

International Relations between the U.S. and Spain 1945-53:
Economics, Ideology and Compromise

Boris Nikolaj Liedtke

submitted for the degree of

PhD

London School of Economics and Political Sciences

(i)



UMI Number: U091177

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



UMI U091177

Published by ProQuest LLC 2014. Copyright in the Dissertation held by the Author.
Microform Edition © ProQuest LLC.

All rights reserved. This work is protected against unauthorized copying under Title 17, United States Code.



ProQuest LLC
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106-1346

THESES .
F.
9556 .



1278626 .

Abstract

This is a study of the relations between Spain and the United States from the end of the Second World War to the conclusion of the Madrid Agreements which were signed in September 1953. Through these agreements Spain obtained military and economic aid from the US. At the same time she was integrated into the western defence structure. In return Franco authorized the US to construct and use military bases, some of which were situated near Spanish cities. Furthermore the agreements limited Spain's foreign, economic and monetary policies.

The structure of the thesis is determined by the chronological events of the late 1940s and early 1950s. The international background is analysed in the first part of the thesis, running up to July 1951. The second part covers the negotiations between the two countries. By following the chronological events of the negotiations, the thesis tries to assess which of the two parties was willing to compromise in key aspects.

Most of the thesis is based on American primary sources throughout the period. Many of the arguments developed contrast directly with those already put forward, notably by Spanish historians. The picture which emerges indicates that Washington, as well as Spain, had great military and strategic interests in signing the Madrid Agreements. This is surprising given the findings by other investigators that Spain was forced almost by circumstances into these agreements. The thesis tries to develop a counter-argument which, hopefully, lays the foundation for a constructive discussion on the issue.

Acknowledgements

Over ten years ago I had the opportunity to attend a US military air show at the American Torrejon air-base, near Madrid. For me personally the display of fighter planes was far less stimulating than the change of cultural environment one inevitably experienced upon passing the checkpoint. Here was a place in the middle of Spain, barely an hour away from the capital, which resembled in many aspects the American way of life. Low residential bungalows, large Chevrolets and American football games had replaced Spanish architecture, culture and entertainment. I was intrigued by the coming about of this strange arrangement and decided five years later to investigate the historic and diplomatic background to this. Since then I have accumulated an enormous amount of debt which I owe to those who over the years have helped me in completing this study.

It would be almost impossible to name all those friends who have encouraged me to push ahead with the investigation when I had lost a sense of direction. However, I always knew that I could rely on the support from my family which was crucial before and during the work. I would like to thank Dr Spackman and Dr Pettigree who encouraged me to start my PhD in the first place. At the same time good friends like Simon Hankinson, Richard Murray and Marco Rodino were always willing to help out and motivate me whenever I needed it.

On the academic side I am grateful to all those professionals which have made it possible for me to obtain the necessary documents. In this respect I am very thankful to Jo Ann Williamson and Kenneth D. Schlessinger from the National Archives in Washington DC and to Colonel Clayton R. Newell, US Army, Chief Historical Services Division, for their help with the declassification of US diplomatic and military documents. I am also grateful to Sir Frank Roberts for finding the time to talk to me about his experiences in the Foreign Office. At the same time I am indebted to three young academics, Dr John Hulsman, Dr Enrique Moradiellos, and Dr Paco Romero

which helped me develop many of the ideas and thoughts expressed in the work, without them I certainly would have learned less.

There is, however, one special person who, throughout my work, gave me personal as well as professional advice, my supervisor Professor Paul Preston. He always found the right words to rekindle my enthusiasm and the right academic questions to sent me back to the archives whenever I was lost. I am certain that without his help I would not have been able to complete my work. It is hard to imagine a better supervisor. I sincerely hope that we will be able to continue our professional relationship as well as our friendship.

Table of Contents

A- Abstract	p.ii
B- Acknowledgements	p.iii
C- Table of Contents	p.v
D- Introduction	p.vi

Chapters

Chapter 1- 1945/46 Tripartite Statement	p.1
Chapter 2- The UN Resolution	p.25
Chapter 3- 1947 Returning to Spain	p.39
Chapter 4- 1948 Year of Change	p.64
Chapter 5- 1949/50 The Policy Changes	p.90
Chapter 6- Korea and New Concerns	p.120
Chapter 7- NSC72/6 Spain's Realignment	p.138
Chapter 8- 1951 Sherman - Franco Talks	p.170
Chapter 9- 1951 The Study Groups	p.188
Chapter 10- 1952 Analysis of the Reports	p.219
Chapter 11- 1952 Negotiations	p.245
Chapter 12- 1953 Final Bargaining	p.283
Chapter 13- 1953 Back to Madrid	p.313
Chapter 14- Signing the Agreements	p.333

Appendix

Bibliography

Introduction

This is a study of the relations between Spain and the United States from the end of the Second World War to the conclusion of the Madrid Agreements which were signed in September 1953. The structure of the thesis is determined by the chronological events of the late 1940s and early 1950s.

In the 1940s, almost as soon as the western democracies had solved the fascist challenge to their social and economic structure, an old enemy, Communism, renewed its claim as a plausible alternative to the capitalist economy. The struggle between the two systems, which engulfed almost the entire world, was unique in that the decisive battles rarely involved soldiers. More often they were fought out by diplomats, economists and industrialists all over the globe. The two superpowers continuously tried to extend their respective influence to as many countries as possible. In this context Spain, guarding the entrance to the Mediterranean was of particular strategic importance.

The first part of the thesis, covering chapters one to seven, sets the international context for the attempt by the US to bring Spain into the western defence structure. Chapter one analyses the coming about of the tripartite statement: a weak condemnation of Spain as a fascist regime. For both historic and economic reasons, France felt more antipathy towards the Franco regime than either Britain or the US. The Quai d'Orsay resolved to force the two other western allies into a condemnation of the Spanish government. However, Britain and the US were unwilling to jeopardise their cordial diplomatic relations with Spain. They succeeded in watering down French demands to such an extent that the ensuing statement had little real impact upon Spain herself.

One of the developments that emerged following the statement was the discussion of the Spanish problem at the UN. The way in which Communist countries tried to exploit the situation at the UN forms the topic of the second.

chapter. After long talks throughout 1946, the UN passed a resolution which condemned Franco and, amongst other things, recommended the withdrawal of ambassadors from Madrid.

The new found willingness on the part of the western democracies to speak out against Franco did not last. In the third and fourth chapter we see how economic, commercial and strategic interests in the US and in Britain encouraged a rapprochement to Spain between 1947 and 1948. Over these two years the US State Department, fearing possibly adverse diplomatic effects of close ties with Spain, was slowly pressurised by the Department of Defense and several influential Congressmen into accepting their point of view. The international developments during 1949 and early 1950 led to a new official US policy towards Spain, based on National Security Council decision NSC72. The fifth chapter looks at the influence which the growing conflict between East and West had on US policy towards Spain.

Soon after the National Security Council issued NSC72, the Korean war broke out, adding to the fears of policy makers in Washington. In the sixth chapter the importance of this uncertainty is emphasised. Spain was quickly reintegrated into the international community and the UN revoked its own earlier recommendation to withdraw ambassadors from Madrid. Furthermore, the National Security Council initiated a revision of its policy, stressing the importance of promptly making use of Spain's geographic, military and strategic position. As becomes clear in chapter seven, the emerging US policy called for immediate talks with Spain, ignoring the diplomatic, military and moral concerns of its European allies. In June 1951 this policy was issued and authorised by the President. The background was then set for the two countries to come to a mutually beneficial agreement.

The second part of the thesis concentrates more on the diplomatic relations and negotiations between the two countries than on the global context. Chapter eight analyses the first Spanish - American talks between General Franco in

person and Admiral Sherman of the US Navy. The friendly atmosphere of these initial meetings gave the misleading impression that the two countries were about to come to an arrangement.

Following these talks, two US study groups went to Spain: one covering economic, the other military aspects. Chapter nine looks at these two groups and the time they spent in Spain, while the following chapter analyses their reports as well as the resulting considerations. By this time it had become clear to both sides that the negotiations were not going to be as straight forward as it had initially seemed.

In early 1952, the US sent two negotiating teams to Spain which were to hold conferences with their Spanish counter-parts for almost a year and a half. Chapter eleven looks at the progress made in these talks throughout 1952. By the end of the year it looked almost as if the agreements could be signed but Franco's decision to withdraw concessions made by his negotiators forced the US into reconsidering her approach.

In chapter twelve this new approach is outlined. Washington initially decided to wait and see if Madrid would return to the negotiating table. Once it became clear that the Spaniards were unwilling to do so, the Americans tried to pressurise them by threatening to withhold funds already appropriated for Spain by Congress. The talks were on the verge of collapse. A compromise, however, was found and the talks resumed. How this affected the final agreements and some of the military and legal implications is summarised in chapter thirteen. The final chapter of the thesis takes a closer look at the agreements themselves and concludes with some developments which emerged shortly afterwards. Most of the thesis is based on American primary sources throughout the period. Many of the arguments developed contrast directly with those already put forward, notably by Spanish historians.

While the negotiations were going on and shortly after the agreements had been signed, a series of PhD theses were written in the US on Spain's diplomatic relations with the West. These studies, while having had the benefit of the contemporary developments, nevertheless lacked the benefit of historic hindsight and the volume of material declassified since.

The American Arthur P. Whitaker published one of the first comprehensive studies of Spain's position in the western defence structure. His analysis, published in the early 1960's, gives a good reflection of the negotiations from the public point of view and based on the material available at the time.

Richard Rubottom and Carter J. Murphy wrote an analysis over 20 years later. While they had access to a wider range of primary material, they decided to follow the relations between Spain and the US right up to the 1980's. What is clearly pointed out in their publication is the geographic importance Spain had for the defence of western Europe. The Pyrenees provided NATO forces with a natural defence line against a conventional attack by the Soviet Union. Even if West Germany, the Benelux countries and France had been lost in a sneak attack on Europe, NATO would still have been able to retain a strong foothold in Europe. Necessarily the depth of their analysis somehow underestimates the importance of the negotiation process itself. At the time of writing, the available public material on the negotiations themselves were mainly speculative press reports, a series of public statements by the negotiators and politicians, as well as a certain amount of leaked documents giving an exaggerated view of harmony throughout the negotiations process. As far as their conclusion of the agreements is concerned, they correctly assessed them as the beginning of Spain's integration into the western defence structure. However, they did not nor did they attempt to assess the position of Spain and the US throughout the negotiations and the impact this had on the final outcome of the agreements. Spanish historians have been much more willing to comment on this.

The most thorough research conducted on the negotiations must be the one by Antonio Marquina Barrio, covering Spain in the Western Defence structure up to 1986. However, his excellent investigation and broad topic leaves him little room for a final assessment of the negotiations or of the agreements. One is left guessing whether Washington's strong position forced the Spanish negotiators to compromise in several important points. Even though this is never spelled out clearly, the impression one derives from his study is that this was the case.

Eduardo Chamorro, a Spanish journalist, was in his publication on the military bases in Spain much more willing to comment on the position of the two countries throughout the negotiations and following the agreements. While this study gives a very readable account of the period, it nevertheless lacks the research and investigation of primary sources. Spain is portrayed as the weaker of the two negotiators while Franco seems to sell out Spain's sovereignty for little in exchange apart from some obsolete war material. Incidents such as the near nuclear disaster in Spain in the 1960's, when by accident two life nuclear bombs fell off a plane but failed to explode, are discussed in detail. This gives a picture of Spain's inability to influence events.

Manuel Vázquez Montalbán's study on the American penetration in Spain gives a more rounded picture though he does focus mainly on the cultural impact on Spain rather than on the political and diplomatic developments. The cultural impact of the association between the two countries only really filtered through on a national scale in the 1960's when economic prosperity allowed Spaniards to indulge in foreign mass products. Immediately following the signing of the agreements little changed for the average Spaniard. Even the construction of the bases in the second half of the 1950's had only a limited regional influence on the Spanish culture. While Vázquez Montalbán's study gives a comprehensive picture of the cultural implications he does not set out to analyse the negotiations themselves.

Florentino Portero gives a good summary of Spain's foreign policy throughout the period of isolation. Unfortunately, though, he stops in 1950 with

the UN revoking her earlier recommendation of withdrawal of ambassadors from Spain.

By far the most comprehensive study of the negotiations themselves and the implications for Spain was written by Angel Viñas. He comes to the conclusion that Franco had sold out Spain's sovereignty over foreign and defence policy. Following the signing of the agreements and specifically the secret annex to the official agreements, the US could make use of the bases in case of Soviet attack without even consulting with Spain. This meant that Spain had lost her ability to remain neutral in case of conflict and thus could have been forced into a nuclear confrontation in Europe. According to this, Franco had given up a vital cornerstone of the nationalist regime and one whose importance he himself had stressed throughout the creation of the Franco myth that is to say his great ability to avoid Spain being dragged into a world conflict. Given this development, one clearly has to question the validity of the Franco myth and of Franco's real interest in Spain as opposed to his personal position as Spain's caudillo. In return for giving up control over foreign and defence policy, as well, though to a lesser extend, monetary and fiscal policy, Spain obtained military and economic aid. Viñas clearly feels that neither of the two made up sufficiently for the downside of the agreements. He sees that military aid came to Spain as obsolete US war material left over from the Korean war and in some cases dating back to the Second World War. He concludes that for the US it was a cheap way of getting rid of unwanted war material. On the economic side, Viñas sees that aid granted to Spain was on a much smaller scale than aid received by other European nations through the Marshall plan. Furthermore most of this economic aid was in fact sent for the construction of the military bases which themselves were useless to Spain as her airforce lacked heavy bombers which would have required these large military installations. Viñas therefore concludes that the agreements were one-sided and Spain's position throughout the negotiations had been weak. This was because Franco not only required economic aid but also needed these agreements for

internal propaganda reasons to consolidate his position and to prove that Spain under his regime had become an acceptable nation to trade with. Hence Franco's statement shortly before the conclusion of the agreements: "sign anything that they put in front of you." Throughout his research Viñas concentrated heavily on Spanish archives.

