



National
Foreign
Assessment
Center

Approved For Release 2004/12/14 : CIA-RDP79T00912A001600010015-6

Secret

25X1

Western Europe Review

6 December 1978

Secret

*RP WER 78-019
6 December 1978*

Copy

25X1

Approved For Release 2004/12/14 : CIA-RDP79T00912A001600010015-6

Approved For Release 2004/12/14 : CIA-RDP79T00912A001600010015-6

~~SECRET~~



25X1

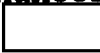
WESTERN EUROPE REVIEW 

25X1


6 December 1978

CONTENTS

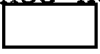
25X1	<u>West Germany - USSR: The Economic Cooperation Agreement</u> 	1
------	--	---

The West German Bundestag will give general approval to the West German - Soviet agreement on economic, industrial, and technical cooperation signed last May by Chancellor Schmidt and President Brezhnev. 


25X1

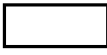
25X1	<u>Italy: Berlinguer's Troubles</u> 	5
------	---	---

25X1

Italian Communist Chief Berlinguer is currently facing a broader array of political problems than at any time since he became party leader six years ago. 

25X1

25X1	<u>The Spanish Constitution: An End to Consensus?</u> 	13
------	---	----

The Spanish electorate is almost certain to approve the country's constitution by a wide margin in today's referendum. 

25X1

SECRET

~~SECRET~~

25X1

25X1

West Germany - USSR: The Economic Cooperation Agreement []

The West German Bundestag will give general approval to the West German - Soviet agreement on economic, industrial, and technical cooperation signed by Chancellor Schmidt and President Brezhnev during the latter's visit to Bonn last May. Parliamentary discussions made clear that all parties accept the agreement's economic objectives. There is a dispute--still unresolved--over how to endorse the accord in the Bundestag, but this is essentially a conflict over the presumed intentions of Ostpolitik. Although only a framework for economic relations, the accord has been portrayed as politically significant because Bonn and Moscow want to accentuate evidence of understanding at a time when progress is stalled on bilateral problems. []

25X1

The agreement, while similar to previous cooperation pacts between the two countries except for its expected duration, has been regarded as the centerpiece of the Brezhnev visit. His visit produced no notable understanding on other issues, such as the contentious one of Berlin. []

The agreement represents a promise of stability in relations and of economic cooperation that both West Germany and the USSR desire. The element of hope perhaps is more significant than the agreement itself. In fact, the pattern of goods exchanged between the USSR and West Germany will develop according to the decisions of West German businessmen rather than by the terms of the agreement. The pact is balanced and general. It includes, for example, credits on conditions "as favorable as possible" or compensation deals--much favored by the Soviets--if they are "in the interest of both sides." The term of 25 years is unusual: the initial validity of the economic cooperation agreement is 10 years with renewal for five-year periods. []

25X1

6 December 1978

1

SECRET

SECRET

Recent Trade Pattern

Despite a rapid rise in the 1970s, trade with the USSR has not been extensive and remains a small share of West German trade. The surge of 1973-75, when West German exports more than doubled, is not likely to be repeated. After 1975, Soviet concern about its rapidly rising trade deficit with the industrial West led the USSR to slow down imports from hard currency countries and push exports. As a result, West German - Soviet trade leveled off. Despite recent indications of a rise in exports from West Germany, available 1978 trade data suggests that the goal cited in the joint communique--a doubling of trade between 1976 and 1980--is unrealistic.

25X1

More detailed plans for carrying out the May economic agreement are still being prepared for presentation to the next Soviet - West German Joint Commission meeting next fall in Bonn. Problems of payment were reportedly explored last September at a Joint Economic Commission meeting. Yet Moscow continues to be unwilling to deplete hard currency reserves or increase indebtedness to West Germany, and the West Germans still refuse to go along with Soviet insistence on compensation deals. The West German Government does not support such arrangements, nor does it provide guarantees for such transactions.

25X1

Bundestag Endorsement

The desire of key Ostpolitik advocates to make the most of this economic agreement has led to partisan differences over what sort of Bundestag endorsement it deserves. Chancellor Schmidt apparently agreed for a time that Bundestag ratification of the agreement--an unusual procedure firmly resisted by the opposition--would impress Moscow with Bonn's seriousness of purpose. He also relished, to some degree, the idea of perhaps forcing the opposition to vote in effect against good relations with the USSR. The idea of ratification was dropped however, reportedly after Foreign Minister Genscher raised the question of what such an exception would mean for foreign policy agreements with other countries.

