

UPDATE ON SPANISH POLITICS – 12th June 2012 by Kevin Bruton



El Rescate:

PP Manifesto at the General Election, November 2011: "There will be no income tax increase in Spain". March 2012 – an income tax increase is announced for virtually all Spaniards.

The TV Election Debate between Rajoy and Rubalcaba in November 2011: Rajoy states "There will be no cuts in education or health". December 2011 – the most vicious cuts in the post-Franco era are announced.

PP in January 2012: "There will be no increase in VAT in Spain". March 2012 – PP announce that VAT will rise in 2013.

PP in January, February, March, April, May 2012: "Spain has the strongest banking system in Europe". PP, everyday this year until 9th June: "There will be no bail-out in Spain". Rajoy on 28th May: "There will be no bail-out of Spanish Banks". 9th June – Spain announces a bank bail-out of up to 100 billion euros for what the OECD and the IMF call "one of the worst banking systems in the world".

We now move into the area of "lies, damned lies and semantics" since Rajoy refuses to use the term "bail-out" or its Spanish equivalent "rescate", only "ayuda" (aid) or "préstamo" (loan) or "línea de crédito" (credit line). The Spanish headlines on the 10th June, however, widely used the term "rescate": El País, as one would expect, but also the rabidly right-wing La Razón and the regional La Voz de Galicia, from Rajoy's own home región.

Beyond Spain, newspaper headlines routinely employed the word "bail-out" or "rescate" or "sauvetage" or "salvataggio" etc.

Rajoy presents the bail-out as a means of saving the euro, with no consequences for Spain's macro economy and no need for further austerity measures. As Rubalcaba, the PSOE leader says "it's as if we won the lottery or Christmas came early".

The terms and details of the bank bail-out are, at the moment of writing, unknown. This is why the initial stock market response in Spain of euphoria soon turned into a massive downward slide with government bonds again dangerously high. Two auditors from Holland and France are currently assessing the Spanish banks, with the "cajas" and regional banks apparently more of a problem because of toxic debt incurred through property deals. The auditors are due to report by 21st June but, in addition, the Government is spending millions of euros on four consultancy firms – Deloitte, PwC, Ernst & Young and KPMG – who are due to report by 31st July.

The reality of the bail-out is that it WILL be an additional charge on the Spanish state, there WILL be an increase in public debt and the Spanish public WILL bear the consequences. PP, in the present writer's estimation, is only, currently, able to survive the lies and the obfuscation because they can say that PSOE in Government, should have re-capitalised the banks three years ago and because, according to an opinion poll published in El País on 10th June, one half of voters blame the present crisis on the Zapatero Government.

The PSOE response has been to make a quadruple demand: firstly, that there be no adverse consequences for the Spanish public; secondly, that Rajoy should appear immediately in the Spanish Parliament to explain the bail-out (Rajoy's current plans do not envisage him doing so until the end of June following further EU summits); thirdly, that there should be a public enquiry or parliamentary committee to explain the bail-out; and, finally, that any bail-out

MUST be accompanied by policies for growth. On this last ítem Rubalcaba is supported by Hollande and by Obama who said in early June that Spain cannot keep on cutting and cutting but that there must be a growth agenda. As the bank bail-out story runs and runs many Spanish people are asking how there can be money for incompetent and corrupt banks but not for jobs and the welfare state.

Moving on to other issues, **a national Education Strike** in all sectors of education, from nursery to university, took place on 22nd May. It was massively supported across Spain and especially in the Valencia región, with tens of thousands marching in Valencia, Alicante, Castellón and Elche. With spending on education in Spain destined to fall from 4.9% of GDP to 3.9% of GDP over a 5-year period there will be more industrial action as teachers lose their jobs and working conditions and salaries deteriorate.

With virtually all media in Spain controlled by capitalist oligarchies or individuals, it has been difficult from afar to track developments in the longest **coal-miners strike** in Spain's history since Franco died. Spain still has a substantial (though of course relatively small) coal-mining industry, mostly in the Asturias region and in León in the north. And, as in the UK, Spain also has a long tradition of coal miner militancy, especially in Asturias.

Everyone in that region remembers the full-scale working class revolution of October 1934 led by 50,000 coal-miners. This was a revolution viciously suppressed by a hitherto unknown General Franco, with 1,500 to 2,000 persons killed and 3,000 wounded. Many were killed AFTER the surrender of the miners in a brutal prefigurement of the later Civil War and post-Civil War holocaust perpetrated by Franco against republican supporters.

At the momento of writing (12th June) coal-miners are into the 16th day of their national strike, occasioned by the government's announcement of a 64% cut in central government subsidies to coal production. The strike has 100% support and a number of major trunk roads have been blocked by striking miners. On the 11th June, the biggest incident so far took place in Bembibre on the A6 autovía between León and Ponferrada when there was a pitched battle between strikers and riot police following numerous police baton charges. 8 people were arrested and there will be further clashes, although it is difficult to follow developments in a country where much of the media is owned by friends of PP.

Gibraltar has been much in the news lately due to a fishing dispute with Spain and the, to Spaniards, provocative Jubilee visit of Prince Edward. The fishing row goes back to the Treaty of Utrecht of 1713 which ceded Gibraltar to the UK. Spain claims that the treaty only allows Gibraltarian boats port access to the Colony and not rights over contiguous waters. Gibraltar has always tried to restrict Spanish fishing in these waters and the current dispute is over the 1991 prohibition by the Colony of the use of industrial nets by Spanish fisherman. Gibraltar says that only paternoster lines are allowed, ie, weighted lines with hooks and sinkers at intervals. Spain refuses to accept this restriction.

The last Update outlined the **huge cuts announced in the Valencia Region by the PP** Generalitat on 27th April along with proposals to privatise health in the Region. Since then a further announcement has been made that the number of public organisations in the Region will reduce from 66 to 23 in 2013 – 40 to 50 percent of staff will lose their jobs, or approximately 3,500 employees. Now the region waits to hear the impact of the national

bank bail-out especially when, since December 2011, Valencia has been dependent on the "guarantee" of central government in order to pay its bills.

A depressing post-script comes in the UNICEF report of May 2012 that one quarter of children in Spain live below the poverty line. UNICEF puts this figure at 2,200,000 which is 205,000 more than two years ago. UNICEF also reports that Spain has one of the highest percentages of under-eighteens living in homes with high levels of poverty of all 27 EU countries. UNICEF defines poverty as being an income below 11,000 euros a year in households of 4 people or more. Finally, UNICEF points out "the weakness of protection afforded by the state system for children in Spain".