

UPDATE ON SPANISH POLITICS – 9th July 2013

by Kevin Bruton



Bárceñasgate, in the last month, has definitely taken on the appearance of Watergate and threatens now to bring down the entire government of PP. Luis Bárceñas, it will be recalled, is the ex-Treasurer of PP who, working out of Party headquarters, amassed 47 million euros in Swiss bank accounts and, allegedly, paid money acquired illegally from firms and construction companies directly to PP leaders in cash and kind, and in return for tenders and works contracts.

On 27th June, Bárceñas was ordered to prison by the examining magistrate, Pablo Ruz, amid fears he would flee the country and/or destroy evidence. Just two days before this, on 25th June, it was discovered that Bárceñas holds a further 79 bank accounts of undeclared money and unquantifiable amounts in Singapore, Argentina, Portugal, USA, the Virgin Islands, Monaco, Switzerland, Morocco, the West Indies, Holland, Gibraltar, Panama, the Bahamas, Uruguay and the United Kingdom.

Following his imprisonment, there has been veritable panic within PP, with a split in Party ranks between those who want all the truth to come out and those who want nothing to come out. Will Bárceñas open his mouth? Will he speak up? Will he tell the truth at last? On 1st July, Esperanza Aguirre, the right-wing PP ex Head of the Madrid Region, and a self-styled Spanish Thatcherite, appeared outside Party HQ prior to a National Executive Meeting and said “I am embarrassed by all the news coming out about corruption in PP”. The new young female leader of PP in the Basque Country, Arantxa Quiroga, told the leadership “The members of PP are disgusted”.

On 2nd July, on television, a former leader of PP in Galicia, Pablo Crespo, who has spent over three years in prison for corruption, said “The leaders of PP are trembling at the knees”, and he also said that for Mariano Rajoy the Prime Minister to declare he knows nothing about Bárceñas is “unbelievable”. Crespo also was interviewed by the “Faro de Vigo” newspaper and said he will soon name leaders of PP “Con buena imagen pública, pero que mantienen vicios privados” ie. he will name those “with a good public image but with private vices”.

And now, over the second weekend of July, the truth is starting to be revealed. After six months of denial by Bárceñas, denial that the papers published by “El Mundo” and “El País “ newspapers in January, detailing illegal payments to PP leaders were true, and denial that the handwriting in those papers was his own – after six months of denial, Bárceñas, in an interview with the editor of “El Mundo” now admits that the papers are genuine, that illegal payments from companies came into PP HQ for twenty years and went out in payments to PP leaders and to cover election expenses. Bárceñas also says that he and his wife discussed the corruption with Rajoy, in Rajoy’s own office, who said “we will not abandon you”.

Obviously, Bárceñas now feels totally abandoned by PP and is starting to get his own back. The most damaging new revelation to date is that Bárceñas was given 200,000 euros by a cleaning company in Castilla La Mancha to place in PP coffers in return for a lucrative 10-year contract in Toledo. This is destructive because the head then of PP in that region was María Dolores de Cospedal. Cospedal is the current Regional Head of Government, the national leader of PP in the country and the spokesperson of PP who has daily been rubbishing Bárceñas in the media ever since January. On 8th July, she said, in words that may come back to bite her, “Bárceñas is lying. Lies are not documented”. (“Bárceñas miente. Las mentiras no se documentan”.) The “El Mundo” of 9th July has produced more documentary evidence from a

PP ledger showing that Rajoy, when he was a Minister in the Aznar government, accepted illegal payments between 1997 and 1999!

This dramatic political spectacle took another dimension on 8th July when the family of another former Treasurer of PP, Alvaro Lapuerta, spoke out. Lapuerta was Bárcenas' predecessor as PP treasurer and Bárcenas worked closely with him before taking over. On 8th July, Lapuerta's offspring ("hijos") put out a statement saying that their father "will not be a scapegoat. He merely did what leaders of PP told him to." Lapuerta's family also said that Lapuerta had collapsed twice in recent weeks in mysterious circumstances and that he had been in a coma, inexplicably, for 14 days. The Spanish TV channel, "Cuatro", picked this up the same evening with the TV headline "Were they trying to kill him?!"

