

EIRSpecialReport

Spain: resurgent nation or next socialist victim?

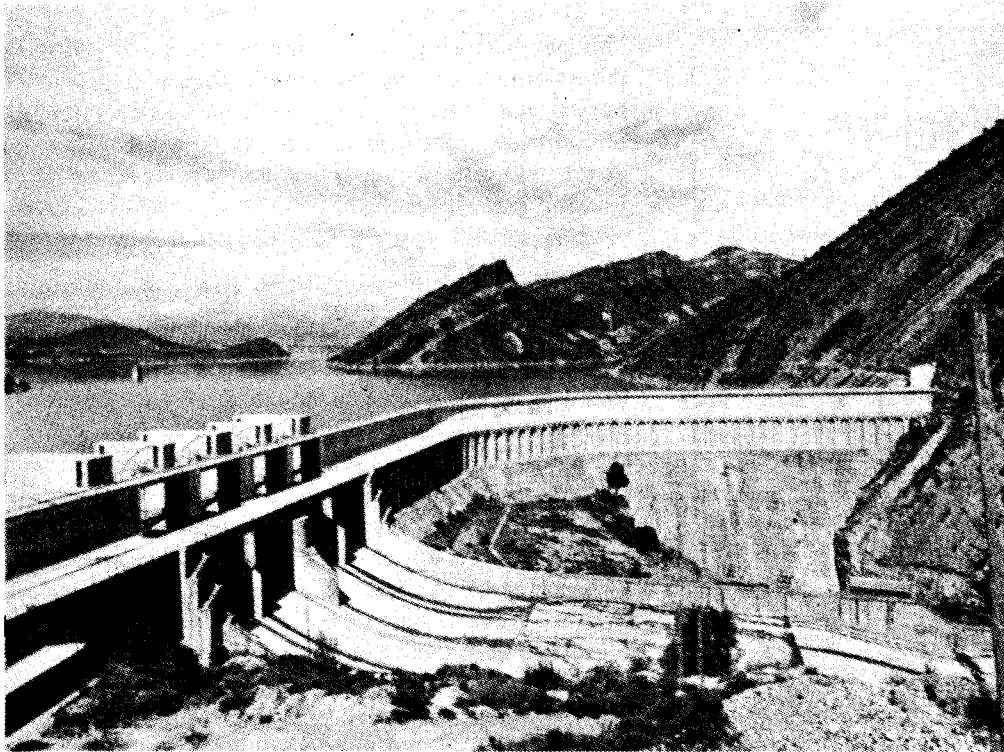
by Katherine Kanter, Paris Bureau Chief,
and Vivian Freyre Zoakos, European Editor

Spain's King Juan Carlos laid out in his May 20 speech at Aachen, West Germany the fact that it was Spain which, in the heyday of its global power, played a leading role in the realization of the very concept of "Europe." In the same way the nation's great spiritual strength was bequeathed by two world figures of non-hispanic origin—Saint Augustine and Philo of Alexandria—he explained that its future was bound inextricably with that of other countries, chiefly Europe, the Mediterranean basin generally, and Ibero-America.

Indeed Spain is now at a cross-roads, and the decision of which branch that nation will choose will have enormous impact for these other parts of the globe. The country is teetering on the verge of either becoming the newest European bastion of neo-Malthusianism or an important center for regroupment of pro-development forces, as it was in the latter 18th century during the reign of the New World colonizer, King Charles III.

The question of neo-Malthusianism versus industrial and scientific development will be the centerpiece of the upcoming general elections, likely to occur sometime before the end of the year. The members of the neo-Malthusian faction can be found scattered throughout all of the existing political parties, but are most heavily concentrated in the leadership of the Socialists. If they take possession of the nation, another crucial member will be added to the already dangerously long list of European governments firmly committed to depopulation and deindustrialization. In the case of Spain, there is the added danger that its future will weigh heavily on that of Ibero-America, whose ties to the mother country are still of enormous significance today.

Since the crushing defeat suffered by the Union of Center Democrats (UCD) at the hands of the Spanish Socialist Workers Party (PSOE) in the Andalusian elections in May, following a whole series of electoral defeats in various provinces, Spanish politics has split into two camps. The largest camp, unfortunately, contains those who have simply decided that should



One of Spain's hydroelectric installations. Twenty-five percent of Spain's national energy supply is produced from hydropower, and the nation's nuclear-energy program is moving forward.

early general elections be held this fall—as is nearly certain—a Socialist victory is inevitable and all that can be done is to sugar the pill by trying to gain as much blackmail leverage as possible over the Socialist leadership to prevent them from tearing the country's economy to shreds.

It is particularly alarming to hear such defeatism from circles close to former President Adolfo Suarez, since he is one of the few politicians who have the influence to put up a real fight. It all has a strangely familiar ring. *EIR* Paris bureau chief Katherine Kanter was told by leading French industrialists and politicians in the period immediately preceding the May 1981 French presidential disaster that François Mitterrand would constitute absolutely no risk whatsoever for the stability of the Franc, the reserves of the Bank of France, the nuclear program, and foreign policy. The reason, in their words, was: "We know how to control him." These clever politicians of the ex-majority are now laughing out the other side of their mouths.

