope the British are, once again, miscalculating.

### **Who are the Spanish Gaullists?**

There are essentially three power groups in Spain which must forget petty rivalries and partisan tomfoolery to weld a "winning combination" against the enemies of development.

The first, most advanced group, centers around the leaders of the nuclear and electrical industries, plus that banking sector directly tied to these industries and to the abortive though well-intentioned efforts to industrialize Ibero-America. Due to the self-destruction of the UCD, most of this group is unfortunately backing Alianza Popular in the upcoming elections, a party closely linked to the CDU of German Chancellor Kohl and the CSU of Franz-Josef Strauss. Alianza Popular's economic program was ghostwritten by Milton Friedman for Jorge Verstrynge, nominal economic chief of the AP. Fraga Iribarne, president of AP, has been linked since the 1950s to the Centro de Documentación Internacional de Madrid, still functioning underground today as a coordinating point for international black terrorism under the control of Otto von Hapsburg; the center was formerly the resort of Otto Skorzeny, head of the Nazi special com-

mandos. The vice-president of Alianza Popular, Abel Matute, is known as "El Capo" for his activities as drug and Mafia boss run out of the island paradise of Ibiza, and sits upon tens of millions of dollars of drug money laundered through the Ibiza casino network. Alianza Popular with such a leadership is unsalvageable, and the pro-growth industrialists backing it because they think it more "dirigist" than the UCD had better wake up fast.

The second group of Gaullists still remains within the wreckage of the UCD after this summer's mass defections, namely those individuals associated with the internal security and anti-terrorism forces around Interior Minister Rosón, who unfortunately failed in his bid to take over the UCD in July after electoral "experts" advised the party that the minister was "plain and unphotogenic"! Derived from the Francoist student trade union, the USE, this group, known as the Azules, is committed to the fight against terrorism and deeply patriotic, but crippled by extremely poor intelligence on the "outside world." Their party is about to be smashed in the elections because any notion of a global development policy for Spain oriented toward Ibero-American industrialization has until now been beyond their grasp.

The third group is that of former President Adolfo Suárez, now president of his own party, called the CDS. A great deal of fun has been made of the former President because of his supposedly limited mental faculties, but one fact remains: Adolfo Suárez is the only non-Socialist, non-anglophile politician who maintains the closest ties to precisely those countries in Ibero-America who could drop the debt bomb. Such is the shortsightedness of Spain's electoral "experts" however, that Suárez's electoral campaign has not once raised this issue publicly. This is a grave error, as the Spanish electorate has a passionate interest in the success of Ibero-America, and would naturally tend to swing in the direction of the brother continent's struggle, as shown by the white-hot street reaction during the Malvinas crisis.

### **The enemies of Spain**

In the Basque country, the Azules are waging a desperate, rear-guard battle against the separatist-terrorist group ETA. ETA, like the Sicilian, Corsican, Galician, and other separatist-terrorist groups, comes from the Pan-Europa movement founded by Otto von Hapsburg, with grassroots backup provided by the local Jesuits. The fact that since the 19th century the Basque country has sustained the most direct business, political, and financial ties to Britain, and not to the rest of Spain, has made the task easy for the Malthusian British and their allies. At this late stage, the only way to stop Basque terrorism overnight is to break relations with Britain and arrest the likes of pretender to the Spanish throne Carlos Hugo de Borbón Parma for conspiring with Britain against the integrity of the state. If necessary, relations with France, now functioning as a rest and resort center for ETA killers on leave, as well as the main entry point for the drug traffic which sustains ETA, and the place where over \$20 million a

year in protection money is paid by Basque industrialists to ETA under the blind eye of the French police, can be broken as well, until Mitterrand comes to his senses.

The Spanish government would thereby gain the double satisfaction of cutting off a tidy source of income to her Britannic majesty, since her minions in ETA, working with the Sicilian Mafia, have succeeded in creating top-down control of heroin traffic to the point the heroin addiction rate in the Basque country now exceeds that of New York City.

