CONFIDENTIAL GRS 280 2 lils: loglance. CONFIDENTIAL FM MADRID 301709Z JAN 81 TO IMMEDIATE FCO TELEGRAM NUMBER 37 OF 30 JANUARY INFO PRIORITY EC POSTS, UKDEL NATO, WASHINGTON, MOSCOW, LISBON, GIBRALTAR (PERSONAL), UKREP BRUSSELS. M. I.P.T. : SUAREZ' RESIGNATION. 1. SUAREZ' RESIGNATION SURPRISED EVERYONE. HE HAS PLAYED HIS CARDS CHARACTERISTICALLY CLOSE IN RECENT MONTHS. BUT NOBODY BELIEVED THAT HE WOULD FAIL TO RETAIN THE UCD LEADERSHIP AT THE PARTY CONGRESS PLANNED FOR 29 JANUARY AND POSTPONED AT THE LAST MOMENT AS A RESULT OF A STRIKE BY AIR TRAFFIC CONTROLLERS (MY TELNO 32, NOT TO ALL). 2. IN A DIGNIFIED BUT UNREVEALING TELEVISION STATEMENT ON 29 JANUARY SUAREZ EMPHASISED THAT HIS DECISION WAS IRREVERSIBLE. HE REFERRED TO THE CONSTANT AND DESTRUCTIVE CRITICISM TO WHICH HE HAD BEEN SUBJECTED BUT STRESSED THAT HE HAD NOT BEEN PUSHED OUT, INDEED THAT HE HAD BEEN ASKED TO STAY ON. HE NEVERTHELESS GAVE THE IMPRESSION OF A MAN BELEAGUERED BY ATTACKS FROM LEFT AND RIGHT AND ABANDONED BY HIS OWN FRIENDS IN THE CENTRE, LEAVING OFFICE TO SAFEGUARD THE DEMOCRATIC SYSTEM. HIS CLAIM TO HAVE RESIGNED TO PREVENT SPANISH DEMOCRACY

BEING A PARENTHESIS IN SPAIN'S HISTORY RAISES MORE QUESTIONS THAN IT ANSWERS.

3. THERE ARE RUMOURS OF A MAJOR ROW INVOLVING THE KING, SUAREZ AND POSSIBLY THE ARMY OVER THE PLANNED ROYAL VISIT TO THE BASQUE COUNTRY NEXT WEEK AND OVER THE POSSIBILITY OF HELPING THE BASQUE GOVERNMENT WITH SOME GESTURE (EG A LIMITED AMNESTY) TOWARDS ETA. THIS MAY REFLECT A TENDENCY BY THE PRESS TO SEE THE HAND OF THE MILITARY BEHIND UNEXPECTED EVENTS IN SPAIN. WE DO NOT HAVE THE FULL FACTS, AND MUST FOR THE MOMENT RESERVE JUDGEMENT. THE DECISION TO POSTPONE THE UCD CONGRESS CERTAINLY AROUSED A FURORE. IT MAY BE THAT THE

CUMULATIVE EFFECT OF ALL THESE PRESSURES TIPPED THE BALANCE.

4. NOW SEE MIFT.

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GRS 600 CONFIDENTIAL FM MADRID 301735Z JAN 81 TO IMMEDIATE FCO TELEGRAM NUMBER 38 OF 30 JANUARY INFO PRIORITY EC POSTS, UKDEL NATO, WASHINGTON, MOSCOW, LISBON, GIBRALTAR (PERSONAL), UKREP BRUSSELS.