Since his research, though, a series of new documents relating to the US negotiations have become available. By concentrating on these a picture emerges indicating that Washington, as well as Spain, had great military and strategic interests in signing the Madrid Agreements; hence, US willingness to compromise several times during the negotiations. This is surprising given the findings by other investigators that Spain was forced almost by circumstances into these agreements. The thesis tries to develop a counter-argument which, seeks to lay the foundation for a new discussion on the issue.

Chapter One

1945/46

Tripartite

Statement

Chapter 1: 1945/46 Tripartite Statement

During the spring months of 1945, the war machinery of the Allied powers slowly ground to a halt in Western Europe. The victorious armies of the Americans and the British Commonwealth, with some help from French contingents, had liberated most of Western Europe. The nightmare of Western European fascism belonged to the past. Nevertheless, the Iberian peninsula was still dominated by a totalitarian regime. Only months before the outbreak of the Second World War, General Francisco Franco had established his rule over Spain. Her economy was left in ruins, and Franco was unable to contribute to the Axis war effort. Thus Franco seemingly steered his country through the Second World War along a path of neutrality or non-belligerency, not because he had chosen to do so, but because Spain's economy dictated it. The Allies had known this during the world conflict and remembered it after Germany collapsed. They knew that Spain had supplied Germany with wolfram and mercury during the war and that Spanish soldiers had fought under German command in Russia. However, they also knew that Spain had remained neutral during the vital period of the Allied landings in Northern Africa: Operation Torch. Spain's past was controversial, to say the least, because it provided diplomats and politicians with enough material to justify either isolation from the Western defence structure, or alternatively integration into it. The Western powers could choose between these two policies towards Madrid.

Two contradictory versions of her history were formulated. Those favoring isolation of the Franco regime saw it as another fascist nation, created through the Axis and totalitarian in its structure. On the other hand, those favouring integration of Spain into the Western structure tried to prove that Franco's association with Hitler was not what it seemed and really had been a diplomatic coup for the Spanish dictator. Francoist myth-makers claimed that the Spanish Caudillo had never been willing to help Hitler in his struggle against the Allies, alleging that the military and economic support which Hitler received from Franco had been wrung out of him. In exchange the Spanish dictator was able to guarantee Spain's survival. The meeting at Hendaye held in October 1940 had been disappointing for both Hitler and Franco, was projected as a clever success for the Spanish dictator. Needless to say, Franco promoted this argument

Chapter 1: 1945/46 Tripartite Statement

wholeheartedly; after all he desperately needed Spain's integration with the Western Allies after the war.

Already in the spring of 1945 the US, not Britain, was the driving force in allied policy towards Spain. As the world war dragged on, London was losing economic and political influence all over the world, becoming more and more dependent on the US. Britain's relations with Spain were no exception. At the time Spain still traded more in pounds than in dollars. In 1945 almost a third of all exports from Spain went to the UK, compared to only a fifth which went to the US. However, these numbers do not reflect the real trading relationship between the two Allied powers and Spain. Britain's influence over Spain as the major purchaser of Spanish products was diminished due to the fact that there existed a large market for products all over hungry Europe during the postwar period. Britain could easily have been replaced by another purchasing nation in Europe. On the other hand, the US provided 18% of the total of Spain's imports, making it the most important trading partner for Spain. Britain ranked only fifth with a mere 4.1% of import share.¹

Undoubtedly both nations had a wide range of interests in Spain. The Conservatives and the Foreign Office were inclined towards international stability wherever Britain had substantial investments. British foreign investments in Spain were secure only if law, order and a sound economic environment guaranteed prosperity. Social justice, freedom of speech and political rights in Spain mattered to conservatives in Britain only if they did not endanger stability. Britain also favoured the status quo in Spain to protect her sea lanes and trade through the Straits of Gibraltar. This remained so despite the election of Clement Attlee, leader of the Labour Party, and Ernest Bevin's appointment as foreign minister.

The change of government in Britain occurred during the Potsdam conference when, on 26 July 1945, stunning news from London proclaimed a Labour victory over

1. National Archives/Washington D.C. (NA), Civil Branch, OIR Report 4105, 19 May 1947, Present Economic situation in Spain.

Chapter 1: 1945/46 Tripartite Statement

the Conservatives. Winston Churchill was replaced by Clement Attlee. The new Prime Minister was a Labour leader with distinctive conservative characteristics. He was an Oxford graduate and seemed very fond of his three-piece suits which he wore throughout the Potsdam conference despite the summer heat.

His foreign minister, Ernest Bevin had risen from the bottom of the social ladder and had a much more labour orientated background. Wearing thick glasses and weighing almost 250 pounds, he spoke with a thick working class accent which gave proof of his trade union background. Britain's precarious economic position after the war left Bevin and Attlee little room to manoeuvre. Despite pressure from Ian Mikardo and Francis Noel-Baker in the Commons and Attlee's proposal in the War Cabinet, 4 November 1945, to condemn Spain, British foreign policy continued to be short term, economic orientated and, above all, strongly anti-communist.

On the other side of the Atlantic, the administration in the US, less concerned with trade relations, expressed concern about Spain. In a letter, drafted by the State Department, dated 10 March 1945, President Franklin D. Roosevelt outlined to Norman Armour, US Ambassador in Madrid, America's policy towards Spain. The aging President summarized the domestic disapproval in America of the totalitarian regime in Spain. He wrote: "Having been helped to power by the Fascist Italy and Nazi Germany, and having patterned itself along totalitarian lines the present regime in Spain is naturally the subject of distrust."

The US government's opposition towards Spain did not change after Franklin D. Roosevelt died and was replaced by Harry S. Truman.² As it would happen in Britain only months later, the war time leader of the nation who had fired on the population to increasing sacrifice during the military struggle in numerous and long remembered speeches, was replaced by a quieter character. Franklin Roosevelt was part of the wealthy and influential northeastern establishment, nephew to another President and

2. Truman, Harry S., The Memoirs of Harry S. Truman, Volume 1, Year of Decision 1945, Hodder and Stoughton, London, 1955, p.273.

Chapter 1: 1945/46 Tripartite Statement

favoured by birth and education.

Harry S. Truman was none of this. He was born in a tiny house, measuring 20 by 28 feet in a small dusty, wind-blown market town of Lamar, Missouri. Truman had little time for studies and always had to work hard to earn a living, as a farmer, a soldier and finally as a politician. Helped by the Pendergast machine in Kansas City, he obtained a seat in the Senate and, fortuitously, saw the Vice Presidency fall into his lap during the 1944 Democratic convention. Roosevelt's death catapulted him into the White House on 12 April 1945. Unlike his predecessor, Truman lacked eloquence and his speeches were frequently interrupted by a brief silence, a mispronunciation or sometimes even a stammer or stutter. This quiet man from Missouri had taken his place in the White House and initially continued FDR's policy.

Truman, just like FDR, condemned the Franco regime in a news conference: "None of us [US Government] like Franco or his Government."³ This reaction was only too natural. During the war the ostensibly cordial relations with Spain had been implemented to prevent Franco from being forced into an alliance with Germany. However as the war came to an end, the President came under pressure from liberal Congressmen like Joseph Guffey, John Coffee and Hugh de Lancey to take steps against Franco. It was recognized that an association with Franco was bad publicity for the US. Ideally, the Americans hoped, Franco would be replaced with an acceptable regime which would support America's policy in Europe. Unlike Britain, the US had fewer economic interests in Spain and thus had less concern about stability on the Iberian peninsula. Thus it seemed likely that the US would put more pressure on Franco than Britain.

However, the US military was considering Spain's strategic potential and the Joint Chiefs of Staff had made a study of US defence policy towards Spain as early as 19 April 1945. It argued that "should our most probable enemy attempt to draw the nations of Europe together into a single power structure in war, Spain would be

3. Public Papers of the Presidents of the USA: Truman, Year 1945, Washington, 1961, Doc.107.

Chapter 1: 1945/46 Tripartite Statement

potentially next in importance to the British Isles in thwarting any major continental power from creating an almost impregnable fortress of Europe." The study continued to argue that "in terms of land warfare in Western Europe, Spain is at least as important as Italy, if not more important, because Spain provides a [cushion] of defense space." And in terms of "naval and air warfare, Spain's strategic location gives a higher potential value as a base" for naval operations. The Pyrenees provided ideal defence and the Peninsula dominates southwestern Europe. The study claimed that "Spanish - United States military cooperation is of significant importance to the implementation of our immediate, middle-range, and long-range war plans ... from the strictly military point of view, ... arrangements are urgently needed in spite of pressure from other nations to delay our acceptance of Spanish cooperation."⁴ The importance of this report cannot be overemphasized. It summarized the military point of view for years to come. The Joint Chiefs of Staff expressed their desire for a different base system as early as November 1946. In a memorandum the Canary Islands were recommended as a joint long term base for the Navy and the Air Force.⁵ The Joint Chiefs of Staff were interested above all in the military advantages of Spain and had little concern for the political implications. If the military had any opportunity to influence relations with Spain, they would surely favour her integration rather than her isolation.

There were also other considerations for the US which favoured a gentle approach towards Spain. Due to Spain's neutrality during the war, she was able to supply the fighting nations with raw materials which in turn led some sections of the mining industry to expand. Bitumen coal, anthracite, lignite, potassium and mercury production had increased considerably.⁶ The US had to import several of these strategic

4. NA, Civil Branch, NSC 72 Background Information, 19 April 1945, JCS "Study on United States Security and Strategic Interests in Spain".

5. Foreign Relations of the United States (FRUS) 1946, Washington, 1972-1988, Vol.I, 7 November 1946, Memorandum by the Joint Chiefs of Staff to the Secretary of State, p.1112; 5 June 1946, Memorandum by the Joint Chiefs of Staff to the State-War-Navy Coordinating Committee, p.1174.

6. NA, Civil Branch, OIR Report 4105, 19 May 1947, Present Economic situation in Spain.

Chapter 1: 1945/46 Tripartite Statement

raw materials. Economic developments in Europe favoured Spain in the medium and long term. The western European markets were slowly saturated by American products and the dollar gap slowly expanded. Spain offered new markets for American products and had a more balanced current account compared to the rest of Western Europe. As American economic interests expanded worldwide, stability in Spain became more important to American foreign policy makers. Political unrest, civil war or a communist takeover would jeopardize the stability of the attractive Spanish market.

However, the US administration had to face a political complication concerning Spain. The Joint Intelligence Committee wrote that

"there is no prospect of any form of popular rising taking place in Spain... a rising, caused by foreign intervention, if strong enough to avoid immediate suppression by the police with army backing, would almost inevitably result in the outbreak of another civil war... a civil war in Spain with French and Russian intervention would also be likely to precipitate a crisis in France."⁷

This assessment limited America's policy considerably, since Spain was perceived as vital to future attempts to hold on to the European continent against the rising communist threat. The US not only would not intervene against Franco but would eventually press France to avoid clashes with Spain lest this lead to an unstable situation in France itself. Washington was forced into accepting the Spanish regime and was determined to avoid causing general European instability.

Concerning relations with Spain, the French Government was initially willing to represent the feeling of its people and come down against Franco. The hatred in France towards the Spanish Government was dramatically demonstrated during June 1945 when a French mob attacked a train traveling from Switzerland to Spain passing through Chambery. Allegedly the train carried troops of the Blue Division, in reality Spanish diplomatic personnel and workers were on board. In the ensuing conflict more

7. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 15 Mar 1946 Possible Developments, JIC Memo 242.

Chapter 1: 1945/46 Tripartite Statement

than 150 people were injured.

Unlike in the US, the French armed forces had little military interest in Spain. On the contrary, they feared that improved US - Spanish relations might lead to the withdrawal of US troops from Central Europe in case of Soviet attack. Furthermore, the Soviet military mission in Paris, under Colonel Lapkin, organized pressure through Spanish exiles and the French communist party on the French government. According to these exiles, under no circumstances should Britain and the US improve relations with Spain. Lieutenant Xilitzin and Captain Nobikov, both at the USSR mission in Paris, were permanently in contact with Spanish exiles in the hope of preventing this alignment.⁸

Spain's problem in seeking international acceptance was highlighted during the San Francisco United Nations conference, 25 April to 26 June 1945. On 19 June the Mexican delegate to the conference, a Spanish exiled anti-fascist named Luis Quintanilla, appealed for the exclusion of Spain from the UN on the grounds that the United Charter excluded all those countries ruled by regimes established with the help of Germany or Italy. One of the reasons for this appeal was the influence of Spanish immigrants in Mexico. The US delegation agreed with the Mexican proposal. James C. Dunn, who was to be ambassador to Spain during the early 1950's, said that the US was in full agreement with Quintanilla's statement. Nevertheless John Foster Dulles, future Secretary of State, tried to exclude Quintanilla's proposal on the grounds that the Spanish question was not part of the order of the day at the conference. Dulles' attempt came to nothing.