25X1

6 December 1978

2

SECRET

SECRET

The government asked the Bundestag to approve the agreement by resolution. In the debate, Schmidt declared, "This agreement is something special and it should be." His remarks stressed that "continuity of policy" would be underscored by the long-term nature of the agreement. The Chancellor also took the occasion to express his government's interest in expanding trade with China, but added that this could only happen if it does not disrupt "our relations with the Soviet Union." This potential problem is much on the minds of West German policymakers because of Soviet concern about possible West European arms sales to China. []

25X1

Christian Democratic economics expert Karl-Heinz Narjes, as the leading spokesman for the opposition, mixed factual analysis of the agreement's abstract character with suspicion of the government's Ostpolitik. He commented that he considered it unusual to turn an economic cooperation agreement into a political demonstration. Accusing the government of "see-saw politics," Narjes said the policy seeks to attach exaggerated political significance to an economic agreement with the East in order to impress the West. []

25X1

Schmidt's rejoinder to Narjes deplored especially the term "see-saw politics" on grounds it poses the question of West Germany's loyalty to alliances. As usual, the Chancellor portrayed doubters of Ostpolitik as unregenerate cold warriors. The opposition refused to support even the resolution of approval for the agreement, claiming it was drafted so that it would make Bundestag endorsement appear to be ratification. The Bundestag, however, did agree to refer the pact and the approval resolution for Bundestag committee review. []

25X1

The dispute over how--or whether--to endorse the accord in the Bundestag is essentially a conflict over the presumed intentions of Ostpolitik. However it is resolved, the government has not gained the partisan advantage it initially saw in the issue. But all parties accept the economic objectives of the agreement because they want increasing economic exchange with the USSR and stability in the bilateral relationship. In this respect,

6 December 1978

3

SECRET

SECRET

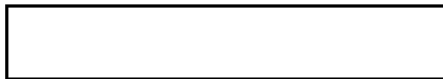
however, the economic cooperation agreement is no more than a statement of principle: the resolution of questions of payment will have more influence on the actual development of economic relations.

25X1
25X1


6 December 1978

4


SECRET



25X1


Italy: Berlinguer's Troubles 

25X1

Italian Communist chief Berlinguer is currently facing a broader array of political problems than at any time since he became party leader six years ago. Berlinguer's dilemma stems from increasing internal party pressure to show that his cooperative stance toward the government can produce tangible benefits--pressure that appears to be growing at precisely the moment when Berlinguer's margins for maneuver are shrinking. Berlinguer's stewardship of the party has advanced its influence in ways that will be difficult to reverse, and he still appears in control of the party--but it is clear that his fellow Communists are watching him more closely and debating his policies more seriously than in the past. Should various current maneuvers--principally by the Socialists and Christian Democrats--succeed in toppling the Andreotti government, Berlinguer would almost certainly be unable to maintain Communist support for a new government unless the agreement moved the party a step closer to a cabinet role or guaranteed other concrete rewards to Communist supporters. 

25X1

Flagging Momentum

Many Communists--who have been trained for years to regard the Christian Democrats as the major enemy have always been uneasy with Berlinguer's call for an "historic compromise." Since announcing that strategy in 1973, however, Berlinguer has managed to hold criticism in check through his close association with a string of impressive leftist victories: the collapse of the last center-right government in 1973; the endorsement of legalized divorce in a 1974 national referendum; unprecedented Communist gains in the 1975 nationwide regional, provincial, and municipal elections; and even greater gains in the 1976 parliamentary contest. By mid-1976, any Communist who wanted to challenge Berlinguer had to contend with his indisputable status as the most successful leader--at least electorally--in the party's history. 

25X1

6 December 1978



Communist Party leader Enrico Berlinguer

6 December 1978

6

SECRET

SECRET

But it has been more than two years since Berlinguer scored a clearcut victory. Since the 1976 election, he has been involved mainly in complex interparty maneuvering that has enhanced Communist influence significantly, but in ways too subtle for many average party supporters to appreciate. The Communists, for example, have provided the last two Andreotti governments with crucial parliamentary support and have used this leverage to gain a formal consultative role in most government policymaking. Along the way, they have gained important parliamentary posts previously denied the party and made modest inroads in the patronage area. While all of this has improved the party's bargaining position, the benefits have not yet trickled down to the average Communist. [redacted]

