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FM MADRID 221222Z

TO PRIORITY FCO

TELNO 174 OF 22 MAY 1988

INFO ROUTINE GIBRALTAR(PERSONAL) LISBON

Read in full

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THE STATE OF SPAIN

THE HOME SECRETARY IS DUE TO VISIT SPAIN NEXT WEEK. THIS WILL BE THE FIRST BILATERAL MINISTERIAL VISIT SINCE YOU SIGNED THE LISBON AGREEMENT ON GIBRALTAR, IT WILL BE A CONSIDERABLE ANGLO/SPANISH EVENT. YOU MAY THEREFORE LIKE TO HAVE A BRIEF PICTURE OF THE POLITICAL SCENE HERE AT PRESENT.

2. THE SPANISH GOVERNMENT IS UNDOUBTEDLY GOING THROUGH A BAD PATCH. (MY DESPATCH OF 12 MAY REFERS). RECENT REGIONAL ELECTIONS HAVE PRODUCED RESOUNDING SETBACKS FOR THE GOVERNING PARTY, THE UCD. SUAREZ' HANDLING OF TERRORISM, THE ECONOMIC RECESSION, AND LAW AND ORDER HAVE FURTHER CAUSED SOMETHING OF A CRISIS OF CONFIDENCE. THE RIGHT ARE GUNNING FOR HIM AS HARD AS THE LEFT. SUAREZ TOOK THREE WEEKS TO RESPOND WITH A CABINET RESHUFFLE WHICH CHANGED A FEW FACES BUT NOT HIS POLICIES. CRITICISM OF HIS PERSONAL LEADERSHIP CONTINUES THE GOVERNMENT IS ATTEMPTING TO DRAW ITS STING WITH A MAJOR PARLIAM-ENTARY DEBATE DESIGNED TO CLEAR THE AIR. THE SOCIALISTS HAVE RESPONDED WITH A MOTION OF CENSURE WHICH IN EFFECT ADVANCES FELIPE GONZALEZ' CANDIDATURE TO THE PRESIDENCY OF THE GOVERNMENT. IT WILL COME TO A VOTE NEXT WEEK. SUAREZ HAS A LOT DEPENDING ON THE UPSHOT OF THE DEBATE BUT PROBABLY NOT HIS OWN SURVIVAL.

3. THERE HAVE BEEN A NUMBER OF RECENT ACCIDENTS. MANY OF THESE HAVE ARISEN BECAUSE THE PROVISIONS OF THE CONSTITUTION AND THE INSTITUTIONAL INSTRUMENTS FOR CARRYING THEM OUT TEND TO GET OUT OF STEP. THUS THE MILITARY COURTS BEHAVE AS IF THEY WERE A LAW UNTO THEMSELVES. THE PUBLIC PROSECUTOR IS WAGING AN ILLIBERAL CAMPAIGN AGAINST THE LEADING INDEPENDANT NEWSPAPER, EL PAIS, ON GROUNDS WHICH WOULD NOT STAND SCRUTINY IN OTHER WESTERN EUROPEAN COUNTRIES. TERRORISM IN THE BASQUE COUNTRY CONTINUES UNABATED AND PARADOXICALLY MAKES RESPECTABLE THE EXTREMIST REFLEXES IT PROVOKES IN MANY SECTORS OF SPANISH SOCIETY. MATTERS ARE NOT HELPED BY MINISTERS' INEXPERIENCE IN HANDLING PARLIAMENT. IN THEORY THEY ARE ANSWERABLE BUT IN PRACTICE EVASIVE. THE SPANISH PARLIAMENT HAS NOT YET WON CONFIDENCE AS THE INSTRUMENT FOR PROMOTING NECESSARY CHANGE IN SPAIN'S MANY OUTDATED INSTITUTIONS. SUAREZ COMBINATION OF DISDAIN AND APPREHENSION HAS NOT HELPED.

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4. THESE TEETHING PAINS HAVE BEEN MAGNIFIED BY THE VOLATILITY OF SPANISH PUBLIC OPINION. NEITHER MINISTERS NOR THE PUBLIC ARE USED TO THE UNPOPULARITY TO WHICH GOVERNMENTS ARE LIABLE AFTER SOME TIME IN OFFICE. THE GOVERNMENT'S INEXPERIENCE IN OPERATING A DEMOCRATIC SYSTEM AND A FREE PRESS HAS MADE MATTERS WORSE.

5. SPAIN'S POLITICAL AND ECONOMIC PROBLEMS ARE REAL ENOUGH. BUT SUAREZ' CURRENT TROUBLE IS MORE A MATTER OF ATMOSPHERICS THAN OF REAL CRISIS. HIS GOVERNMENT HAS SOLID ACHIEVEMENTS BEHIND IT, INCLUDING A NEW CONSTITUTION AND AN IMPRESSIVE RECORD OF REFORMIST LEGISLATION, NOT TO MENTION ITS CONVINCING VICTORIES IN THE FIRST TWO NATIONAL DEMOCRATIC ELECTIONS FOR FORTY YEARS. SUAREZ MAY HAVE LOST SOME OF THE ALLURE HE ENJOYED DURING THE TRANSITION TO FULL DEMOCRACY. HIS HANDLING OF THE DEVOLUTION ISSUE IN PARTICULAR DISPLAYS A CERTAIN TENDENCY TO LURCH. BUT MUCH OF THE CRITICISM STEMS AS MUCH FROM SQUABBLING WITHIN THE RULING PARTY AS FROM GOVERNMENT'S PATCHY PERFORMANCE. THERE IS CERTAINLY NO AGREEMENT ON ANY ALTERNATIVE LEADER. THE SOCIALIST PARTY IS NEITHER RIPE FOR OFFICE NOR IN A POSITION TO FORCE ITS CLAIMS. THE PRESS WILL NO DOUBT CONTINUE TO GIVE SUAREZ A BAD TIME AND WILL INEVITABLY PLAY UP THE CONTINUING ANOMALIES OF THE SOCIAL AND ECONOMIC SYSTEM HERE. BUT I EXPECT TO SEE THE PRESENT LEADERSHIP PULL THROUGH.

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