In the Spanish case an additional complicating factor lies in the reactionary wing of the military. Talk already abounds among the most reactionary of Falangist circles that the more certain a Socialist victory becomes, the more likely the military will have recourse to a coup d'état. The changes are thus about even that the country will soon suffer one or another form of self-destruction. Either a Socialist government, or a fascist military coup d'état.

As some of the most thoughtful political and indus-

trial leaders in the country correctly view either alternative, it would be difficult to decide which would more rapidly destroy the country and the achievements of the last two decades.

The third alternative

As in most political situations, however, there is here a third, dirigist alternative.

There is a grouping in the present governmental majority committed to further expanding the industrial development policies which, from the early 1950s on, took the country through the only period of serious economic growth since the 18th century reign of Charles III. The country was transformed from being below the twentieth among the industrialized nations of the world to its current status as the tenth largest economy in the world.

The nuclear industry is a key element in this faction, although it has undergone tremendous attack in the Basque country from British and Jesuit-controlled ETA terrorists. The pro-industry faction is pushing for the nuclear program to be expanded well beyond the projected 15 percent of total energy consumption by the year 1990, as currently planned.

We were struck by two additional positive features in this factional situation. The first was the acute awareness among the pro-development faction of the fact that the policies of the International Monetary Fund and the World Bank are not oriented towards

The EIR in Spain

EIR European Editor Vivian Freyre Zoakos and Paris Bureau Chief Katherine Kanter spent the second half of June in Madrid, where they conducted interviews with a number of leading political and industrial figures. These included Spanish Defense Minister Alberto Oliart, who emphasizes the importance of Spain's sole and undivided control over its national territory, including Gibraltar. Oliart put forward his views only several days after NATO Secretary-General Joseph Luns told the Spanish daily *Ya* that Spain, NATO's newest member, should divide its military command between the English command of NATO on the Atlantic side, and a Neapolitan command for the Mediterranean region of the country.

In this Special Report, we also publish their interview with Interior Minister J. J. Rosón, now mooted as the next head of the ruling Union of Center Democrats party, and a leading figure in pro-growth circles in the country. Indicative of his point of view is his agreement, in the course of discussion, with the thesis otherwise associated with Italian President Pertini on the international drug and terrorist networks representing a unified conspiracy controlled from the outside. Minister Rosón also, albeit in diplomatic fashion, leaves no doubt as to his knowledge that the Spanish Socialists, like those of France, find terrorism an often convenient political phenomenon.

By contrast, the interview with Antonio Garrigues Walker reveals the political thinking on the opposite side of the spectrum. Garrigues Walker is the head of the Spanish branch of the Trilateral Commission, and founder of the Federation of Liberal Clubs. His policies, as he spells out unblushingly, are consciously neo-Malthusian and include the perceived necessity that the population of West Germany, for example, must be reduced by a few millions by the year 2000. Garrigues Walker is the closest collaborator of Pedro Schwartz, creator of the Commission for Public Choice of Milton Friedman in Spain, and the man who got Friedman a series on Spanish television.

A final interview with Eugenio Marín, the director of nuclear energy matters for the Spanish Employers Association (CEOE), refutes this neo-Malthusianism from the industrialists' point of view.

"budget balancing" at all, but very explicitly towards reduction of populations. One leading industrialist reported that "everybody knows England and the [U.S.] State Department have a policy of regional wars to cut down the population. To them, everyone south of London is a 'nigger'".

The second positive feature is that it is generally acknowledged by these individuals that Spanish policy towards the international Hispanic community must take a sharp new turn towards economic cooperation, particularly in the wake of United States behavior in the Malvinas war. To a lesser extent, this attitude is also expressed *via-a-vis* the Middle East.

Apart from some initiatives under former president Carrero Blanco and more recently, Suarez, there has been no consistent approach to orienting the Spanish economy toward Ibero-American development. Yet, what has saved the Spanish political class from pettiness over the last century is precisely the sense of responsibility and community felt towards the American continent. This was especially well put most recently by King Juan Carlos in his June speech delivered at Aachen, West Germany. He cited the Jewish and Christian philosophers Philo of Alexandria and St. Augustine as constituting the foundation of Spanish culture, a culture which was thus at its most profound engendered from outside the national borders and was also nurtured outside those borders through, particularly, the colonization of the New World.

The Socialist strategy

The Spanish Socialist Party has adopted the same dirty ploy as Mitterrand before last year's presidential elections: say nothing, publish nothing, *do* nothing on any major policy issue, economic or otherwise, which could alienate anyone in any shape or form; then take the credit for anything positive that may happen. This was the case, for example, in the lame support given by current President Calvo Sotelo to Argentina during the Malvinas war, although the Socialists made no attempt whatsoever to rally public opinion behind Argentina. On the contrary, former Justice Minister Ordoñez, founder of the Socialist-linked Democratic Action Party, participated along with Socialist leaders at a demonstration during the height of the Malvinas crisis under the slogan, "Down with all dictatorships, including the Argentinian."