25X1

Moreover, voters who switched to the Communists in 1976 probably have a more general kind of complaint. It can be argued that Italy would be in much worse shape today had the Communists remained in opposition, but the results of their cooperation with the government have not matched expectations raised by the party's ringing electoral slogan: "Change Italy with the PCI." The country's overall economic position has improved only marginally, terrorism has grown, and other long-neglected problems--the backward south is the classic case--still await solutions. (The south is a particularly nagging problem for Berlinguer, because the party's electoral surge in 1976 stemmed in large part from its strong gains there--gains that probably reflected hope that the Communists could spur the government to action.) [redacted]

25X1

Moreover, many Communists asking themselves what has really changed in the last two years can probably see as much on the minus as on the plus side. The most tangible example, comes from local elections last May, which involved 10 percent of the voters and produced the sharpest Communist losses of the post war period. The party was apparently deserted mainly by moderate voters who had crossed over to the Communists in 1976. Berlinguer apparently believes this result reflects an impression among some voters that the Communists are, in effect, acquiescing in the immobilism many Italians have come to associate with the government. [redacted]

25X1

6 December 1978

7

SECRET

SECRET

Hostile Landscape

In trying to remedy this situation, Berlinguer must deal with a political environment much less favorable than the one he faced while preparing a year ago to topple Andreotti and to push for formal membership in a new government's parliamentary majority. Then, a variety of factors--the disarray in the Socialist Party, growing political violence, the desire of leading Christian Democrats for Communist support in the coming presidential election--had combined to ease the way for Berlinguer. All except one of the Christian Democrats' major faction chiefs were on record in favor of closer cooperation with Berlinguer, and both the Socialist and Republican parties were pushing, at times seemingly harder than Berlinguer, for Communist entry into the government. The "historic compromise" had begun to acquire an air of inevitability.

25X1

But the Communist election losses and Socialist chief Craxi's aggressive espousal of policies designed to distinguish his party from the Communists have done much to erode the inevitability thesis. Today, in fact, the most frequently heard Christian Democratic refrain is: we have the Communists right where we want them--saddled with responsibility for government decisions but denied direct governmental power--and we must now wait for Berlinguer's problems to ripen.

25X1

Berlinguer's dilemma is sharpened, moreover, by the absence of a skilled Christian Democratic interlocutor. When the Red Brigades murdered Aldo Moro last May, they removed the Christian Democrat who was probably most inclined and most able to make the current governing arrangement more rewarding for Berlinguer. No Christian Democratic leader comes close to filling Moro's role. Andreotti seems more responsive to some of Berlinguer's problems than other Christian Democratic leaders, but he does not have the moral authority and political clout that enabled Moro to mold Christian Democratic policy.

25X1

Divided Communists

So the essential problem the Communists face in preparing for their triennial congress in March is how to regain at least a measure of the momentum the party had

6 December 1978

8

SECRET

a year ago. [REDACTED]

25X1

[REDACTED] Some Communist leaders seem to be arguing that the congress should move the party further away from the Soviets and closer to a social democratic stance on domestic policies--in short, a further but presumably marked evolution in the direction the party has been moving for years. [REDACTED]

25X1

[REDACTED]

Other Communist leaders apparently think such evolution has gone far enough and that the party's recent troubles counsel a hardening of the Communist line and renewed emphasis on tradition--even if that ultimately means a shift back to the opposition. They doubtless assert the party should worry more about its identity and its traditional working class base and less about holding recent converts from the middle class. Moreover, it is not hard to imagine exponents of this view urging the party seriously to threaten a return to the opposition, on the theory that it would sober Christian Democrats who are flirting with the idea of a new center-left alliance; even the Christian Democrats who are pushing hardest for a new partnership with the Socialists harbor serious doubts about their reliability, particularly in the face of strong Communist opposition. [REDACTED]

25X1

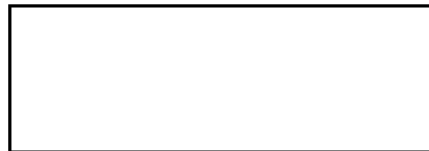
25X1

Berlinguer is apparently holding the middle ground in this debate. Although his last major speech was widely interpreted in Italy as a hardening of the party line, it looks more like a balancing act when viewed in the context of the present party debate. Berlinguer did say the party would never break with Moscow, but he also rejected the Soviet model of socialism and reserved the right to criticize the CPSU. He said the party would never become social democratic but should aim for a "third way" between social democracy and East European socialism. And while he ripped into the Christian Democrats for obstructing efforts to solve Italy's problems, he also admitted the Communists could not solve these problems without them. [REDACTED]


25X1

6 December 1978


Next 2 Page(s) In Document Exempt




25X1

The Spanish Constitution: An End to Consensus? 