During the Potsdam Conference, the Soviets wanted to go one step further and proposed on 19 July 1945 that all relations with Franco including diplomatic and economic links be severed. In a joint statement, issued during the Potsdam Conference, the three great powers, US, Britain and the USSR, expressed their wish that Spain

8. Washington National Records Centre (WNRC), Records of the Army Staff, G-2 Intelligence, 1946, Spain, 12 Mar 1946, Madrid to Secretary of State.

Chapter1: 1945/46 Tripartite Statement

should not apply for membership to the United Nations given the fact that her current regime was founded with the help of the Axis powers, was closely associated with the Axis and did not possess the necessary qualifications to justify membership.⁹

For the Spanish government, the delicacy of its position concerning foreign relations was obvious. In order to avoid similar occurrence, and knowing that there was little point in trying to improve relations with Russia, Franco embarked on a policy of stressing the Neutrality myth. According to this, Spain stood for the defence of Christianity against Communism. He tried to distance himself from his former German links, claiming that his pro-German attitude throughout the early phase of the war had been forced upon him by Hitler. At the same time he wanted to assure the West that he had the capability of making democratic changes within his country. In the attempt to gain acceptance by foreign nations Franco decided to take seven measures, though most of them remained unconvincing for the West. The first was withdrawal from occupied Tangier. Franco mendaciously argued that by seizing the city, he had prevented it from falling into German hands during the war. Secondly, the *Fuero de los Españoles* (Charter of civil rights) was issued on 18 July 1945. In itself the Fuero failed to be accepted by the West as a genuine bill of rights. Salvador Madariaga, a former Spanish diplomat to the League of Nations and influential critic, described them: "The Charter of Rights is the most mendacious document ever penned. It guarantees every right which the government tramples upon daily... There is not a single article of this Charter that is not in itself an insult to the nation whose daily experience gives it the lie."¹⁰

Thirdly, two days after the 18 July Franco reshuffled his government in favour of the Monarchists and Catholics and against the Falange. It was a step in the right direction. An influential Spanish General had claimed that "as long as the Falange continues, it

9. Public Papers of the Presidents of the USA: Truman, Doc.221; Truman, Year of Decision, p.284.

10. Quoted from Whitaker, Spain and the Defense of the West, New York, 1961, p.122.

Chapter 1: 1945/46 Tripartite Statement

will be impossible to have cordial relations with France and Britain."¹¹ Yet the British Government realized that the shuffle was a simple attempt by Franco to improve his image.¹²

The Caudillo's fourth measure was the appointment of Alberto Martín Artajo as Foreign Minister. The Catholic Martín Artajo was acceptable to the West primarily because he was not a Falangist. The fifth initiative taken by the Spanish administration was the creation of the Franco myth which was assiduously spread through the media and the diplomatic channels. Under this policy the Spanish Ambassador in Washington claimed to the American Secretary of State that Spain's policy during the war had been a result of constant pressure by the Axis on Madrid.¹³ A sixth action whereby Franco hoped to create a democratic air in Spain was the holding of municipal elections in Spain. These were greeted with more enthusiasm in Britain. They were initially described as possibly free and secret but early enthusiasm soon faded away.¹⁴ Finally, Franco diminished the powers of the Spanish Falange, withdrawing many of their privileges. The Falange, the political party of Francoism, was structured on similar lines as Germany's NSDAP and Italy's Fascist Party. Most of these policies were perceived in the West as propaganda moves by Franco.¹⁵

Despite these changes, politicians in France continued strongly to oppose Franco's dictatorship. Three French political parties, the Communists, Socialists and the Popular Republican Movement together with the French Foreign Minister, Georges Bidault, appealed during December 1945 to London and Washington to end all political

11. Fernández, Tensiones Militares durante el Franquismo, Barcelona, 1985, p.69.

12. Weekly Political Intelligence Summary (WPIS), New York, 1983, 25 July 1945, N.303.

13. FRUS 1946, Vo.V, 5 January 1946, The Spanish Ambassador to the Secretary of State, p.1027.

14. Sheppard, "Inside Franco's Domain", in Nation, 9 October 1948, Vol. 167:

15. WPIS gives the most comprehensive documents of the British analyses. See the British position to the Fueros, 4 July 1945, N.300; British position to the government shuffle, 25 July 1945, N.303; British position to the Municipal elections, 19 September 1945, N.311; British position to the Falange new position, 10 April 1946, N.339.

Chapter 1: 1945/46 Tripartite Statement

and economic relations with Spain. As it turned out this appeal was a disaster.

Britain rejected this call on the grounds that to do so might provoke a civil war. London argued that under the current circumstances the opposition to Franco was so disorganized that even foreign intervention made the outcome of a struggle in Spain uncertain. Thus a civil war would probably have led to another fascist victory and disaster for the Republican and Monarchist forces. In the eyes of the British, sanctions or political isolation would end all possibilities to pressure Franco into further evolution of his regime and would adversely effect the British economy which needed Spanish foodstuff.¹⁶

However the USSR seized upon the French proposal to express her opposition to Franco. From 9 January 1946 onwards, the USSR officially supported the French appeal to London. Washington was unwilling to go this far. The US might have favoured more freedom of the press and liberation of political prisoners as well as the return of exiled politicians to Spain but this was a long way off the French proposal to end all relations with Spain.

Cordial relations with Spain were also increasingly seen in the US as necessary due to growing perceptions of the military threat of the Soviet Union. A report by the Joint Committee of War Planning in the US estimated on 8 January 1946 that "the Soviet economic war potential is not now adequately developed and at least for the next ten to fifteen years, the gains to be derived internally during peace outweigh the advantage of any external objective that might be attained at the risk of war."

Eventually however this period of peace was to come to an end. The US knew that "at the present time the USSR possesses the military means to overrun Europe". As for Europe's defence against a possible attack, the report read:

"the chaotic conditions in the western European countries, the low combat efficiency of Allied occupation troops, the proximity of Russian forces, and the communications available to the USSR make it possible for the Russians to overrun western Europe at

16. WPIS, 2 January 1946, N.325.

Chapter 1: 1945/46 Tripartite Statement

any time. The Russian advance might be slowed down at the Pyrenees, but only temporarily.¹⁷

Despite this the Joint Chiefs of Staff concluded that "the Soviets will endeavor to avoid a major conflict for the next ten or fifteen years."¹⁸ In the same study Spain and Tangier were listed under "areas subject to Soviet political and/or military aggression in pursuance of their immediate objectives". It was suspected by US policy makers that the USSR had an interest in establishing herself as a Great Power in the Mediterranean.¹⁹

A plan, which later became known as the Pincher Plan, estimated that after 70 days of struggle in Spain, Soviet troops would reach Gibraltar and close the Straits. The plan reflects the grave concern of the American armed forces over Spain and the Straits of Gibraltar.

The Joint Staff Planners issued another report during April 1946 which was concerned with "military problems deriving from concept of operations for Pincher". France feared that military agreements between the US and Spain would give the US the chance to withdraw its troops to Britain and Spain in case of Soviet attack. It was very likely that under the circumstances France would have fallen to the USSR with ease. Section 37 of the report by the Joint Staff Planners made French fears of an American withdrawal more than simple paranoia. It read: "it appears that should the USSR initiate an offensive in Western Europe, our occupation forces there must be immediately withdrawn from the continent of Europe or withdrawn to a defensive position in Italy or possibly Spain."²⁰ Earlier on the report read:

17. American Plans for a War against the Soviet Union (APWSU), New York, 1990, Vol.I "Military Position of the United States in the Light of Russian Policy", p.26.

18. APWSU, Vol.1, "Military Position of the United States in the Light of Russian Policy", Report by the Joint War Plans Committee, 8 January 1946, Appendix A: Memorandum for the Secretary of War and Secretary of the Navy, p.2/5.

19. APWSU, Ibid., p.11/41.

20. APWSU, Vol.2, 13 April 1946, Joint Staff Planners, "Staff Studies of Certain Military Problems Deriving from "Concept of Operations for Pincher", p.17.

Chapter 1: 1945/46 Tripartite Statement

"The withdrawal of US forces across France into Spain also may prove feasible. This, too, will be largely dependent upon political considerations. It is probable that an anti-Communistic government will remain in power for at least the next year or two, and if Spain is willing to desert her position as a neutral, then the withdrawal of US forces into Spain would make a material contribution to any required defense of the Pyrenees. On the other hand, the Allies would probably be committed to the defense of Spain, which might well entail a substantial diversion of resources. Retention of an anti-Communist government in Spain would materially assist in maintaining the security of the western Mediterranean."²¹

Appendix B of the report argued that Spain "is suitable and desirable as a base for fighter and short-range aircraft in defense of friendly or interdiction of enemy lines of communication. It is not suitably located as a base for long-range bombardment aircraft in prosecution of the strategic mission."²² Appendix C stressed the importance of the Straits of Gibraltar. and thus Spain. It analyzed the Soviet pros and cons for an attack on Spain.²³ During an invasion of the Iberian peninsula the US had two choices. Either support Spain with troops or let Spain fall to the Russian troops. The first option was carefully studied in the report. A defence of Spain would have enabled the west to retain control over the western Mediterranean, and it would have made preparation of a counterattack against occupied Europe easier. Furthermore it would not have tied down too many troops due to the natural defence line of the Pyrenees.²⁴ The report ended with a priority list in case of a Soviet sneak attack on Europe. The US would hold the Cairo - Suez area first and above all. Next it would have supported Spain's resistance against an invasion and ultimately it would neutralize Spain's fall through bases in

21. APWSU, Ibid., p.15.

22. APWSU, Ibid., Appendix B, p.28.

23. APWSU, Ibid., Appendix C, p.47.

24. APWSU, Ibid., p.49.

Chapter 1: 1945/46 Tripartite Statement

Morocco.²⁵

The French delicate military position and the fear of being left alone by the Americans was further increased by improving relations between the US and Spain. French authorities wanted to have a guarantee that the US army would not evacuate the front line and withdraw to Spain.

At the same time relations with Spain worsened when Cristino García and nine other guerrillas and former members of the French Resistance were arrested in the Sierra Guadarrama and were sentenced to capital punishment in late January 1946. Cristino García had fought on the Republican side in Asturias and Catalonia during the Spanish Civil War and subsequently had fled Spain after the Civil War. He then became a prominent member of the French Resistance during the German occupation. After France's liberation from the Nazis he returned illegally to Spain in April 1945, to fight against fascism. Accused of murder and armed robbery, he was soon condemned to death. On 17 February 1946, France, under pressure from the Communist labour unions and the communists and socialists in the National Assembly, asked Spain for clemency for García. The Spanish authorities argued that García was accused of terrorist acts against Spain and illegal entry into the country, his prominent past during the war mattered little to them. Disregarding the French plea, the condemned were executed shortly afterwards. In return, the French National Assembly responded: "The National Constituent Assembly has learned with shocked sorrow of the execution of Cristino García... The Assembly ... calls upon the French government to prepare to break relations with the government of general Franco."²⁶ France and the Communist propaganda machinery wanted to make an issue out of the execution of these French Resistance fighters in February 1946 and demanded dramatic international action. However these were weak grounds. Spain was certainly not the only country which imposed capital punishment on terrorists and murderers. Garcia's intentions were

25. APWSU, *Ibid.*, p.51.

26. Siegfried, ed., L'Année politique 1946, (Paris, 1947), p.346.

Chapter 1: 1945/46 Tripartite Statement

noble, yet they were also illegal and ruthless. Under pressure, the French government failed to wait for a more appropriate incident of violation of human rights in Spain and despite being warned by the Spanish Chargé in Paris that a break of foreign relations would result in the impounding of French assets,²⁷ the Quai d'Orsay gave in to pressure.

On 27 February, Bidault proposed to the governments of the US, Britain and the USSR to end all diplomatic relations between Spain and United Nations member states. The reason to include Moscow in these talks was simple. After the first proposal it became obvious that Britain and the US did not welcome the isolation of Spain while Moscow clearly favoured the French policy. With the appeal to Moscow, the Quai d'Orsay hoped to force the hand of the State Department and the Foreign Office. Bidault, a member of the MRP, the right center party, argued that Franco had made no changes towards democracy. The French foreign minister therefore concluded that Franco's regime in Spain threatened international peace and security. As a solution he proposed a declaration by the four nations and a submission of the problem to the Security Council.²⁸ France stood to gain from this policy. The Security Council could

verbally condemn Spain and thus make a rapprochement between the US and Spain more difficult. This in turn would guarantee an American defence of France, rather than a retreat behind the Pyrenees. Alternatively, the Security Council would force economic sanctions against Spain. This would increase the share France received from American aid and international trade. The French government decided to close its borders and seriously reduce trade relations with Spain. Embargoes were enforced.