## M. I.P.T. : CHANGE OF PRIME MINISTER

- 1. ALTHOUGH WELL-PLACED TO SUCCEED SUAREZ IN DUE COURSE, CALVO SOTELO PROBABLY OWES HIS PREFERMENT NOW TO HIS DISCRÉTION IN THE MANOEUVRING FOR POSITION BEFORE THE PARTY CONGRESS. HE HAS FEW ENEMIES WITHIN THE UCD AND HAS AVOIDED IDENTIFICATION WITH ANY PARTICULAR FACTION, THOUGH HIS PRIVATE SYMPATHIES ARE WITH THE CHRISTIAN DEMOCRATS. HE WILL HOPE TO UNIFY A PARTY STILL DEEPLY DIVIDED BUT HIS CREDENTIALS FOR DOING SO ARE QUESTIONABLE . HE IS A CAUTIOUS TECHNOCRAT WITH BROAD MINISTERIAL EXPERIENCE SEMI COLON AN OLDER, SLIGHTLY COLOURLESS BUT PERHAPS MORE REASSURING FIGURE THAN SUAREZ. HIS APPOINTMENT WILL BE WELCOMED BY BUSINESS MEN. BANKERS. THE CHURCH AND PROBABLY THE ARMY. HIS NOMINATION DOES NOT NECESS-ARILY REFLECT A SWING TO THE RIGHT. (IT WAS DIFFICULT TO TELL WHERE SUAREZ STOOD). BUT HIS APPOINTMENT WILL NOT BE WELCOME TO THE MORE LEFTWING ELEMENTS INSIDE HIS OWN PARTY OR TO THE OTHER PARTIES OF THE LEFT OUTSIDE. THE COMMUNIST LEADER CARRILLO, HAS ALREADY SAID THAT HIS PARTY WILL ACTIVELY OPPOSE A GOVERNMENT HEADED BY CALVO SOTELO. THE TACIT CONSENSUS BETWEEN LEFT AND RIGHT ON MANY ISSUES MAY BE AT RISK.
- 2. CALVO SOTELO, IF CONFIRMED, WOULD REPRESENT CONTINUITY RATHER THAN RADICAL CHANGE. SUAREZ PROPOSED HIM TO THE UCD EXECUTIVE COMMITTEE AS HIS SUCCESSOR, PROVOKING FURIOUS OPPOSITION FROM HIS (SUAREZ') CRITICS. CALVO SOTELO WAS FINALLY ENDORSED BY CONSENSUS. HE WILL HOWEVER FACE AN UNEASY PERIOD IN THE SHORT TERM. HE MUST FIRST WIN HIS VOTE OF CONFIDENCE. THE WING OF THE UCD CRITICAL OF SUAREZ REMAINS MILITANT AND ACTIVE. AND CAN BE EXPECTED TO BID FOR A GREATER SHARE OF POWER WHEN THE UCD FINALLY CONVENES ITS PARTY CONGRESS ( PERHAPS AT THE END OF NEXT WEEK). THE POSSIBILITY MUST EXIST THAT THOSE MOST RELUCTANT TO ENDORSE CALVO SOTELO AT THE EXECUTIVE COMMITTEE MEETING MAY RENEGE AT THE CONGRESS SEMI COLON OR THAT THERE MAY BE OTHER PROBLEMS OVER THE VOTE OF CONFIDENCE. IN THESE CIRCUMSTANCES. ONE COULD NOT EXCLUDE EARLY ELECTIONS, WHICH COULD IN ANY CASE BE NECESSARY BEFORE 1983 IF INSTABILITY IN GOVERNMENT AND PARTY RANKS CONTINUES. BUT THE KING WILL BE HOPING THAT ALL GOES SMOOTHLY ACCORDING TO PRESENT PARLIAMENTARY ARITHMETIC, ENABLING HIM TO PLAY THE STRICTLY LIMITED CONSTITUTIONAL ROLE HE WOULD DOUBTLESS PREFER, RATHER THAN THE ACTIVE PART HE TOOK IN THE APPOINTMENT OF SUAREZ. /3. WE CONFIDENTIAL

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3. WE NEED NOT TAKE TOO APOCALYPTIC A VIEW OF SUAREZ' DEPARTURE.

SPANISH DEMOCRACY HAS NOT HAD TO COPE WITH AN UNFORCED RESIGNATION

BEFORE BUT SHOULD BE ABLE TO TAKE THE STRAIN. CALVO SOTELO MAY INDEED

BE AN IMPROVEMENT ON SUAREZ FROM OUR POINT OF VIEW. HE KNOWS

BRITISH MINISTERS AND IS WELL DISPOSED TOWARDS US. HE IS A STRONG

PRO-MARKETEER, WITH MORE EXPERIENCE AND INTEREST THAN SUAREZ IN

ECONOMIC AFFAIRS. HE HAS NO KNOWN POLITICAL VIEWS ON GIBRALTAR BUT

WE HAVE NO REASON TO BELIEVE HE WILL WISH TO ALTER SPANISH POLICY.

MUCH WILL DEPEND ON WHETHER HE RETAINS PEREZ-LLORGA (AN OLD COMPANION - IN - ARMS) AND PUNSET. THERE IS ALSO NO REASON TO THINK THAT

HE WILL CHANGE SPAIN'S BASIC COMMITMENT TO NATO MEMBERSHIP, THOUGH

HE MAY HAVE HIS OWN VIEWS ON ITS TIMING.

4. IF AND WHEN CALVO SOTELO IS APPOINTED AS PRIME MINISTER, I SHALL BE RECOMMENDING THAT THE PRIME MINISTER SHOULD SEND HIM A MESSAGE OF CONGRATULATIONS.