25X1

The Spanish electorate is almost certain to approve the country's constitution by a wide margin in today's referendum. Approval will cap a process that is unique in Spanish history and rare anywhere else: a peaceful transition from authoritarianism to democracy by a process involving a consensus across the political spectrum. As one Spanish politician noted, this is the first Spanish constitution that has not been rammed down the throat of half of Spain by the other half. 

25X1

Until recently it had seemed a good bet that promulgation of the constitution would signal the end of the consensus era, that the pressures of partisan politics would assert themselves, and that Spain's four major parties would feel constrained to differentiate themselves in anticipation of the national election that must be held by 1981. This prospect was never a certainty, however, both because each of the major actors had reason to fear he might not do well in elections and because unresolved major problems, particularly Spain's troubled economy and Basque demands for greater autonomy, still demanded a consensus approach. 

25X1

In the last several months, the Basque problem has become more acute. Terrorist depredations have increased both in the Basque region and in Madrid, and even relatively moderate Basques have become more intransigent.



25X1

fronted with this range of challenges and faced with the prospect of tough legislative battles over enabling legislation for the constitution, Spain's politicians may decide to prolong their consensus approach. If tension persists, the two largest parties--Prime Minister Suarez' Union of the Democratic Center and Felipe Gonzalez'

6 December 1978

SECRET

Socialists--may even join in a coalition government. Even so, the government will have trouble coping with the challenges looming beyond the referendum. []

25X1

The Writing of the Constitution

The plan for the constitution grew from the idea that given Spain's tendency toward polarization--of which the Civil War was only one vivid manifestation--the country needs a democratic constitution acceptable to the broad majority of Spaniards. The bitter legacy of Spain's seven previous constitutions, all of them imposed on the others by one dominant group, led to the decision to write a constitution under which any party could govern. The evolution of the drafting process itself reflected this urge toward consensus. Initially, Prime Minister Suarez suggested that the government should submit a draft constitution for approval by the Cortes. But other political parties insisted on participating from the beginning. The fact that Suarez' party did not have a majority in the Cortes may have influenced his decision to let the parliament write the document, but subsequent events made it clear that he was consistently willing to compromise in order to improve the prospects for broad acceptance. []

25X1

The task began in August of last year in a subcommittee made up of seven representatives* of the major parties in the lower house. The representatives of the four largest parties were guided by unpublished drafts prepared by their respective parties. The drafters agreed on the general outlines of the post-Franco structure: in addition to being civilian and parliamentary, it should be arranged to discourage polarization. It should also have a fairly strong executive with safeguards against authoritarianism. []

25X1

During this period, King Juan Carlos played an important role. His success in projecting himself as a

*Subcommittee members were: Perez Llorca, Herrero, and Cisneros of Union of the Democratic Center; Peces Barba of the Socialists; Sole Tura of the Communists; Fraga of the Popular Alliance; and Roca of the Catalan Democratic Pact for Catalonia for the Basque/Catalan group.

6 December 1978

SECRET

SECRET

moderating influence and symbol of unity, as well as the popularity he developed among the people, helped confirm the notion of consensus. Perhaps even more important was the part he played in reconciling rightists, particularly in the military, to the need for democratic change. Military loyalty to the crown has been an important element in keeping the Army out of politics; even now, when Army officers make little secret of their disdain for Suarez, they are reluctant to oppose the King. []

25X1

Portions of the draft constitution produced by the subcommittee of the Congress last December triggered considerable controversy, and over 1,000 amendments had been dealt with by the time the full committee began its consideration in early May. The committee's progress was slow at first, in large part because Suarez was relying on the votes of the rightist Popular Alliance, and nearly every issue triggered a confrontation with the parties of the left. A private dinner meeting between government party leaders and their Socialist counterparts, however, dramatically changed this lineup: from that point on, the Socialists and the Democratic Union worked toward compromise language on controversial points such as regional autonomy, the role of the Church, labor relations, divorce, abortion, and education. With a few important exceptions, the pact held firm for the remainder of the committee's deliberations and during the subsequent sessions of the Cortes. []