Far more telling of the real thinking behind the Brandt wing of the Socialist International that pulls the strings of Spanish Socialist chief Felipe Gonzalez is the Socialist nuclear policy. The Socialists have participated in various anti-nuclear demonstrations around the country, including a large one in Madrid in June, under the slogan, "Down With Nuclear Energy." Madrid is

papered with Socialist posters attacking nuclear energy, co-signed by a slew of eco-terrorist groups.

Finally, under cover of libertarian democratic rhetoric, the Socialists are always to be found, whether directly or through intermediaries like the Basque Nationalist Party, invariably in the most extreme corner on the regional autonomy issue. This is a crucial question for Spain, where regional autonomy demands threaten to enormously weaken central government power. The most likely scenario is for the Socialists to win the fall elections, then begin to tear the country to bits economically and socially—as their cothinkers have done in France. This will provide the prerequisites for British intelligence, acting through the most extremist reactionary circles, to set up an IMF dictatorship or its equivalent under the guise of a coup d'état to preserve “order.”

This scenario is more or less openly acknowledged by prominent Anglo-American agents like Antonio Garrigues Walker of the Trilateral Commission, who would consider a Socialist victory this fall a divine gift. It is no accident that Socialist-enthusiast Garrigues is considered by the extreme right in Madrid as the ideal man to lead a right-wing coalition into the elections on a program of the technetronic zero growth society. Such a convergence of right-wing extremism and the Spanish Socialists should pose no surprise for those who have followed past *EIR* exposés on the activities and background of the Socialist International.

The fact that so many of those we met in Spain were already familiar with the work of this magazine's founder, Lyndon H. LaRouche, and were very interested in studying more closely his political and economic thought, is a hopeful sign that the pre-programmed scenarios for the destruction of Spain may not proceed so smoothly after all.

The pro-growth faction in Spain already has a glorious historical model to guide them, and one of which they are acutely conscious. From discussions and from their publications it became clear that this model was the reign of Charles III (1759-88), the great humanist monarch who put into practice the politico-philosophical ideas of Spain's greatest poet, Miguel de Cervantes, both in Spain and the New World.

The politics of Charles III is precisely what Spain now requires if it is to survive to fulfill its important role in the world. Contrary to what the press would normally have one believe, Spain is not a country of perennially weak institutions in its democratic infancy. The country has among the richest cultural and political heritages in all Europe. This in itself represents the most important base on which can be built a cogent policy that will extirpate the Hapsburg-British conspiracy which for the past 200 years has kept the nation in a state of near perpetual chaos and powerless disarray.

Economic Profile

How Spain can reach recovery and growth

by Richard Schulman

During the period from the end of the 1950s until the middle 1970s, Spain had the fastest rate of growth in Europe and was able to pride itself on having become the tenth biggest national economy in the world.

Now Spain is vying with Turkey as the country in Europe with the highest unemployment rate. Over 2 million of its workers are unemployed, out of an economically active population of over 13 million, with the result that the *official* rate of unemployment is at 16 percent.

Small and medium-sized businesses are failing at record rates. Industry is choked with high-interest debt. Spain's new shipbuilding sector is variously estimated to be operating at 10 to 60 percent of total capacity. Even Spain's powerful and ubiquitous banking sector is shaky. The Bank of Spain has already had to bail out the Banco de Madrid, which had been heavily involved in the textile industry; then the Banco Occidental. The latest worry is the well-known Banca Catalana, the sixth biggest deposit bank in the country, whose president is a leading Catalan politician, Jordi Pujol.

Although Spain's ruling “center” party, the Democratic Center Union (UCD), has been receiving the blame for the economic crisis, and the Socialists the electoral benefits (witness their winning a 51 percent majority for the first time in the May 1982 Andalusian regional elections), Spain's current problems are mostly a result of the economic plunge beyond Spain's borders. This is underlined vividly by the fact that two-thirds of its unemployed are accounted for by Spanish *Gastarbeiter* (guest workers) forced to return to their homeland after being laid off by recession conditions in northern Europe.

This is not to say there aren't problems within Spain that couldn't immediately be addressed. Spain's powerful private banking sector, consisting of the “Big Seven” (Banesto, Central, Hispanico, Bilbao, Santander, Vizcaya, and Popular) commercial banks, and the Banco Urquijo, an investment bank, all used to be heavily invested in heavy industry. Since 1975, however, the year of Spanish dictator Francisco Franco's death, the banks have been increasingly dumping their industrial holdings in favor of non-productive financial assets, notably the insurance industry, real-estate holdings, and “information society” enterprises. The Banco Urquijo,