Support for this idea could be expected from the Division for European Affairs of the State Department. The US had already shown some restrictions of her trade policy towards Spain. The Policy Committee on Arms and Armaments refused to sell

27. Public Record Office (PRO), FO371.60375, 13 February 1946, Paris to FO.

28. FRUS 1946, Vol. V, 27 February 1946, The Ambassador in France to the Secretary of State, p.1043.

Chapter 1: 1945/46 Tripartite Statement

military equipment of any kind to Spain.²⁹ However, US economic interests in Spain made sure that the State Department would not completely abandon Spain to French and Soviet policy makers.

Washington was not enthusiastic about Bidault's proposal. However, the US had expressed the desire to follow a common policy towards Spain together with Britain and France. Either Britain or France would have to compromise. In a memorandum, Harry N. Howard of the Division of International Organization Affairs expressed that the US should not discourage discussions at the UN if they arose. He did not exclude the possibility of ending diplomatic relations with Spain.³⁰ Thus it seemed at first that the US might follow the French proposal in order to secure a common western foreign policy. Yet Washington was first going to try finding a compromise which would allow for a continuation of trade and diplomatic relations while also meeting French concerns. It was hoped that such a compromise could be found in a public condemnation of the Spanish regime.

In fact the idea of a statement by the three nations seems to have had some support in the State Department during January 1946, after the first French appeal to London and Washington. Then Dean Acheson, as acting Secretary of State, had suggested a statement by France, Britain and the US expressing their dislike of Franco's fascist regime. It would have pointed towards a solution of this "internal" problem by a withdrawal of Franco and by establishing a caretaker government. Acheson knew, through the British ambassador in Washington, that Britain wanted to avoid conversations on the Spanish problem in public altogether. Whitehall was happy in solving the complications through the diplomatic channel.³¹

29. FRUS 1946, Vol.I, 7 June 1946, Memorandum Prepared in the Central Secretariat of the Policy Committee on Arms and Armaments, p.840; NA, Civil Branch, State Department Decimal File 1945 1949, 852.24 FLC/2-846, 8 February 1946, Division European Affairs to Acheson.

30. FRUS 1946, Vol.V, 27 December 1945, Memorandum by Harry N. Howard of the Division of International Organization Affairs, p.1023.

31. FRUS 1946, Vol.V, 18 January 1946, The Acting Secretary of State to the Secretary of State, p.1030.

Chapter 1: 1945/46 Tripartite Statement

The US chargé to Spain argued against the State Department. He believed that, in the long run, it was best not to make a public statement as this would limit future flexibility of future policy. He favoured a slow evolution of Francoism bringing about eventual international acceptance.³² Now, after the French proposal, the US could not publicly oppose the general idea of a common statement but what France was demanding, ending all diplomatic relations, was more than the State Department was willing to do. Fortunately for Washington the American policy makers could play mediator between France and Britain.

Naturally, Britain tried to prevent the French initiative. Sir Victor Mallet, British Ambassador to Spain, wrote to Bevin that: "A weak Government in Spain, whether of the Right or the Left, would pave the way for increased Soviet influence and pressure through the Spanish Communists. The one real merit of the present Government is that it does at least maintain order."³³ The British Ambassador Cooper Duff argued in a telegram, on 2 March 1946, that the ending of diplomatic relations with Madrid would worsen the economic situation in Europe as a whole and in Spain in particular. At the time, some American policy reports like one produced by the Air Intelligence, feared the beginning of a military conflict between France and Spain.³⁴

The French proposal played into Soviet hands. While Britain and the US were trying to get rid of Franco without too much social instability and political complications in Spain, the USSR was trying exactly the opposite. Another civil war in Spain was in Moscow's interest, alternatively, the Kremlin wanted to discourage lasting bonds between the West and Spain. George Kennan, then chargé in the USSR, analyzed the Soviet position. He claimed that the past had created a deep hatred between Russia and Spain. He feared that Spain offered Russia a strategic base and the possibility to

32. FRUS 1946, Vol.V, 15 February 1946, The Chargé in Spain to the Secretary of State, p.1038.

33. PRO, FO371.60375, 15 February 1946, Sir V. Mallet to Mr Bevin.

34. NA, Military Branch, ABC-Air Intelligence (12-Jun-46), 29 May 1946, Air Intelligence Report, Study 55.

Chapter 1: 1945/46 Tripartite Statement

expand communism into France, Italy Morocco and Latin America. Ambassador Mallet confirmed this argument in a note to the Foreign Office.³⁵ More realistically, Sir Frank Roberts, British chargé in Moscow, believed that Russia was not well informed on Spanish affairs and was only using France as a "spearhead" to split the western allies. After the French proposal, it became even more obvious that Moscow was using France for its own mischief.³⁶ From all this, he deduced that the USSR was hoping for instability, an overthrow of Franco and possibly a communist takeover.³⁷ Once Bidault had made his proposal to London, Washington and Moscow, the USSR was waiting impatiently for the British and American reply. The Kremlin was more than delighted knowing that, whichever way the situation turned out, it would further Soviet plans.³⁸ If a strong action were to be taken, Spain would have been isolated and might have fallen more easily to a communist coup. If no such statement was issued, the USSR would have had a good chance to split the Western powers and increase its influence in France.

Franco and Martín Artajo, willing to isolate Spain, were dismayed with these developments. The Ambassador in Washington, Juan Francisco Cárdenas, claimed that even a public statement by the four nations could not move Franco a single inch.³⁹ Franco was willing to risk another civil war, even one inspired by foreign powers, but he would not peacefully relinquish his stranglehold on Spain. Expecting that the US feared a renewed struggle in Spain almost as much as Franco did, Cárdenas painted the spectre of civil war and communism looming over Spain in a conversation with Paul

35. PRO, FO371.60441A, 28 February 1946, Victor Mallet.

36. PRO, FO371.60441A, 14 February 1946, Frank Roberts to Derek Miller; also in FO371.60441A 3 March 1946, Moscow to FO; 9 February 1946, USSR policy to Spain.

37. FRUS 1946, Vol.V, 3 February 1946, The Chargé in the Soviet Union to the Secretary of State, p.1033.

38. FRUS 1946, Vol.V, 1 March 1946, The Chargé in the Soviet Union to the Secretary of State, p.1044.

39. FRUS 1946, Vol.V, 3 March 1946, The Spanish Ambassador to the Secretary of State, p.1045.

Chapter 1: 1945/46 Tripartite Statement

Culbertson, then Chief of the Division of Western European Affairs.⁴⁰

As a result of the French proposal, the three Western powers faced a dilemma. Above all they had to prove that they still stood united in their policies. Yet the French proposal had pressured them into taking some sort of stance against Spain or else admit that a rift had developed between their policies. Britain was unwilling to go along with the French proposal. According to London, the French Government's unilateral actions of closing the border and demanding a public statement condemning Franco had caused a crisis in foreign relations with Spain.⁴¹ The US was less outspoken in this respect but tacitly agreed with the British policy. France, however, was unwilling to retreat completely as this would have led to accusations by the communists that French foreign policy was dictated by London and Washington. Undoubtedly this would have strengthened the Communist Party in France. Thus the three Western powers had to find a compromise which would lessen the French embarrassment without jeopardizing Anglo - American interests.

As a result, on 4 March 1946, following the French communique, the three Western Powers issued a joint statement condemning the Franco regime. The uncordial relations with Spain were designed to bring about:

"a peaceful withdrawal of Franco, the abolition of the Falange and the establishment of an interim or caretaker government under which the Spanish people may have an opportunity freely to determine the type of government they wish to have and to choose their leaders"⁴²

The caretaker government would guarantee political amnesty, freedom of assembly and of expression. Once these changes had taken place, the caretaker government would be

40. FRUS 1946, Vol. V, 4 March 1946, Memorandum of Conversation by the Chief of the Western European Affairs, p.1046.

41. PRO, ADM223.225, March 1946, Monthly Intelligence Report; also in ADM223.227, May 1946, Monthly Intelligence Report.

42. Quoted from Whitaker, Spain and Defense, p.25.

Chapter 1: 1945/46 Tripartite Statement

diplomatically recognized and would receive economic assistance.⁴³ Nevertheless there were no plans for direct action interfering in the internal affairs of Spain. The statement offered no solution to Spain's problems. Franco, gaining nothing from stepping down, would have alienated the political right and the army, if he had allowed exiles to return. The undoing of the Falange would have infuriated its members, making Franco's personal position untenable. Even the carrot offered was too insignificant to make a difference. The inducement of assistance in the tripartite statement mentioned no particulars and thus remained empty promises. The statement was as important for what it said as for what it omitted. There was no threat to end diplomatic relations, nor a proposal to put the problem before the Security Council. It was an empty compromise, pleasing Britain and saving France from embarrassment. Almost immediately after the statement Russia tried to split the western powers. The Soviet Chargé in Washington, Novikov, wrote to the Secretary of State that he was in full support of the French proposal to put the Spanish problem before the Security Council.⁴⁴ If the US agreed, the problem might still come before the Security Council. On the other hand if the US disagreed a wedge would have been driven between France and the US concerning foreign relations with Spain.

In Spain the result was counterproductive. The tripartite statement was one of the reasons why large enthusiastic crowds turned to the Plaza de Oriente during the annual victory parade on 1 April 1946 demanding a speech by General Franco.⁴⁵ The public support was the first sign of the success of the regime's effort to orchestrate faith in the Caudillo's role as sentinel of the West. The nationalist feeling in Spain was skillfully manipulated.

For the time being, Madrid was almost unaffected by ostracism. It is true that

43. A Decade of American Foreign Policy: Basic Documents 1941-1945, Washington, 1950, Doc. 182.

44. FRUS 1946, Vol. V, 7 March 1946, The Soviet Chargé to the Secretary of State, p.1047.

45. Suárez Fernández, Luis, Francisco Franco y su Tiempo, Madrid, 1984, Vol.VI, p.106/7.

Chapter 1: 1945/46 Tripartite Statement

she was not a member of the UN nor of any of its numerous agencies and committees but the economic costs of this ostracism were minor. Furthermore Franco enjoyed wholehearted support by Salazar's dictatorship in Portugal, which argued that no civil unrest should be risked in Spain by overthrowing Franco, as Spain's resources were urgently needed in the struggle against the East.⁴⁶

On 8 March 1946, Truman's Secretary of State, James Byrnes, wrote two notes to the US Ambassador in France, Jefferson Caffery. The Secretary of State could not see why Franco's failure to give an impression of evolution abroad should bring the Spanish problem before the UN, nor could he see how Spain endangered international peace and security.⁴⁷ Byrnes wanted to avoid bringing the Spanish problem to the UN. He realized the game Russia was playing and tried to give the French a possible escape route through which to avoid further alignment with the USSR. The statement from 4 March 1946 meant that the western powers continued their coordinated policy towards Spain without harming Anglo - American interests in Spain. France had backed down and saved her diplomatic reputation but was still exposed to Soviet pressure. Four days after the two notes to Caffrey, Byrnes sent him another note. In it he suggested that Paris, having acted under Communist pressure, could escape further public outcry by stressing the value of the tripartite statement.⁴⁸

Across the Atlantic in Europe, the statement of 4 March seemed to the public to be in line with US policies. The US refrained from naming a new ambassador, granted no assistance and discouraged the private sector to invest in Spain. Furthermore a report by the Subcommittee on Rearmament asserted that US military supplies for foreign nations were not being sent to Spain.⁴⁹ However, on deeper analysis the

46. PRO, FO371.60456, 7 March 1946, Lisbon to Ernest Bevin.

47. FRUS 1946, Vol.V, 8 March 1946, The Secretary of State to the Ambassador in France, p.1048/49.

48. FRUS 1946, Vol.V, 12 March 1946, The Secretary of State to the Ambassador in France, p.1051.

49. FRUS 1946, Vol.1, 21 March 1946, Report by the Subcommittee on Rearmament to the State-War Navy Coordinating Committee, p.1145.

Chapter 1: 1945/46 Tripartite Statement

statement was not in line with US policies. Washington favoured a stable government in Spain. The US Secretary of State, James Byrnes, generally opposed embargoes on oil and petrol as this would create political and economic chaos. Nor did the US accept Bidault's attack on Spain.

Bidault had argued that Spain's threat to international security was made clear in the Yalta and Potsdam declarations, both banning Spain from the United Nations. He claimed that Article 2 Paragraph 7 of the UN Charter applied to Spain and thus made it of UN concern. Furthermore, he maintained that a prolonged totalitarian regime in Spain could threaten the maintenance of peace and international security in the future by its colonial ambitions.⁵⁰ Seemingly, France was trying to strengthen its opposition to Spain but, by signing the tripartite statement, the Quai d'Orsay had proven that for the time being, France was willing to follow an Anglo - American policy in order to avoid confrontation with the two allies. Despite making waves France did not want to rock a boat out of which it feared to fall.