25X1

The reasons behind the pact are complex. In addition to a shared belief that consensus was essential if democracy were to take root, Suarez and Socialist leader Gonzalez had a common interest in getting the constitution out as soon as possible. Moreover, as leaders of Spain's two largest parties, they also shared an interest in making it clear that their two parties were calling the shots--no matter how much noise the Communists, rightists, and regionalists made. Suarez saw advantage in enhancing his left-of-center credentials by moving away from the Popular Alliance, and Gonzalez was looking for a way to break in on the cozy tactical arrangement that had developed between Suarez and Communist leader Santiago Carrillo. []

25X1

6 December 1978

SECRET

SECRET

Given the combined strength of the Union of the Democratic Center and the Socialists, there was no way the other parties could oppose what Suarez and Gonzalez agreed on and only a limited possibility of modifying it. Most of them acquiesced in the arrangement--although Carrillo loudly and frequently proclaimed his fear that the arrangement portended an undesirable evolution into a two-party state. Only the Popular Alliance and the moderate Basque Nationalist Party withdrew from the committee in protest against the "smoke-filled room" approach. At any rate, the pact made it possible to achieve widespread acceptance of the final draft. When the leaders could not agree on a particular matter, they compromised by a general statement that left the details to future enabling legislation or judicial interpretation.

25X1

The Constitutional Provisions: Distribution of Power

Like other democratic parliamentary systems, the government is responsible to the legislature--or more precisely in the case of Spain, to the lower house Congress of Deputies. The legislature in turn is responsible to the people through direct universal suffrage; the Congress is chosen under a modified proportional representation system, and most of the Senate by direct election.* The Congress has the power to override a Senate veto of a bill or amendments to it.

25X1

The legislature's ability to remove a government is sharply circumscribed. A censure vote must be passed by an absolute majority of the Congress and must contain the name of the proposed candidate for the office of prime minister. A five-day delay before voting is required, and a censure motion that fails cannot be reintroduced in the same legislative session. The prime minister, on the other hand, can call for a vote of confidence which needs only a simple majority. Thus, once a prime minister has received his initial vote of investiture (which after the first vote requires only a simple majority), it will be difficult to remove him.

25X1

*In addition to four directly elected senators from each province, the assemblies of each autonomous community will designate one senator and one additional senator for each one million inhabitants.

6 December 1978

SECRET

SECRET

The people may be consulted on important matters through a referendum called by the King with the approval of the prime minister and the authorization of the Congress. The people in turn may request a law by a petition that has at least 500,000 signatures, provided it does not concern constitutional matters, taxes, pardons, or international affairs. [redacted]

25X1

Constitutional reform is relatively easy. The government or either legislative chamber may propose a change that must be approved by a three-fifths majority of each house. If no approval is possible by this vote, several alternatives are allowed, the ultimate one giving more weight to the Congress than the Senate. In any case, the reform proposal must be ratified by a popular referendum.

25X1

The Executive

In recognition of the significant role King Juan Carlos has played during the transition and the popular sentiment he has evoked, the monarchy was retained for him and his heirs. As chief of state his main functions will be consultative and ceremonial, with all of his important acts being subject to countersignature. He dominates the prime minister, but only after consultation with the parliamentary groups; his nomination is made "through" the president of the Congress. Juan Carlos' influence is likely to be more important than that of his British counterpart--and with the military it could be critical--but it is likely to remain informal and unobtrusive. [redacted]

25X1

Executive power is centered in the prime minister (el presidente del gobierno in Spanish terminology). He proposes his ministers, and they are responsible to him; he in turn is responsible to the Congress. Nominated by the King and approved by the lower house after each general election, the prime minister serves the full four-year legislative term unless he loses a vote of confidence or censure, or decides for tactical reasons to dissolve the legislature early. He and his cabinet may initiate bills, a power also available to the Cortes. The cabinet may also issue decree laws in times of emergency, subject to approval within 30 days by the Congress of Deputies. [redacted]

25X1

6 December 1978

SECRET

SECRET

Provisions for Autonomy

Regional loyalties persist in Spain, despite the efforts of successive rulers (including Franco) to emphasize the country's unity. Pressure for autonomy is most intense in Catalonia and the Basque country; indeed, the Basque issue is the most urgent one presently facing the government. But other regions also want greater self-government, and the drafters of the constitution had little choice but to heed the demands of the "nationalities." They had to walk a fine line, however, since much of the military still regards the preservation of Spain's unity as one of its primary missions; the military even objected to the inclusion of the word "nationalities" in the constitution.

25X1

As passed by the Cortes, the constitution provides that those of the 50 provinces which so desire may form autonomous "communities." These will have their own legislatures, cabinets, and prime ministers. The constitution assigns certain powers to the "communities"; all major powers, however, are initially reserved for the central government. Provision is made for the Cortes to delegate its reserved powers to any or all of the "communities," but the Cortes can, for reasons of national interest, substitute its own initiative for theirs.