Leaving Bárcenasgate for the moment, a number of other issues need recording. Firstly, again on corruption, the examining magistrate in Andalucía, Mercedes Alaya, plans to charge twenty leading members and former members of the PSOE Regional Government for diverting funds received to facilitate voluntary redundancies in the region. Rubalcaba and other PSOE leaders have condemned the charges, and it is commonly known that Alaya is a PP supporter. However, from the outside, there does appear to be substance in the charges.

The Royal Family are in the news again. Cristina, daughter of the King and Queen, was accused on 18th June by the Tax Authority of avoiding tax on 13 properties sold by her. This issue has rumbled on and on with Spanish Economics Minister, Cristóbal Montoro, finally apologising weeks later for what he called an "error" by the Tax Authority. Question marks still hang over this case, however, with many commentators asking how it is that four different "notarios" (solicitors) and four different registrars in three different provinces all made the same error.

The Education Minister, José Ignacio Wert, has earned the contempt of university students and the entire university sector in recent weeks. Hitherto, for a student to receive a university grant (grants in Spain are minimal but do cover some tuition and living expenses) he or she must attain a 5.5 out of 10 rating (aprobado/good). Wert wants to increase this to 6.5 and he has enraged students by saying that getting a grant for obtaining the lower mark is akin to receiving charity, or a "limosna". The word "limosna" is particularly insulting since this is the word street beggars often use to ask for money. Wert has already cut Arts funding viciously and PP has increased VAT on concert, theatre and film tickets to the highest level in Europe.

In recent weeks, both Wert and the Royal Family have been subjected to unprecedented "abuceos" (jeering, booing, hissing) at public events. For example, on 23rd June at the Teatro Real in Madrid, Wert and the Queen were shouted at from the audience – "you are destroying the arts" and "public education for everyone". On another occasion, Prince Felipe and his wife Letizia were booed in the Liceo Opera House in Barcelona.

The Education protests have become a "marea verde" or "green tide" of resistance to regressive policies. Protesters wear green T-shirts while protesters in the health sector wear white as they continue their "marea blanca" or "white tide" of protests against health privatisation and cuts. Every Sunday in Madrid sees a new demonstration by health workers under the banner "La Sanidad no se vende – se defiende" or "Health is not for sale - it should be defended".

The dramatic news in the Spanish Socialist Party is that the long-time head of PSOE in Andalucía and the Regional Head of Government, José Antonio Griñán, at 67 years of age, has announced that he will not be

standing at the next elections. One quarter of all PSOE members come from Andalucía. Griñán called for “new blood” and “new ideas” in the Party, a clear message to Rubalcaba, aged 61, the national leader. Griñán is likely to be replaced by a 38-year old woman, a career politician, Susana Díaz. For those who wanted to see Carme Chacón, twenty years younger than Rubalcaba, as party leader, the hope is that Rubalcaba gets the message and stands aside next year after the Euro Elections in June. It is interesting that the Andalucía socialists are holding primaries on 29th July, following the example of François Hollande in France and Pierluigi Bersani in Italy.

Following last month’s Update, PP and PSOE were able to reach an agreement prior to the EU Summit on 27th/28th June. From that Summit, in 2014/15, Spain will receive between 1.5 and 2 billion euros to stimulate youth employment. Meanwhile two positive economic indicators have come out. Firstly, in May this year, Spain welcomed 5.8 million foreign tourists, an increase of 7.4% on 2012. Secondly, unemployment officially in June went down 127,748. The proviso, of course, is that this is seasonal employment and many other indicators predict that unemployment will continue to rise in the autumn. Eurostat said on 1st July that Spain’s unemployment rate, at 26.9%, has now overtaken Greece.

It is worth adding a footnote on the economy alongside a postscript. According to the European Commission, Spain owes the EU 2.8 billion euros previously loaned to Spain’s naval industry and shipyards. The situation will not be helped by what is currently taking place in Cartagena shipyard. Here the “jewel in the crown” of the Spanish Navy is being built – the “Isaac Peral”, an S 80-type submarine, estimated to cost 530 million euros.

The S 80 (for the technically-minded reader) is designed to transport and fire long-range UGM-109 Tomahawk missiles) and is one of four to be built. The S 80, apart from being two years behind schedule, weighs 75 tons more than planned. As a result, the submarine submerges but cannot float. The communist MP Gaspar Llamazares has tabled a question in the Spanish Parliament. The present writer’s rhetorical question is whether the submarine is a metaphor for the Spanish economy: It can sink but can it resurface?!