The US Administration in general and the Secretary of State in particular were unmoved by this new French argument. The threat of more serious border conflicts was dismissed by the American Joint Intelligence Committee which argued that in the Spanish army "as a whole, small arms and light artillery pieces are of good quality, well maintained and in sufficient numbers... The Army would... give a good account of itself in a defensive role." The Committee claimed that there had been no aggression by the Spanish side in these border conflicts. The Spanish army was acting purely defensively.⁵¹ Byrnes warned that the US would not support France in the Security Council. Washington was willing to follow a mutual policy towards Spain with France and Britain even if this required a public condemnation of the Franco regime, however

50. FRUS 1946, Vol. V, 12 March 1946, The Ambassador in France to the Secretary of State, p.1052

51. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 19 April 1946, Joint Intelligence Committee, Memo 209, Military Situation on Franco-Spanish Frontier.

Chapter 1: 1945/46 Tripartite Statement

it was unwilling to go any further.⁵² Thus Western foreign policy would publicly condemn the Spanish dictatorship but without damaging the totalitarian government.

The British realized soon after the Joint Statement that their fears before the 4 March were justified. The ground on which the three western nations had made their stand was weak. There seemed to have been no border conflicts caused by the Spanish side. However, after the declaration exiled Communists in France increased their attacks across the Spanish border.⁵³ Britain argued that "The French could scarcely have chosen a worse wicket on which to bat", but then cricket is not one of France's national pastimes.⁵⁴

Additionally Westminster argued that sanctions against Spain could not be enforced without Portuguese and Argentinean cooperation.⁵⁵ Britain would only withdraw its Ambassador if this brought about a solution. Clearly London would not follow the French proposal as pressure on Spain would strengthen Franco or result in chaos.⁵⁶

In response to a note by the British Ambassador in Washington expressing this point of view, the American State Department expressed its agreement and claimed that a solution in Spain had to be found in talks between the three western nations.⁵⁷ Given the weakness of the tripartite statement, this meant a continuation of Anglo - American policy with France following unconvinced.

The British and American policy had been aided by Winston Churchill. On 5 March 1946, Churchill spoke in Fulton, a little town twenty miles north of Jefferson

52. FRUS 1946, Vol.V, 19 March 1946, The Secretary of State to the Ambassador in Franco, p.1056.

53. FRUS 1946, Vol.V, 21 March 1946, The Chargé in Spain to the Secretary of State, p.1059.

54. WPIS, 6 March 1946, N.334.

55. FRUS 1946, Vol.V, 18 March 1946, The British Embassy to the Department of State "Aide Mémoire", p.1055.

56. FRUS 1946, Vol.V, 1 April 1946, The British Ambassador to the Department of State, p.1062.

57. FRUS, 1946, Vol.V, 6 April 1946, The Department of State to the British Ambassador.

Chapter 1: 1945/46 Tripartite Statement

City in the rolling farm land of Missouri. Churchill claimed that:

"From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain had descended across the Continent. Behind that line lie all capitals of the ancient states of Central and Eastern Europe... All these famous cities and the populations around them lie in what I must call the Soviet sphere, and all are subject in one form or another, not only to Soviet influence but to a very high and, in many cases, increasing measure of control from Moscow."⁵⁸

Churchill believed that what was needed was a "cordon sanitaire", a union of the Western Democracies, against the USSR. He upheld that the US and Britain should give less importance to their own international ambitions and make a united stance against the USSR. For Spain this meant that Britain and the US should enforce a joint policy. By implication, if France wanted to join this policy and stay within the Western alliance, she had to abandon her present policies.

Public opinion and most of the American press, however, were strongly in opposition and portrayed Churchill as a warmonger, poisoning the difficult relations between the West and Russia. Walter Lippmann portrayed the speech as an "almost catastrophic blunder."

Despite attempts by Truman to limit the diplomatic blunder, the emerging East - West conflict, as manifested by Churchill, already could be seen in Turkey. In order to support the Turkish government against Soviet pressure, the US Navy moved the battleship Missouri to Istanbul. Britain and the US, worried about the Mediterranean, held military conversations about the vulnerability of allied shipping through the Mediterranean once Gibraltar had fallen to the USSR.⁵⁹ If France wanted to join, she had to do so on their terms and adapt their policy towards Spain.

In fact, the Quai d'Orsay gave in and changed its policy during late March

58. Gilbert, Martin, Winston Churchill, Never Dispair 1945-1965, Boston, 1988, p.198.

59. N.A, Military Branch, ABC-Russia (22-Aug-43), 23 August 1946, Soviet Capabilities in the Mediterranean.

Chapter 1: 1945/46 Tripartite Statement

1946. It is unclear whether this was the result of America's unmovable position towards Spain or simply a realization by the Quai d'Orsay that the international climate favoured the Anglo - American position. It was becoming obvious that the international climate had made a bipolar world a reality and France had to choose between a closer alliance with the Anglo - American block or a precarious international independence. The former would limit French foreign policy and result in clashes between public opinion and governmental policies. Alternatively France could have moved away from a common western policy.. In doing so, the French government would face more threats from communists. France chose to compromise. Bidault now wanted to avoid the Spanish problem coming before the Security Council. The Soviet Ambassador to France, Alexander Efremovich Bogomolov, however, continued to pressure French foreign policy makers. Bidault turned to the US asking for suggestions on how to avoid this embarrassing situation.⁶⁰ To achieve a cohesion of policies towards Spain of the three powers, France suggesting a closer coordination of diplomatic representations.⁶¹

60. FRUS 1946, Vol.V, 20 March 1946, The Ambassador in France to the Secretary of State, p.1058

61. FRUS 1946, Vol.V, 25 March 1946, The Ambassador in France to the Secretary of State, p.1061

Chapter Two

The UN Resolution

Chapter 2: The UN Resolution

Despite the outcry of the press, Churchill's speech reflected the point of view of many policy makers in Washington, including Averell Harriman, former ambassador in Moscow, Dean Acheson and Secretary of Navy James Forrestal. Two weeks earlier, in the "long telegram", a 8,000 word message from the US Embassy in Moscow, George Kennan, the Chargé d'Affaires, outlined Russia's neurotic Weltanschauung. According to the international doctrine of Communism, a permanent peaceful coexistence between communist and capitalist states was impossible. Kennan claimed that the current Soviet regime was "only the last of a long session of cruel and wasteful Russian rulers who had relentlessly forced their country on to ever new heights of military power in order to guarantee external security for their internally weak regimes." However, the chargé also claimed that Moscow was sensitive to logic and could be expected to back off if faced with strength.¹ The implication was clear. If the US wanted to avoid a military conflict in the near future with the Soviet block then she had to portray enough strength to discourage Moscow from exploiting her weaknesses.

However the press kept hammering away at the White House and the State Department for their position towards the Soviet Union. The public was not yet ready to see Russia, the ally against Nazi Germany, as an enemy in a new struggle. It was a worrying time for Truman.

While Washington was deciding on its future global foreign policy, interest groups such as the military were able to exploit the situation. In particular for Spain this meant that help was given as long as publicity was avoided. For example, all available military information concerning types, production, and the current development stages of radars including exact technical characteristics were secretly released to Spain via the US Embassy in Madrid.² In return the Defense and State Department hoped for better military and trade relations.

1. McCullough, Truman, New York, 1992, p.490.

2. WNRC, Army Intelligence, Project Decimal File, 1946, Spain, 7 June 1946, Radar Equipment Spain to MA, Spain.

Chapter 2: The UN Resolution

Worldwide public opinion was moving against Franco. Canada publicly rebuffed Spain's attempt to establish diplomatic relations.³ During spring 1946, six Communist, four Latin American, three Commonwealth and four other states severed diplomatic relations with Spain. There was also speculation that Italy might do the same.⁴

The foreign opposition, the international atmosphere and the resulting economic isolation of Spain had their effect and revolts against Franco reemerged. Workers went on strikes in several cities. The strongest opposition was in Asturias and Republican flags appeared on buildings in Gijón and Oviedo.

Even some senior officers in the army, which originally supported Franco's rule, drifted away. General Aranda visited foreign representatives and sought political asylum in the US embassy. He planned to set up a new provisional government, but lacked support from either Don Juan or the government in exile. His ill prepared attempt resulted in his arrest.⁵ Franco remained stubborn. His ruthless victory in the Civil War guaranteed his control over the country. Internal opposition to Franco was not enough to oust him from power. If foreign governments wanted to get rid of him, they had to apply stronger measures.

The first move came from the communist states. After some encouragement from the USSR, in April 1946, Poland pleaded to the UN Security Council to include the Spanish problem in the UN agenda. One week later Poland called for an end to diplomatic relations. The Secretary-General of the United Nations, Trygve Lie, expressed his support for the exclusion of Spain from the United Nations and hoped that a change of government in Spain would bring about liberty and democracy.⁶ After the

3. PRO, FO371.60433, 3 July 1946.

4. PRO, FO371.60457, 25 October 1946.

5. Fernandez, Tensiones Militares, p.125.

6. Public Papers Secretaries General of the United Nations, Trygve Lie, New York, 1969, Universality of Membership, Statement in the Security Council, Lake Success/New York, 28 August 1946, and Supplementary Oral Report before the General Assembly, Flushing/New York, 24 October 1946.

Chapter 2: The UN Resolution

Polish request, the Spanish problem came before the Security Council.

Working for the US delegation to the UN, Alger Hiss, who became famous during the McCarthy years when convicted for perjury, drafted a paper on US policy for the UN. This was channeled through the Secretary of State to Edward Stettinius, former Secretary of State now representing the US in the UN. In this paper, Alger Hiss claimed that it would not damage the US if the problem came before the Security Council. However, the US delegation believed a vote concerning Spain's threat to peace and security before the Security Council had to be avoided. Hiss suggested that if the problem came to the Security Council, a subcommittee should be formed. He suggested that the US should support any recommendation by the Council but strongly opposed sanctions, changes to diplomatic practices and any other threats against friendly relations.⁷

Britain's view on this were similar to the one expressed by the US, maybe even more supportive of Spain. Sir Alexander Cadogan, the British representative, argued that governmental structures were internal affairs and of no concern to the UN. Britain hoped that the Polish proposal would not come before the Security Council because Article 2 Paragraph 7 of the UN Charter specified internal affairs as being outside the UN influence and Article 34/35, allowing UN action to secure peace and security, did not apply to Spain because she lacked global importance.⁸

In return Oscar Lange, the Polish delegate, claimed that Spain posed a threat to world peace because she had an army of 600,000 soldiers, an independent nuclear project, a large war material industry and was harbouring 2,200 German scientists and Gestapo employees. These accusations would have led, under article 34, to condemnation and punishment, and under article 35 and 41 to the termination of diplomatic relations.

7. FRUS 1946, Vol.V, 12 April 1946, Background Information and Guidance for the US Delegate, The Secretary of State to the US Representative at the UN, p.1065.

8. WPIS, 17 April 1946, N.340.

Chapter 2: The UN Resolution

Unconvinced, Sir Alexander argued that all these accusations were based on unfounded claims.⁹ It was true that Spain was uncooperative in the repatriation of Nazis. Madrid also had tried to delay the confiscation of German state property in Spain.¹⁰ However, these were minor complications and were a far way off the Polish accusations.

On two occasions in April Edward R. Stettinius called for the formation of a subcommittee to deal with the problem. Soon thereafter, a UN resolution set up this subcommittee. Despite having suggested the idea, the US excluded herself on the grounds that other nations had closer links with Spain. By doing so Washington avoided embarrassing France and/or General Franco.

The Subcommittee concerned with the Spanish Problem was formed by 18 delegates, representing Communist as well as Democratic states and had an Anglo - American proposal as starting point.¹¹ It was to investigate whether the Spanish problem was a domestic one, and thus outside the interest of the UN, or if the regime threatened to cause an international conflict.

The discussion in the Subcommittee largely turned around two problems. Firstly, Oscar Lange had condemned Spain under article 34 of chapter VI. However chapter VI of the UN Charter merely allowed recommendations. The Polish delegation tried however to enforce measures allowed under chapter VII. Sir Alexander Cadogan took pains in pointing out that in order to enforce diplomatic measures against Spain, she had to violate chapter VII and not simply chapter VI.

The second problem concerned Spain's position vis-à-vis international peace. The Communist states claimed that the UN had an obligation to intervene. Western nations strongly opposed this. Colonel Hudgson, representing Australia, summarized the difficulties of the discussions: "The line between what is of international concern

9. WPIS, 1 May 1946, N.341.

10. WPIS, 3 July, 14 August, 4 September, 25 September 1946, N.349, N. 355, N.358, N.361.

11. WPIS, 11 December 1946, N.372.

Chapter 2: The UN Resolution

and what is of domestic concern is not fixed, it is mutable."

The Subcommittee findings resulted in the Spanish problem being covered under chapter VI, thus any diplomatic measures, apart from recommendation, were out of question. It was also decided that Franco's Government was not at the moment posing a threat to peace, yet it was a situation "likely to endanger the maintenance of international peace and security" in the future. Thus the Security Council was advised to recommend procedures or methods to improve the situation as under Article 36. The Subcommittee also suggested that the UN should condemn Spain and recommend ending diplomatic relations.¹² The report was put on the Security Council agenda for 6 June 1946.