25X1

The drafters took particular note of Basque demands with a provision protecting and respecting the historic rights of the Basque provinces.* Because the definition of these rights must be carried out within the framework of the constitution, however, and because its autonomy provisions do not conform to Basque demands for unrestricted recognition of their historic rights, most Basques remain unreconciled to the constitution.

25X1

*The three provinces of Vizcaya, Guipuzcoa, and Alava are generally considered the Basque heartland. The neighboring province of Navarra, which is sometimes included with the other three, is probably less than half Basque and the constitution includes special provisions for determining the preferences of its inhabitants.

6 December 1978

SECRET

SECRET

Protection of Rights

In addition to providing for the rule of law and an independent system of courts and trial by jury, the constitution established an independent constitutional court. The court will rule on unconstitutionality of laws and serve as a court of last resort in protecting liberties and rights granted in the constitution.

25X1

Balancing Other Demands

The constitution contains an exhaustive enumeration of rights and duties, reflecting interests of the parties and the compromises necessary to get a consensus document. In many cases, the solution was to refer the problem to future enabling legislation. Divorce, for example, was handled in this way. A compromise was achieved on religion by ruling out any "state" religion but providing for government cooperation with the Catholic Church and other confessions. On education, private and state schools are allowed, and vague wording leaves open the possibility of aid to church schools. Labor unions and the right to strike are recognized, and provision for social security and taxation is made. Free enterprise is guaranteed, but so is public intervention. Leftists were glad to get reduction of the voting age to 18 and the abolition of the death penalty.

25X1

Unhappiness Remains

The overwhelming parliamentary vote for the constitution on 31 October obscures a good deal of discontent in some of the parties over the outcome. Many Socialists, for example, feel that Gonzalez gave away too much in his compromises on the monarchy, religion, education, and the nature of the economy. Gonzalez has acknowledged publicly that elements within the party are restive over the leadership's moderation; privately he is said to have commented that the rank-and-file has no comprehension of the process that produced the agreed draft. Noting that party members would be uncomfortable with the pragmatic measures that would be forced on any Socialist government, Gonzalez has even wondered in public whether the party is ready to govern.

25X1

6 December 1978

SECRET

SECRET

On the right, the Popular Alliance abstained in the first vote in the lower house. Party leader Fraga charged that the grant of autonomy to the "nationalities" threatened the unity of the nation and that Suarez had given up too much to the left on social and economic provisions. To some extent, Fraga was playing politics: he knew this line would strike a sympathetic chord in the military. But he was also reflecting the concerns of many of his followers. In the end, although Fraga and most other members of the Popular Alliance came around in the final parliamentary vote to accept the constitution, two of its most conservative factions suspended their membership in the party. []

25X1

A few conservative Catholic bishops have condemned the constitution. The Cardinal Primate in a pastoral letter issued last week branded the document godless and permissive; eight bishops supported his stand. Earlier, however, the Spanish Episcopal Conference, the Spanish Church's governing body, decided against taking a stand on the constitution, recommending that Roman Catholics decide their vote freely and according to their conscience. []

25X1

A controversy over a seemingly innocuous passage last July shows the sort of interparty tension that lies not far beneath the surface consensus. In the constitution's long first section on basic rights and principles, there is an article that, among other things, guarantees the right to life. The text originally introduced in the lower house stated that "an individual" was guaranteed this right, but Fraga's Popular Alliance introduced an amendment that guaranteed the right to "all." Fraga's purpose was to make it harder to decriminalize abortions, and the amendment aroused a storm of protest from the left. In the end, the support of Suarez' party permitted the amendment to pass, but by only 11 votes. This was the only article in the entire draft that drew a significant negative vote in the lower house; on other issues, opponents by and large contented themselves with abstentions. That it was a unique occurrence attests to the strength of the urge for consensus, but that it occurred at all attests to the potential for future trouble. []