PARSONS

[REPEATED AS REQUESTED]
[THIS TELEGRAM WAS NOT ADVANCED]

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## With the compliments of CEURCE WALDEN THE PRIVATE SECRETARY

FOREIGN AND COMMONWEALTH OFFICE SW1A 2AH

Secretary of State a PS/CPS 12 Bullans Mr Martin Mr Daunt Mr Fergusson SPAIN: OF SR SUAREZ Mr Reddaway telephoned me just now to say that the resignation of Sr Suarez has been announced on Spanish radio an hour ago. He said that it had come as a bomb-shell. It appears that the decision taken by the UCD Executive Committee on 27 January to postpone its party congress, scheduled to open in Mallorca on 29 January brought to a head the in-fighting between the Christian Democrat and Liberal faction of the party, notwithstanding the fact that the postponement was dictated by a A strike of air traffic controllers (Madrid telegram number 32). Apparently the different factions within the party were pushing for greater democratisation, and the Executive Committee had been expected to press for the reconceiving of the party congress by 11 February, or even earlier. Mr Reddaway believes that Sr Suarez tended his resignation by way of a pre-emptive strike and in the full knowledge that there was no alternative leader. He is unlikely to have wished to commit political suicide, and Mr Reddaway considers that he did this in the hope of getting his colleagues to beg him to come back to the hell." blangel born 29 January 1981 M S Wilkin (Miss) Southern European Department cc: Miss Mills, Research Dept. News Dept. P.S. S. Munoz-Seca telephoned its say that S. Calvo Satalo is the most probable Successor - though probably only a carefaler RESTRICTED

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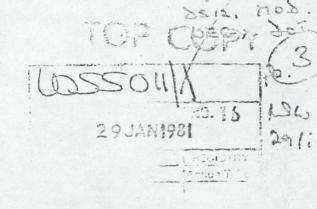
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TO PRIORITY F C O
TELEGRAM NUMBER 32 OF 28 JANUARY
LUFO ROUTINE GIBRALTAR (PERSONAL)

SPAIN : UCD PARTY CONGRESS



ca. Puss.

- 1. THE UCD EXECUTIVE COMMITTEE DECIDED LATE ON 27 JANUARY TO POSTPONE ITS PARTY CONGRESS, SCHEDULED TO OPEN IN MALLORCA ON 29 JANUARY. A STRIKE BY AIR TRAFFIC CONTROLLERS, WHICH IS STILL IN PROGRESS, HAD MADE IT VITUALLY IMPOSSIBLE FOR DELEGATES TO BE SURE OF GETTING TO THE CONGRESS. NO NEW DATES FOR THE MEETING HAVE BEEN AMMOUNCED.
- 2. THIS POSTPONEMENT IS UNFORTUNATE BOTH FOR THE PARTY AND FOR SUAREZ AND THERE IS NO EVIDENCE THAT IT WAS ENGINEERED. IT MAY, HOWEVER, LIBERATE THE FOREIGN MINISTER TO GET HIS MIND BACK ON TO NORMAL BUSINESS. SEPIOUS INTERNAL PARTY SQUABBLING HAS NOW BEEN GOING ON FOR OVER TWO MONTHS. SUAPEZ' RUNNING OF THE PARTY AND THE DISTRIBUTION OF POWER HAVE BEEN PRIMARILY AT ISSUE. LAST WEEK HE CLEVERLY TOOK WIND OUT OF HIS CRITICS' SAILS BY ACCEPTING SOME OF THEIR SUGGESTIONS FOR PARTY AND POLITICAL REFORMS. HE WAS EXPECTED TO RIDE OUTTHE MEETING SUCCESSFULLY AND HENCE RE-ESTABLISH HIS POSITION. POSTPONEMENT WILL MEAN THE BOIL WILL NOT BE LANCED AND THE SQUABBLING AND UNCERTAINTY WILL CONTINUE. WHILE THIS LASTS, THERE WILL BE A TEMPTATION TO SHELVE HARD DECISIONS, AND THIS COULD AFFECT THE HANDLING OF THE GIBRALTAR ISSUE.
- 3. WE TELEPHONED THE CONSERVATIVE PARTY CENTRAL OFFICE THIS MORNING TO WARN THEIR TWO OBSERVERS TO STAND DOWN.

PARSONS

LIMITED
SED
NEWS D
INFORMATION D
MR BULLARD
MR FERGUSSON.

THIS TELEGRAM
WAS NOT
ADVANCED

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