In the meantime and in order to prevent further international pressure, Franco moved further away from the fascist state. The press, radio, and theater were placed under the education minister and no longer under the Falange. The Fascist greeting, together with the party uniforms and decorations, were abolished. The Director of Foreign Policy was replaced by a less fascist character. Franco also became more cooperative concerning the expatriation of Germans and German property in Spain.¹³

Strange rumours were started by Spanish diplomats about a possible Spanish - Soviet cooperation. Artajo informed Bonsal, the US Chargé, that the USSR was trying to improve relations with Spain.¹⁴ US Air Force Intelligence reported that "Franco could be flirting with Russians" and the Secret Service reported that a Persian official had visited Barcelona to arrange a Soviet - Spanish friendship and non-aggression treaty. Allegedly, Peron was approaching the Russian Embassy in Buenos Aires to resume cordial relations with the USSR and to act as a mediator between Madrid and Moscow. Others also claimed that Admiral Moreno had left Spain for Argentina to

12. FRUS 1946, Vol. V, 1 June 1946, The Acting US Representative at the UN to the Secretary of State, p.1072.

13. WPIS, 28 August, 6 November 1946, N.357, N.367.

14. WNRC, Records of the Army Staff, G-2 Intelligence, 1946, Spain, 12 August 1946, Madrid to Secretary of State.

Chapter 2: The UN Resolution

investigate Spanish - Soviet relations. All these rumours remain unsupported by facts.¹⁵ In Britain, the Foreign Office, fearing that Moscow might recognize Franco to strengthen commercial links with Spain, wrote that "we might in fact suddenly be faced with a hostile Spanish Government in close contact with Moscow" and "many of Franco's supporters in the Falangist party would at a pinch be ready to accept such a volte-face."¹⁶ The British Chargé in Moscow, Sir Frank Roberts, rejected such an absurd possibility out of hand and a lecture by O.A. Arturov entitled "The Campaign to Liquidate the Fascist Regime in Spain" ended speculations about a coming together of the two countries.¹⁷ Yet they had created uncertainty in the West and had been cause for alarm. In order not to be sidelined in the unlikely event of this rapprochement, the West had to show more support for Franco.

Concerning the UN, Spanish authorities argued that Spain was of no concern to the United Nations as the UN had no right to judge over a non-member state. Spanish papers claimed that the Subcommittee had been stacked heavily against Spain, Brazil being the only nation on it with diplomatic relations at the ambassadorial level.¹⁸ The Spanish Foreign Minister claimed that international pressure made evolution in Spain impossible because it caused bombings and shootings in Madrid and French guerrilla struggle on the Spanish border.¹⁹

In the meantime some Labour MPs in Britain came down heavily against Spain. Ian Noel-Baker, McNeil, and Mrs Leah Manning argued that ending diplomatic relations and economic sanctions would remove Spain's government and thus prevent a

15. WNRC, Records of the Army Staff, G-2 Intelligence, 1946, Spain, 11 June 1946, USMA Spain to War Department, also 25 July 1946, USMA Spain to War Department.

16. PRO, FO371.60441A, 4 July 1946, Hoyer Miller to various.

17. PRO, FO371.60441A, 12 August 1946, Moscow to FO; also FO371.60441A, 22 August 1946, Lecture.

18. FRUS 1946, Vol.V, 6 June 1946, The Chargé in Spain to the Secretary of State, p.1075.

19. FRUS 1946, Vol.V, 19 November 1946, The Chargé in Spain to the Secretary of State, p.1079.

Chapter 2: The UN Resolution

further rift between the two countries.²⁰

The proposed radical break of all relations would inevitably hurt the economy and would force unpredictable changes in Spain. The West was unwilling to take this risk. The Government in London believed that rupture of diplomatic relations would do more harm than good.²¹ Churchill remarked from the floor of the House that: "It will affront Spanish national pride to such an extent that there will be a general rallying of Spaniards to the government of their country and to its sovereign independence." He was absolutely right.

Another Tory, Sir Hartley Shawcross, argued that ending commercial and diplomatic relations would lead to starvation and possible civil war in Spain as well as economic loss for Britain. He claimed that "nothing has done more to maintain Franco in power than the fear of foreign intervention in one way or another, the threat of starvation and the danger of civil strife."²²

Washington too was unhappy about the way discussions had developed in the UN. Under point 31b the Subcommittee recommended to the General Assembly ending diplomatic relations with Spain. The US Representative at the UN proposed an amendment modifying this recommendation. However, on 18 June, the USSR vetoed the US modification and thus eliminated it. The report went unmodified to the First Committee.

The Soviet Union itself felt uneasy about the Spanish problem going into the General Assembly. As long as it was discussed in the Security Council, the USSR could use its veto at will. Once in the General Assembly this was no longer possible. Andrei Gromyko, the USSR delegate, had used his veto three times alone on 24 June 1946 merely to keep the Spanish issue in the Security Council.

Poland still asked each member of the United Nations to terminate diplomatic

20. WPIS, 23 October 1946, N.365.

21. WPIS, 30 October 1946, N.366.

22. WPIS, 11 December 1946, N.372.

Chapter 2: The UN Resolution

relations with Spain and wanted to bar her from membership in any organ or agency related to the UN. Belorussia wanted to go even further and suggested a suspension of communication by rail, sea, air, post and telegraph.

Britain called the Belorussian position unrealistic and argued that economic sanctions would kindle the flames of a new civil war.²³ London would welcome democratic elections in Spain, however, the British ambassador to Spain said that international pressure had actually decreased the possible success of a government composed by the democratic parties in exile, the Catholics or the Monarchs.

It was clear that the UN was split over the Spanish question and Madrid tried to use this for its own advantage. Artajo told the British Ambassador to Spain, Sir Victor Mallet, that if the Belorussian proposal passed, Spain would resist to the end "and if there was no petrol Spaniards would ride on mules."²⁴

An Anglo - American counterproposal to the Polish proposal only asked for Spain's exclusion from the UN. The two nations hoped that "Franco [would] surrender the powers of government to a provisional government."

Others such as Canada, India, the Netherlands, Sweden and Denmark favoured this proposal. Iceland claimed that economic sanctions could not be enforced as those countries, mainly Argentina and Portugal, having to enforce them were unwilling to do so. India argued against ending diplomatic relations as this would not help to remove Franco.

El Salvador and Costa Rica argued that Spain's problem was an internal affair. Other Latin American nations, Guatemala, Uruguay and Venezuela, opposed this and pointed out that foreign intervention into Spain's internal affairs during the Civil War had set a precedent which had allowed Franco to establish his power. Therefore a renewed involvement in Spain's internal affairs to remove Franco was allowed.

France went even further. Together with Belgium and Norway, Paris argued

23. WPIS, 13 November 1946, N.368.

24. WPIS, 20 November 1946, N.369.

Chapter 2: The UN Resolution

that the Spanish problem was no longer an internal affair because Franco had moved colonial troops from Morocco towards the French border. France asked for a resolution disallowing the purchase of Spanish food exports as long as Spaniards were going hungry. Spain had to sell more food than was advisable in order to pay for vital imports. Britain alone bought 257 million gold pesetas worth of foodstuff. France buying only 12 million gold pesetas was naturally more inclined towards economic sanctions.

As the State Department was getting ready for the Spanish problem in the General Assembly, the Joint Chiefs of Staff issued a report on 10 July 1946 which expressed a desire to obtain base rights for the Navy and the Air Force, the use of ground facilities on the Canary islands and landing rights throughout Spain.²⁵ At first glance this was a strange desire as it ran counter to overall US defence policy. After the Second World War, the armed services were dismantling tactical bases worldwide to reduce costs. Consequently, the State Department contested "that this Government [US] is not now in a position to institute negotiations for military rights with the Spanish Government nor does it appear likely that such negotiations can be undertaken within the predictable future."²⁶ The Department was fully aware of the diplomatic complications and negative impressions such negotiations would cause, specially while the UN was still discussing the Spanish question.

Commercial interests in the US also favoured a lenient approach towards Spain. Washington had to make up its mind between relaxing restrictions on trade or getting rid of Franco once and for all. The longer Washington waited the less interested the public became, yet the less cooperative the Spanish authorities would be.

On 30 October, Senator Tom Connally outlined his position towards Spain, before the Political and Security Committee. Washington while favouring a public condemnation and exclusion from the UN, opposed severance of diplomatic relations

25. NA, Military Branch, ABC (6-Nov-43), 10 July 1946, Report by JCS, JCS 570/72.

26. NA, Military Branch, ABC (6-Nov-43), 5 August 1946, State-War-Navy Coordinating Committee.

Chapter 2: The UN Resolution

and economic sanctions as this might have caused a civil war. A renewed civil struggle without international intervention, resulting in a renewed fascist victory would have added to Franco's power. Nevertheless the US would follow any UN recommendations.²⁷

For three days, the First Committee of the UN discussed the Polish and American proposals extensively as well as eight possible amendments. Finally it passed a new proposal to the Subcommittee. This proposal condemned Spain and excluded her from the UN and its agencies. It claimed that Franco was in power due to the help of the Axis and had supported them during the war. It recommended an immediate recall of all ambassadors and Ministers and, in the near future, the Security Council was to take such measures as deemed necessary to improve the situation.²⁸

On 8 December, the Subcommittee agreed to this resolution with a vote of 11-5-2.²⁹ A small change in Part 2 of the Anglo - American proposal was made, and it was recommended to "take individually the same attitude they have taken collectively and refuse to maintain diplomatic relations with the present Spanish regime."

The next day, 9 December, the Subcommittee's proposal returned to the First Committee which agreed upon a condemnation of the regime (no dissension) and decided to bar Spain from UN agencies (vote 32-5-8). The proposed diplomatic breach with Spain was defeated (22-22-6) and so was the French foodstuffs proposal (10-32-6). Instead a Belgian compromise, which included barring Spain and condemning the Franco regime, was struck (27-7-16) and was, according to UN regulations, put on the agenda of the General Assembly.³⁰

27. FRUS 1946, Vol.V, 3 December 1946, The US representative at the UN to the Secretary of State, p.1080.

28. FRUS 1946, Vol.V, 10 December 1946, The US Representative at the UN to the Secretary of State, p. 1083.

29. In Favour-Against-Abstentions. Venezuela, Yugoslavia, Russia, Belorussia, Chile, France, Guatemala, Mexico, Norway, Panama, Poland all voting in favour.

30. WPIS, 11 December 1946, N.372.

Chapter 2: The UN Resolution

Initially the US opposed the Belgian compromise and disagreed with the right of the Security Council to take further action if no changes had occurred. Yet upon getting the news of the vote in the First Committee on the Belgian compromise, Alger Hiss, then Director of Special Political Affairs, phoned up two members of the US delegation, John C. Ross and Durward V. Sandifer. He told them that he and Acheson had agreed to vote in favour of the Belgian compromise. Hiss instructed the two delegates not to push for an American amendment as this would have attracted unwelcomed publicity. US disagreement with future actions by the Security Council was not to be expressed unless the resolution was considered paragraph by paragraph. He instructed them not to pressure for a vote by paragraphs, but to vote for the proposal in its entirety.³¹

The next day the US delegation was specifically instructed to vote in favour of the paragraph giving the Security Council the right to take further actions against Spain even if a vote by paragraphs took place.³² Spain hoped in vain that the US would vote against the recommendation.³³

Finally the Spanish problem was back on the order of the day of the General Assembly. On 12 December 1946, the Belgian proposal, already passed in the Political and Security Committee, was ratified by the United Nations (34-6-13). No member of the Security Council voted against the recommendation and thus future action by the Council members seemed likely. As the vote was taken on the entire Belgian proposal rather than by paragraphs, the Acting Secretary of State could inform the Chargé in Spain that if a vote by paragraphs had taken place, the US would have voted against possible measures in the future by the Security Council.³⁴ This was not true, the

31. FRUS 1946, Vol.V, 10 December 1946, Memorandum of Telephone Conversation by the Director of the Office of Special Political Affairs, p.1085.

32. FRUS 1946, Vol.V, 11 December 1946, Memorandum of Conversation by the Director of the Office of Special Political Affairs, p.1087.

33. FRUS 1946, Vol.V, 12 December 1946, The Chargé in Spain to the Secretary of State, p.1088.

34. FRUS 1946, Vol.V, 13 December 1946, Acting Secretary of State to Chargé in Spain, p.1089.

Chapter2: The UN Resolution

delegation had been instructed on 11 December not to vote against this paragraph in order to achieve unanimity in the Assembly. However, claiming that the US would have voted against it gave America more room for political manoeuvres. Should the Security Council decide to take severe actions, America could veto them saying that it had disagreed against this part of the recommendation from the very beginning but had voted in favour for the sake of unanimity.

The text of the final resolution condemned the regime, excluded Spain from the UN and its agencies, branded her as fascist, and acknowledged her aid to the Axis during the war. It threatened with further measures by the Security Council and, most important of all, the resolution called for "immediate recall from Madrid of Ambassadors and Ministers plenipotentiary accredited there."

A lot of propaganda surrounded this last point as large parts of the public were under the false impression that recalling the ambassador was tantamount to ending diplomatic relations. This was far from the truth. An ambassador, representing his country's foreign policy, has the right to negotiate with the chief of state. In Spain the ambassadors were to be replaced by the Chargé d'affairs as heads of missions. These were only accredited to the foreign secretary. Any of his messages to the chief of state had to go through the foreign secretary. Thus withdrawal of ambassadors meant slower communication between the two countries. Apart from this and the prestige value, relations continued unchanged. Diplomatic relations as such were never ended. The US and Britain had recognized the Franco regime since 1939 and continued to do so after 1946.