25X1

6 December 1978

20

SECRET

SECRET

The Basque Problem

One issue--the demand of the Basques for special status--escaped the consensus process entirely, and its ramifications could yet undo the structure that has been carefully put together in the last year and a half. On this issue there were five principal actors: Suarez and his party, the Socialists, the Basque Nationalist Party, the ETA terrorists, and the Spanish military. The Basque Nationalists, who speak for the overwhelming majority of Basques, were torn. Like nearly all Basques, they wanted constitutional language that in essence put their region's "historic rights" outside the constitution, yet they recognized that Madrid would never make such a concession willingly, if only because the military would not allow it. Moreover, they were repelled by the stepped-up campaign already being waged by the ETA. In this situation the Socialists tried to play a mediating role. As the Congress approached the final stages of its consideration of the constitution in July, representatives of the Socialists, Basques, and the government met and succeeded in working out wording on Basque rights that the Basque representatives accepted. Then the government withdrew its commitment, probably as a result of military pressure. Meanwhile, ETA actions triggered the sort of overreaction by the Spanish security forces that the terrorists were hoping for, giving a boost to the populace's inherent hatred of Madrid and making further compromise on Basque rights difficult. Still, the Basque representatives did not close the door on compromise, for they absented themselves from the Congress' vote on the constitution, saying they could not vote "yes" and did not want to abstain or vote "no."

To the surprise of everyone, for reasons that are not clear, when the constitutional committee of the Senate considered the draft in September, it approved by one vote an amendment that gave the Basques essentially what they wanted in the first place. The original language was quickly restored by the full senate, however, and incorporated into the final document. But the genie was out of the bottle; having been so close to success, the Basque Nationalist representatives could no longer settle for anything less. They abstained on the final vote in both houses and are urging abstention in the referendum. The initiative in the Basque country has

6 December 1978

21

SECRET

25X1

SECRET

clearly shifted to the ETA, whose apparent ability to strike with impunity has seriously undermined the morale of the security forces and has fueled military criticism of Suarez. [redacted]

25X1

Military Discontent

Military unhappiness stems primarily from the growing threats the generals see in three areas of traditional army concern: the unity of Spain, the containment of Communism, and the maintenance of public order. In addition, the unhappiness reflects the fundamental disagreement of inherently conservative officers with the democratization process and their frustration over the radical restrictions Suarez has placed on their ability to play the role of "ultimate arbiter" in political decisions.

25X1

25X1

25X1

[redacted]

So far, unrest has been less evident in the armed forces than in the Civil Guard and its sister service, the Armed Police.* But if the government cannot gain control of the situation in the Basque country--and there is little prospect that it can do so anytime soon--military pressure on Suarez is bound to increase. An outright coup seems unlikely, since the military remains reluctant to challenge the constitutional order as personified by the King. Nor does the Army seem any more eager than the government to impose martial law in the Basque region, since it is generally recognized that to do so would play into the ETA's hands. It is far more likely that the military will press the government to use the security force more aggressively against the terrorists; if the situation continues to deteriorate, the military might urge the King to replace Suarez and other ministers. [redacted]

25X1

*The national police are divided into two separate forces: the Armed Police, who are responsible for order in urban centers, and the paramilitary Civil Guard, who patrol rural areas, small towns, and the borders.

6 December 1978

Once the referendum is over, Suarez will probably be in no position to resist military pressure for tougher action against the Basques, even though such a move would greatly restrict his own political options. His party is 11 votes short of a majority in the lower house, and he has been counting on the Basque Nationalists--along with the Communists and the largest Catalan party--to make up the difference. Without the Basque votes, he would essentially be dependent on the Communists and for a variety of reasons such an alignment would be highly undesirable. [redacted]

25X1
Suarez' Options

Suarez must decide within 30 days of the referendum whether to seek investiture, which would require only a simple majority on the second vote, or call a general election. So far he has kept everyone guessing, and he will probably try to leave his options open for as long as possible. Although most polls show the Socialists slightly ahead of the Prime Minister's party, Suarez reportedly is confident that he will pick up enough support from the large bloc of undecided voters to win at least a plurality. A groundswell of popular acclaim for Suarez in the wake of the anticipated overwhelming endorsement of the constitution could encourage him to try his luck.

25X1
 [redacted]

There are, however, strong arguments against Suarez calling an election. His chances of winning a majority seem slim, and he could well lose, rather than gain, seats. An election campaign would disrupt the country at a time when it is imperative that the government take strong action on economic problems and terrorism. It seems likely that terrorist attacks will persist while the Basque problem festers and the military becomes increasingly restive. [redacted]

25X1
 The odds, therefore, seem to favor a decision to seek a vote of investiture. Suarez will have little trouble securing enough votes to stay in office, but in order to get through the tough legislative battles that lie ahead, he will need a stable majority. The Basque Nationalists, Catalans, and Communists have all reportedly pledged him their support. Relying on either a Basque-Catalan combination or on the Communists would give Suarez