### What happens if the PSOE wins?

The Spanish Socialist Party will undoubtedly garner a huge vote in the Oct. 28 elections, though it now seems likely they will choose not to govern alone but in coalition with the UCD, and possibly also with the CDS of Adolfo Suárez. The reason is simply that the PSOE leadership is acutely aware that their own wild incompetence will shortly provoke a new coup attempt, the more so as they will be quite unable to ensure internal security.

Socialist ministers will however undoubtedly grab the portfolios of foreign affairs, economics, and industry. In foreign affairs, this means Third Worldism of the variety of French foreign policy adviser Régis Debray, i.e., funding for Ibero-American guerrilla groups to feed the U.S. State Department's depopulation wars. In economics and industry, the Socialists (see interview with Pedro Guardeno of the Socialist trade-union, Unión General de Trabajo below) have vowed to stop the nuclear program, slash wages by 8 percent, and create new jobs by forced early retirements. The economic consequences of this are well described in our interview below with the Westinghouse President in Spain, Santiago Foncillas, and the social unrest caused by the planned wage-gouging will precipitate coup attempts within four to six months at best.

As for support for an Ibero-American common market and the debt bomb, suffice it to say that Felipe González, who is literally owned by self-proclaimed Kissinger acolyte and suspected Propaganda-2 lodge intimate Jesús de Polanco, has not breathed one word of all this during the campaign, save to say that "20 years from now, Latin America will be the key to the future of Spain"—if the world survives that long.

In such a situation of incipient chaos and the dissolution of existing institutions, new and healthy institutions can be created to impose a dirigist crash industrial program and an aggressively pro-Ibero-American foreign policy, so long as the three *desarrollista* (pro-development) groups discussed above pull together and commit themselves to the ruthless implementation of such a policy. Otherwise, the present crisis may decide whether Spain survives as a nation, or becomes yet another depopulated satrapy of the International Monetary Fund. Should the *desarrollistas* take the necessary Ibero-American step, the world gains a powerful lever to turn around the present catastrophic European situation from the inside.

## Interview: Jesús de Polanco

### Spanish publisher attacks Mexico

*EIR interviewed Jesús de Polanco, owner of the second-largest Spanish publishing house, Editorial Timón, in Madrid in late September. De Polanco is also the owner of El País, one of Spain's largest-circulation dailies.*

**EIR:** What do you think about Mexican President López Portillo's Sept. 1 measures?

**De Polanco:** I am against nationalization in all cases. López Portillo made a totally inexplicable political decision, which will not help to solve anything at all. I am totally surprised, and I can tell you this will damage Mexico. It is pure demagoguery. The huge demonstration at the Zócalo [Mexico City's central square] of humble people was put up for demagogic reasons. In any case, Mexico reached the limits of growth in 1982.

The International Monetary Fund in my opinion can play a major role in putting the world monetary situation back together, which is the worst in 50 years. If something is not done fast, war may be the only solution. As for Mexico, the only way out for them is belt-tightening.

I laugh when I see the theocratization of López Portillo. . . . Today, after six years, there is no petrol, and no hope. Private firms are against López Portillo, who acted not out of reasons of state, but as a kind of ritual incantation.

I do not think other Ibero-American countries will follow the Mexican example. Argentina, for example, will not, and I doubt other Latin American regimes have the strength to follow without retaliation from the international banks—not even Pinochet.

No political regimes have any strength in Latin America.

Mexico refused a compromise with the IMF because they refuse to have outside forces laying down internal conditions, and their very political system prevents this. But I think that the IMF and the World Bank are the perfect institutions to solve the crisis fully; if they did not exist they would have to be invented due to the need for global solutions.

Fifty percent of Mexico's problems are domestic and must be solved from within. Credit for developing countries in any case must be granted in a framework of internal discipline. Spanish banks will brake investment in Latin America due to the crisis. Mexico affects them much more than Cuba, as does Argentina. The Spanish agriculture and construction industries have large clandestine investments in Mexico, and Spanish underground money has been used to buy a lot of land in Paraguay, Argentina, and Brazil.

Mexico is one big theatrical farce which has lost its feath-