Clearly the December resolution had little effect. Britain, El Salvador, the Netherlands, Italy and Liberia withdrew their ambassadors. Thirty other nations had no diplomatic relations anyway and nineteen others, including the US, had no ambassador in Spain to begin with. Argentina, in defiance of the UN, even appointed Señor Radio. He claimed that "it is a glory to have relations with Spain."³⁵ Barely two years later

35. WPIS, 29 January 1947, N.378.

Chapter 2: The UN Resolution

the Dominican Republic, Egypt, El Salvador, Paraguay and Peru resumed normal relations with Spain.³⁶ Bolivian - Spanish renewal of relations was briefly complicated by a pathetic attempt of the Spanish chargé in London to implicate the British Government. Spain was able to sign a Treaty of Friendship with the Philippines on 27 September 1947.³⁷

In Spain itself, the anti-Franco international feeling was dismissed by the state controlled propaganda as a "consequence of the false climate created through the slanderous campaign of the expatriated reds and their alike abroad."

Concerning the UN argument that the current Spanish government was forced upon Spain, the Spanish Minister for Foreign Affairs claimed that "the Spanish people know that the regime implanted on 28 July 1936 [sic.] was not imposed through violence." It is difficult to explain the three years after the 18 July 1936 if one believes that the Franco regime was imposed without force. In a conversation between Artajo and Bonsal, the Spaniard argued that the UN resolution was a setback for Spain's evolution, including political concessions to the UK and the US. He claimed to favour evolution in Spain but disagreed with the way in which Spain was used by the West to get concessions out of the Communist states.³⁸

At the same time Artajo assured Sir Victor Mallet on his departure on 22 December 1946 that Spain would continue its liberal evolution.³⁹

Franco himself explained Spain's unstable international position as a result of international communism. On the day of the vote in the UN committee, Franco proclaimed in a speech on Plaza de Oriente:

"What is happening in the UN should not baffle Spaniards. When a wave of

36. Calvocoressi, Peter, ed., Survey of International Affairs 1947-1948, London, 1952-1956, Volume 1947, p.124.

37. WPIS, 21 May 1947, 22 October 1947, N.393, N.414.

38. FRUS 1947, Vol.III, 2 January 1947, Memorandum of Conversation by the Chargé in Spain.

39. WPIS, 1 January 1947, N.374.

Chapter 2: The UN Resolution

communist terror ravages through Europe, and the violence, crimes and persecutions of the same order as many of you have experienced or suffered, preside over the live of twelve nations, than it should not baffle us that the children of Giral and la Pasionaria influenced in continuation the newspapers of the time and, secured by the system of organized censorship, found tolerance in the medium and support by the official representatives of those wretched nations. Yet it is one thing with which authority some delegates express themselves, yet quite another the sober aspiration of the nations.⁴⁰

Franco was, as it turned out, wrong. There was at the time no difference between the opinions of some delegates from communist countries and the opinion of other nations.⁴¹

40. Quoted from, Chamorro, E., et.al., Las Bases Norteamericanas en España, Barcelona, p.35.

41. WPIS, 2 October 1946, N.362.

Chapter Three

1947

Returning to

Spain

Chapter 3: 1947 Returning to Spain

The British economic position had continued to deteriorate after the Second World War. Industrial production was roughly at the same level as before the war, but unlike before the war, Britain now had a large trade deficit, mainly created through trade with the industrial world in dollars. A dollar gap developed and naturally Britain was looking for trade outside the dollar area to avoid further widening of this gap.

Within the British trade system, Spain was no exception. In 1938 Britain imported Spanish goods worth £5.1 million, by 1946 this had increased to almost £12 million. Over the same period exports to Spain only increased from £3.4 million to £5.9 million. Britain's trade deficit with Spain had increased by £4.3 million. As Spain was outside the dollar area trading in pesetas was an attractive way for London to avoid an increase in its dollar trade deficit. Under these conditions and despite having withdrawn its ambassador from Spain, Britain was interested in a continuation of close commercial relations.¹ Britain was willing to enforce its military trade embargoes on Spain only loosely. Plane engines were being sold to Madrid for civilian or possibly military use. There was a constant threat that America, Sweden, or Italy rather than Britain gained these attractive contracts.²

Whitehall strongly opposed any enforcement of economic sanctions for fear of losing contracts to other nations. While British fruit imports from Spain could have been replaced by imports from other nations, the UK needed potash fertilizers from Spain to cover 50% of the domestic needs and almost 100% of pyrites fertilizers imports came from Spain. Sanctions on iron ore would have severely hit Britain's building and metal industry. While Spain could have sold these products to other European nations, Britain could not have bought them as easily elsewhere. London reached the obvious conclusion that no sanctions could have been implemented against

1. NA, Civil Branch, OIR Report 4405, 19 June 1947, Considerations relating to a US aid program for Spain.

2. PRO, FO371.67878B, 31 July 1947, FO to Madrid Embassy; and FO371.67878B, 15 July 1947.

Chapter 3: 1947 Returning to Spain

Spain without a serious blow to Britain's economy.³

In order to facilitate the trade between the two countries, a trade agreement was signed, 28 March 1947. This gave a mutual trade credit to both countries over the next two years with a ceiling of £2 million or the equivalent in pesetas. The exchange rate, £1 to 44 pesetas, greatly favoured Spain. Thus despite the condemnation of Spain by the UN resolution, Spain continued to have a close trading relation with the UK.

While Britain was hoping to reestablish a monarchy in Spain, some policy makers in the US briefly showed interest in a possible coup by the army against Franco. The State Department was in contact with General Juan Beigbeder Attienza about the possible success of such a plan. It is likely that Beigbeder's hopes were supported by the realization within the Spanish Army that Spain was unable to produce heavy war material without external help and would therefore only be able to defend herself for two to three weeks after the commencement of a full out invasion on Spain by the USSR.⁴ It was necessary to come to some arrangement with the West over the defence of Spain's territory.

General Beigbeder and Tomás Peyre, a moderate Republican, went to see Bonsal, US Chargé in Spain, on 1 February 1947. The two Spaniards hoped to receive aid from the US during an uprising against Franco. The General claimed that during the following days a coup had a chance to succeed, but he estimated that about half of the conspirators would be arrested in the period of preparation and underground work. Thus the conspirators would be weak and needed immediate support by London and Washington. From the very beginning the success of such an endeavour was highly unlikely and the US would have been foolish to support this plan on such treacherous grounds. The unwillingness to risk cordial relations with Franco demonstrate that the

3. PRO, FO371.67897, 3 January 1947, Memorandum by Secretary of State for Foreign Affairs.

4. WNRC, Records of the Army Staff, G-2 Intelligence, 1947, Spain, 18 January 1947, USMA Spain to War Department.

Chapter 3: 1947 Returning to Spain

US was willing eventually compromise with his regime.⁵ Bonsal dispatched his opinion to the Secretary of State concerning the proposed coup. He made it clear that he did not favour a recognition of the new government before a successful removal of Franco. Only after a successful coup, should the US recognize the new regime, resume full diplomatic relations, appoint an ambassador, grant economic aid and advocate her admission to the UN.⁶

The reluctance to support a coup by the Embassy had military as well as economic reasons. The Embassy was informed, through several unofficial contacts with Spanish officers in the Army, that the Spanish Armed Forces were already committed to the West in case of war with the USSR. Hence, there was little incentive for the US to change its current policy.⁷ Furthermore, an unstable situation in Spain would have endangered commercial interests and might even result in an increase of communist influence. This was stressed by the Joint Intelligence Committee on 21 January 1947.⁸ The Committee and the opinion expressed in another memorandum (Memo 242) a year earlier, implied that the US would send aid if Spain's economic situation deteriorated to such an extent as to cause another civil war. It was feared that such a civil conflict in Spain might also destabilize Italy and France. This was unacceptable to the US. Paradoxically, the worse Spain's economy performed, the more support Spaniards could expect from Washington. Just as in 1946, US interest in stability overruled any attempts to remove Franco.

Apart from the threat of civil war in Spain, other reasons suggested a more generous policy by Washington. In February due to a lack of air traffic control, a DC-4 crashed near Avila, killing all eleven passengers and crew on board. A permanent radio

5. FRUS 1947, Vol.III, 1 February 1947, Memorandum of Conversation, Bonsal, p.1056.

6. FRUS 1947, Vol.III, 7 February 1947, The Chargé in Spain to the Secretary of State, p.1058.

7. WNRC, Army Intelligence, Project Decimal File, 1947, Spain, 20 January 1947, Assistant MAA to Director of Intelligence.

8. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 21 January 1947, JIC InfoMemo 242/Sec.1.

Chapter 3: 1947 Returning to Spain

station at Barajas could have prevented the disaster.⁹ As Spain lacked financial means to provide this, somebody else would have to pay for the necessary installations.

However, the US also had to take public opinion into consideration. In Washington, Salvador de Madariaga, an exiled Spanish diplomat, argued during a conversation with State Department officials that Franco was a PR disaster for Spain as well as for the West. He claimed that Franco's image prohibited economic and military aid from being sent to Spain and made her integration into the western defence system impossible. Thus, Madariaga continued, embargoes on oil and cotton were in the interest of the West, because this would eventually force Franco to step down.¹⁰

Madariaga's argument, that Franco's regime prevented America from fully supporting Spain's economy and taking full advantage of her strategic position, was accepted by the State Department. However, overall Washington preferred the known evil of Franco to the unknown surprises a coup might bring.

Dean Acheson, then Acting Secretary of State, claimed that the Communists were actually gaining from Franco's survival in two respects. Firstly, Franco's survival could cause such a strong opposition as to lead to a new civil war. Secondly, Western relations with Franco provided the USSR with propaganda material against the US.¹¹ This was true but there is no doubt that Russia would have preferred a coup, economic unrest or a new prolonged civil war which would prepare Spain for a communist regime.

The result of these considerations by Dean Acheson, in April 1947, once more raised the question in Washington about how to react to a new conspiracy against Franco. Unwilling to put all eggs in the same basket, the US urged London to develop

9. WNRC, Army Intelligence, Project Decimal File, 1947, Spain, 18 June 1947, MA Spain to Director of Intelligence.

10. FRUS 1947, Vol.III, 10 March 1947, Memorandum of Conversation by the Acting Director of the Office of European Affairs in the Department of State, p.1062.

11. FRUS 1947, Vol.III, 7 April 1947, The Acting Secretary of State to the Embassy in London, p.1066.

Chapter 3: 1947 Returning to Spain

a joint policy towards a possible new Spanish government emerging from a coup. The State Department proposed that after a coup, the West should establish friendly political and economic relations during the interim period and later grant political and economic aid.¹² Washington was not willing to support a new government on their own, they wanted to have at least British support. In such a case, they might have even considered supporting a coup from the very beginning. Undoubtedly, France would have welcomed such an idea. The unstable transition period would not have risked developing into a civil conflict. If Britain agreed, a chance to remove Franco might have become reality.

In the meantime, Franco countered the British attempts to restore a monarchy through Don Juan by granting himself the right to appoint a monarch for Spain through the Law of Succession.

Article 1 of this law declared that "Spain as a political unit is a Catholic and social State which in accordance with its traditions becomes a kingdom." Article 3 dashed the hopes of many Monarchists: the king must be "a person of royal blood, having been proposed by the Regency Council and the Government together and accepted by two thirds of the Cortes."

The Regency Council was composed of Cardinal Primate, the Chief of the General Staff, the President of the Council, the President of the Institute of Spain and one counselor from each of the chief vocational groups in the Cortes. Overall, it was clear that the power to appoint the king lay in Franco's hands.

Almost immediately, Don Juan declared the Bill void because there had been no consultation with him, the legitimate heir to the throne, nor had there been conversations with the legislature, the Cortes. Others like the Duke of Alba, Count Rodezno and Don Salvador de Madariaga also argued against the Bill.

Franco explained, in the newspaper Arriba on 29 April 1947, that the "Bill of Succession is not concerned with a restoration but with a new installation." Put bluntly,

12. FRUS 1947, Vol.III, 7 April 1947, the Acting Secretary of State to the Embassy in UK, p.1066.

Chapter 3: 1947 Returning to Spain

Don Juan had lost his legitimate right to inherit the Spanish crown from his father. The Regency Council and the government would appoint the monarch and the Cortes would approve their choice. Franco made it clear that if Don Juan ever received the crown, he would get it through the grace of Franco and not through his father Alfonso XIII.

The Law of Succession had obvious advantages for Franco. In Spain it split the Monarchists between those accepting and those rejecting the law. Franco gained valuable time. In foreign affairs, the Americans realized that Franco's law of succession had changed little.¹³ Nevertheless, the law dashed British hopes of a restoration of the Monarchy.¹⁴ On the other hand, the Foreign Office could from now on hope that eventually a new monarchy would be established in Spain. Supporting a coup could have led to a Republican or something even worse. Britain became even more reluctant to support a military coup in Spain.