6 December 1978

SECRET

25X1 enough votes, but probably at too steep a price: the regional parties would demand concessions on autonomy that would be unacceptable to the Army, and the Communist demands for recognition of their role could cause international repercussions as well as rejection by the military and Suarez' own centrist constituency. Suarez' final option would be to form a working arrangement with the Socialists, either for a continuation of consensus politics during an "emergency interim" or for a formal coalition. []

The Socialists' Choices

25X1 The Socialists, too, are faced with a dilemma. The party rank-and-file, buoyed by the opinion polls, is spoiling for an election and party leaders loudly insist that the government must seek a new mandate once the constitution is ratified. Privately, however, Gonzalez reportedly has serious doubts about the wisdom of early elections. For one thing, his ever-present concern about the military's willingness to accept a Socialist government has been heightened by the recent coup rumors and obvious unhappiness in military ranks. And he is also aware that the current public tension over unrest in the security forces and the military could drive many voters into Suarez' camp. Suarez, a past master at political maneuvering, is capable of using the military threat to his own advantage--to scare the Socialists out of pressing for an election or to secure Socialist support for his policies. []

Another factor pushing the Socialists toward a coalition solution is the urgent need to reach agreement on a new plan to cope with Spain's pressing economic problems. Last year's all-party agreement--the Moncloa Pact--expires at the end of this month as several hundred collective negotiating contracts come up for renewal. Although the Socialists have sought to preserve an opposition role by insisting that political parties should play no role in the current negotiations among government, labor, and management, persisting political and security tensions may leave Gonzalez with no option but to endorse a new economic program. That done, the step to a coalition would be relatively small. []

'25X1

6 December 1978

SECRET

~~SECRET~~

Gonzalez has reiterated publicly and privately the Socialists' willingness to enter into a coalition with Suarez in the event of a "national emergency." Suarez has pointedly ignored the offer, probably on the assumption that it is open-ended and that he can pick it up later if necessary. Suarez might prefer an extension of the informal consensus agreement. Gonzalez, however, is under pressure from his restive left wing to play a stronger opposition role. He would probably prefer coalition status that would at least give the Socialists a direct part in the government. The choice is not likely to be his, however; Suarez as usual, has the initiative.

25X1
[]

A Look Ahead

On balance, it seems likely that various forces will continue to drive Centrists and Socialists together in the near term. The need for consensus on the economy and on enabling legislation for the constitution are important considerations, but the Basque problem may be the determining factor. ETA terrorists are highly unlikely to allow the government any breathing space after the referendum; they must continue and even step up their efforts to prevent Madrid from reaching a modus vivendi with the mainstream Basques--represented by the Basque Nationalist Party--on autonomy statutes for the region. Such an agreement would isolate the terrorists from the populace and destroy their carefully cultivated myth that the Suarez government is simply continuing Madrid's centuries-old effort to subjugate the Basques. The ETA must make the entire region so unstable that Madrid cannot grant any kind of autonomy. Moreover, as the terrorists grow more desperate, they are likely to try to draw the military into the fray. To placate the military, Suarez will have to reinforce security units in the Basque region even more than he has already done, and he will also have to give them more license to crack down. Lacking enough information about the ETA to make selective strikes, the police will probably again lash out at any provocation and inevitably more innocent bystanders will be killed or injured. This will set in train a dismally familiar cycle: mass demonstrations, police overreaction, and confrontations between the Basque Nationalists and Madrid. []

25X1

6 December 1978

25

SECRET

In this kind of highly charged political atmosphere, Suarez will need at least a stable majority in parliament; he would doubtless prefer a consensus. If he should form a pact or a coalition with the Socialists, it would probably be for a strictly limited duration--perhaps until the new economic program is on track and some light is seen at the end of the Basque tunnel--but could easily drag on for at least a year. [redacted]

25X1

Should the government prove unable to cope with persistent terrorism while indiscipline in the security forces reaches serious proportions, military leaders would likely pressure the King and the Congress to replace Suarez with a more authoritarian leader. Such a possibility cannot be ruled out, but the new constitution will make it difficult for the Army to prevail without an open show of force--an option it has hitherto been most reluctant to consider. Thus, Suarez will have the support of the constitution to give him time to choose his options in a democratic manner. [redacted]

25X1

6 December 1978

Secret

Approved For Release 2004/12/14 : CIA-RDP79T00912A001600010015-6

Secret

Approved For Release 2004/12/14 : CIA-RDP79T00912A001600010015-6