

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—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-

ers all of a sudden. The real roles are coming out. The PAN [the neo-fascist party run from Central Europe—ed.] will play a big role. The upper bourgeoisie has broken with the [ruling] PRI because López Portillo has dashed their hopes.

A way out for Mexico will be very difficult. [Incoming President] de la Madrid will not have the same authority as López Portillo. The army has far more strength than you imagine, and its role will depend on the degree of social deterioration. The corruption in that country is unbelievable. Twenty-five cents on every dollar earned by [the state oil company] Pemex goes to the house trade union. The economy is totally overheated; every person who has any education at all, finds a job at U.S. wages. This is ridiculous.

Mexico has nothing to do with other Ibero-American countries, and any idea of an Ibero-American common market is a utopia. The LALC [Latin American Free Trade Association] and Grupo Andino [Andean Pact] never functioned.

---

## Interview: Pedro Guardado

---

# Socialist rejects the Latin trade potential

*Pedro Guardado is a member of the technical office of the Spanish Socialist Party-linked trade-union federation UGT. Guardado, who is responsible for the federation's economic affairs, spoke to EIR late in September in Madrid.*

**EIR:** Do you agree with what Felipe González said to his Socialist Party Executive Committee recently about reduction of working hours and forced retirement as the only way to reduce unemployment?

**Guardado:** Totally. Unfortunately, I am not too optimistic about the effect of reducing working hours, as I don't think employers will hire more people. One of the big hopes is in reducing salaries, say by about 7 to 8 percent. We have the advantage that Spanish workers are very cooperative indeed; at RENFE [the state rail system] the workers have just accepted a 2 percent pay cut in exchange for the creation of new jobs.

**EIR:** Which do you think are the sectors of the future for the Spanish economy?

**Guardado:** Let me go through the list. Forget capital goods and equipment, forget steel—there's no need to increase capacity; forget chemical products. We will just never be competitive in any of these heavy fields. We can be modestly competitive in the field of textiles, and construction. As for shipbuilding, there is no market at all, except for highly specialized ships.

Look at Argentina, for example. Nobody likes them in Ibero-America. Since the Malvinas, tension has in any case dropped, especially as the truth has come out how Argentina falsified military information. The war did not affect integration of Ibero-America positively. . . .

**EIR:** What do you think about the Spanish situation?

**De Polanco:** Things are so very different from 1936, with an imminent Socialist victory. There is no sense of fear or anguish in the population. The PSOE doesn't have to do a single thing to win. Unfortunately, though we now have a moderate left party, the PSOE, we do not have a moderate right party, nor the leaders which electoral experts tell us we need. Only Adolfo Suárez [the former President who created the new CDS splinter from the centrist UCD—ed.] could stop the right from losing, but the right is divided against him.

---

**EIR:** You must be tremendously excited and happy about the recent Mexican moves. . . .

**Guardado:** No. I have been to Mexico many times and my family lives there. It is unutterably corrupt. It will take light years to do anything in Latin America; there are too many political problems. You can hardly expect a Spanish Socialist government to do business with Argentina, Chile, Bolivia in friendly fashion. As for the Mexicans, all they care about is theatrical effects. López Portillo has only short-term plans. As for an Ibero-American common market, this is very problematic. Brazil, Bolivia, and Peru are all very unstable.

**EIR:** What do you think about the [anti-nuclear] Almaraz and Ascó riots?

**Guardado:** We support the ecology movement, indeed we do. We want to limit to a minimum nuclear energy and will not build more reactors. All the existing ones will be carefully checked before permission to operate is granted.

**EIR:** What do you think about the education system?

**Guardado:** We will not outlaw private schools because the state is in any case too poor to reach every village. We will simply punish the schools that refuse to allow government oversight of their programs by cutting their subsidies, like the University of Navarra, for example.

There are too many people in the universities; they are becoming schools for unemployment. We must encourage people to go back to manual-labor training after leaving high school.

---

At this point José Fernández Noriega, the UGT head of collective bargaining, walked in with the facts and figures on the supposed wage cuts at Iberia Airlines, RENFE, and the Madrid metro. In fact there had not been a single wage cut accepted, just some foolish compromise, which left Guardado considerably embarrassed.