Under these circumstances it was not surprising that Britain informed the US that she was unwilling to follow a joint policy or to support a coup. While the UK was unwilling to risk its cordial relations with Spain, she nevertheless advised the US to go ahead without their support on the proposed policy towards a provisional government.¹⁵ Britain, unwilling to be dragged into an internal conflict, hoped for the establishment of a monarchy through Franco.

Economic and commercial relations with Spain help to explain Britain's reluctance to support the American proposal. London argued that ending trade relations was disadvantageous for all. Pyrite imports are just one example. If pyrites could no longer be imported from Spain, steel production in Britain would decrease and more Swedish ore of lower grade had to be bought. This meant more consumption of coal to melt the lower grade ore. Westminster also feared that economic sanctions would not

13. FRUS 1947, Vol.III, 1 April 1947, The Chargé Bonsal to Secretary of State, p.1065.

14. WPIS, 11 June 1947, N.395.

15. FRUS 1947, Vol.III, 19 April 1947, The Ambassador in the UK to the Secretary of State, p.1069.

Chapter 3: 1947 Returning to Spain

work as some nations were not expected to cooperate.¹⁶

The Foreign Minister, Ernest Bevin, considered the American proposal to be too dangerous as leaks by the conspirators would seriously embarrass London and worsen strained relations with Franco. It seemed to him that the economy in Spain was improving and people started to accept the regime. Furthermore, the Foreign Minister claimed that the proposed policy would mean internal intervention in Spain's affairs and would give the USSR the opportunity to intervene in other parts of the world. Bevin wanted to avoid complications concerning Spain and join others in a common policy to prevent further action by the Security Council against Spain.¹⁷ He wanted to continue talks between Washington and London.

Britain's refusal to join the US in a common policy against Franco ended Washington's interest in a provisional government replacing Franco.

However, both nations agreed that Franco was a long term threat causing economic hardship which might eventually lead to civil unrest. After their discussion both Britain and America agreed that no internal action against Franco should be taken for the time being. At the same time, a public statement against international action was ruled out, because Franco could have used such a statement for propaganda reasons claiming that Spain had finally become acceptable.¹⁸ Washington and London were to continue their old policies towards Spain and encourage Franco to make further liberal changes without putting him under too much pressure.¹⁹

The United Kingdom had been unwilling to force out Franco due to economic reasons. The US on the other hand had less to lose and still hoped for Franco's removal. If this happened, Washington would appoint an ambassador, encouraged

16. FRUS 1947, Vol.III, 10 May 1947, The Ambassador in the UK to the Secretary of State, p.1077.

17. FRUS 1947, Vol.III, 1 May 1947, The Ambassador in the UK to the Secretary of State, p.1074.

18. FRUS 1947, Vol.III, 20 May 1947, The Ambassador to the UK to the Secretary of State, p.1080.

19. FRUS 1947, Vol.III, 7 April 1947, The Acting Secretary of State to the Embassy in the UK, p.1066.

Chapter 3: 1947 Returning to Spain

others to do likewise and lobbied against the UN resolution.²⁰

In the meantime in Spain, the Law of Succession had passed, 31 March 1947, and was strengthened by a referendum on 6 July. The question posed to the Spanish people was "Do you ratify the law which makes Generalissimo Francisco Franco Chief of State of the Spanish Kingdom and establishes the machinery by which his successor will be chosen?" It gave the appearance that Spain had become a monarchy without a king and that Franco would soon choose a successor. Yet it obligated Franco in no way whatsoever. Again, Britain claimed illegitimacy of the Bill and the referendum. Only Spaniards over 21 years of age, non-convicts and those not held by the tribunals were allowed to vote. Thus, London estimated, two million Spaniards lost their political rights.²¹ The US too realized that the referendum had changed nothing.²²

The official results of the referendum claimed that 92.9% of the votes cast were affirmative. No physical threat was needed at the referendum, because identification had to be produced in order to vote; this being enough to deter most opposition. It is very likely that the real turnout, claimed to be over 90%, was far less. Above all in the cities, people did refrain from voting. An estimate of only 40% voted in Bilbao, 26% in San Sebastian, 40% in Navarra and 27% in Coruña. Strong evidence also points towards the possibility that Burgos had returned the voting forms, signed and in blank two days before the actual referendum.²³

However, the referendum had further weakened the position of Don Juan and his supporters. Franco was confident enough to ask the US for cooperation. Spain wanted military ties with the West under an "anti-communist" headline. In an interview, Franco told C.L. Salzberger from the *New York Times* that he wanted to be

20. NA, Civil Branch, OIR Report 4405, 19 June 1947, Considerations relating to a US aid program for Spain.

21. WPIS, 25 June 1947, N.397.

22. FRUS 1947, Vol.III, 9 July 1947, The Secretary of State to Embassy in Spain, p.1083.

23. WPIS, 6 August 1947, N.403.

Chapter 3: 1947 Returning to Spain

part of an anti-communist alliance and enter direct and bilateral agreements with Western Nations.

So far Washington had done little to discourage closer relations between the two countries. After the 1946 UN resolution, the US could not appoint an ambassador to Spain, yet good relations were still desired. Early in 1947, Paul T. Culbertson was appointed Chargé d'affairs, replacing Bonsal. Culbertson was a lawyer from Pennsylvania and an official in the State Department since 1924. He had served as Chief of Western Europe Division of the State Department from 1944-1947. This post was only one step below the Assistant Secretary of State and he had good reasons to expect a post as ambassador somewhere. However at the time the Chargé d'affairs in Spain was also the head of mission to Spain. The post required some diplomatic talents which could be found in Culbertson. Over the coming years he had to combine the different American interests in Spain into a coherent policy towards Franco's government.²⁴

While the State Department was forming its policy towards Franco, the Joint Chiefs of Staff became more interested in the country. The Joint Strategic Survey Committee informed the Chiefs that Spain was the twelfth most important nation to receive aid because of her significance to US national security. The report read "Italy and Spain are of primary importance in connection with control of the Mediterranean sea lanes, shortest route to the oil and processing facilities of the Middle East" and "assistance should be given if possible." This reflected a crucial economic reality. The report also stressed military importance of Spain's geographical position thus "the United States desires base rights, considered essential to her security from Portugal, Ecuador, France and Spain. Of these base rights from Portugal and Spain are the most essential."²⁵

At the same time, it was obvious to the Joint Strategic Survey Committee that

24. NA, Civil Branch, Lot File 59D108, 19 June 1951, William Dunham to Paul Culbertson.

25. FRUS 1947, Vol.I, 29 April 1947, Report by the Joint Strategic Survey Committee, p.736.

Chapter 3: 1947 Returning to Spain

military assistance to the present Spanish government opposed current US policy.

Despite this the report deemed it desirable to initiate or prepare programs for US military assistance to Mediterranean countries, including Spain. These programs were to cover military supplies, equipment and technical advice, above all tactical air force and limited naval equipment in particular.²⁶ Naturally, Air Force and Navy interests were going to be the driving force behind a rapprochement with Spain.

More important than the military perception of Spain were policy changes by the US administration. Clearly the relations between East and West deteriorated. In 1946 the Greek civil war was resumed and the Soviet Union caused problems in Persia and Turkey. Furthermore political opposition was removed, sometimes ruthlessly, by the communists in Eastern Europe. Meetings by the foreign ministers of the war allies during 1946-47 ended without an improvement of relations. In 1947 the situation deteriorated further and conflicts between East and West became more and more frequent and Europe's economic stability was called into question.

As we have seen Britain's economic position was deteriorating. In 1946/47 Europe experienced one of the worst winters on record. Winter wheat was destroyed by the cold in France. Prague's electricity was disconnected for three hours every day. Ice caused the closure of the Kiel Canal in Germany. Britain though suffered more than any other country in Europe by the weather. Snowdrifts blocked highways and railroads. Schools and factories had to close down. The Times warned that the cold threatened the coal supply and in London offices were being lit by candles to save electricity.

The inevitable cutting back on Britain's armed forces and overseas commitment due to the extremely serious economic position of the British economy, expressed by the British government in a white paper in January, was brought forward. On 21 February 1947 the British Ambassador Lord Inverchapel delivered a so-called "blue paper" to the State Department. This paper made it clear that Britain was no longer in a

26. FRUS 1947, Vol.I, 21 April 1947, Report by the Special Ad Hoc Committee to the State-War-Navy Coordinating Committee, p.725.

Chapter 3: 1947 Returning to Spain

position to provide military and economic support to Greece and Turkey. It was estimated that forty thousand troops would be pulled out of Greece and economic aid would cease on 31 March.

Lincoln MacVeagh, the American ambassador in Athens and later in Madrid, had for some time warned the State Department that Britain was pulling out troops from Greece. Fearing that the communists would take advantage of this situation, he again dispatched another note on 12 February urging for consideration of American aid to Greece. In the autumn of 1946, Truman had expressed his commitment to Greece through his Ambassador and had promised economic aid to maintain democracy and the independence of the Greek government. The situation in Turkey was almost as desperate.

Three days after the "blue paper" had been received, Truman, meeting Marshall and Acheson, decided to come to Greece's rescue as early as possible. However the global situation called for more than a simple aid bill. The US had to go into European politics if she did not want to see herself sidelined by Russia, it was time for a new American doctrine concerning foreign policy. On 7 March during a cabinet meeting it was discussed how far this involvement was going to go.

The Truman Doctrine, proclaimed on 12 March 1947 in a special message on Greece and Turkey in the House Chamber before a joint session of Congress, called for containment of the socialist and communist advance and guaranteed American financial and economic aid to all countries which were threatened by communist external powers or internal minorities. Truman, dressed in a dark suit and reading from an open notebook, asked Congress for \$250 million for Greece (59% military aid) and \$150 million for Turkey (100% military aid). Congress was initially to approve a total of \$500 million in aid for Truman's containment policy. Then the President concluded: "If we falter in our leadership, we may endanger the peace of the world, and we shall surely endanger the welfare of this nation."²⁷

27. McCullough, Truman, p.548.



Chapter 3: 1947 Returning to Spain

On 22 April 1947 the Senate approved the aid to Turkey and Greece and on 9 May the House followed. The Truman Doctrine was to guide American foreign policy for over twenty years and is of paramount importance when looking at US foreign policy in the twentieth century.

On 5 June 1947, the brainchild of George F. Kennan. Senator Hoyt S. Vandenberg, John F. Dulles and George C. Marshall was born. The Marshall Plan was the practical result of the Truman Doctrine.

This overall change of foreign policy and the American failure to agree with London on a common policy towards a possible coup in Spain meant that Washington now sought to live with Franco. The Truman doctrine provided enough support for this new policy. Again the State Department tried to move Britain towards a common policy on Spain. Although the State Department could argue that the Truman doctrine "would indicate that we are prepared to shift our policy in regard to Franco and support any non-communist regime in Spain, including his own",²⁸ for the time being problems remained at all levels. The State Department advised the service attachés in Spain not to request audiences, nor to receive decorations from Spain, as this might have been exploited in Spain for propaganda reasons.²⁹

For the House of Representatives the problem of living with a dictator in Spain seemed more difficult to swallow than for the State Department. Some congressmen acknowledged that Spain needed money, but unlike all other western countries then under consideration for aid,³⁰ it was under a totalitarian regime.

The Truman doctrine was welcomed above all by the military planners. After its proclamation, the military was confident enough to push for a new policy toward Spain.

28. FRUS 1947, Vol.III, 25 April 1947, The Acting Secretary of State to the Embassy in UK, p.1073.

29. WNRC, Army Intelligence, Project Decimal File, 1947, Spain, 10 June 1947, MA Spain request for Policy; also WNRC, Army Intelligence, Project Decimal File, 1947, Spain, 25 April 1947, MA Spain to Director of Intelligence.

30. LOC, H1967, 1947, National and international movements, by Maloney.

Chapter 3: 1947 Returning to Spain

The Joint War Plans Committee (JWPC) issued a study titled "The Soviet Threat against the Iberian Peninsula and the Means required to meet it" or simply "Drumbeat", on 4 August 1947.

The study reported that Spain had four natural invasion routes: two in the East and two in the West of the Pyrenees. The invasion routes along the west ran along the Atlantic coast through Lisbon, to Seville and finally Cadiz. The routes along the East ran along the Mediterranean coast through Barcelona, right south to Malaga.³¹

The report claimed that the Red Army was ready to attack Spain with 50 Divisions within 90 days of an all-out invasion of Europe. It was expected that 19 Infantry Divisions and 2 Armored Divisions would be stationed on the west side of the Pyrenees, 21 Infantry and 3 armored Divisions would be deployed along the East coast, Another 5 Infantry divisions would be stationed along the rest of the mountains. Furthermore, a total of 1,000 planes would take part in the attack.

The Soviet Union, the report asserted, would then initiate the invasion with 20 Divisions in the West and 15 in the East. These would penetrate the Pyrenees within 20 days and 40 days later reach Gibraltar. It was not expected that the USSR would use airborne forces though amphibious hooks might try to bypass the Pyrenees.³²

The weak spots of the invasion through the Pyrenees, the report argued, were the supply lines. During the built-up period before the invasion, the army required a total of 51,250 short tons (1 short ton = 907kg) per day (s/t) of military supply which could be delivered through France.³³ The problem for the Soviets would start once they had crossed the Pyrenees. Spain was expected to destroy its own trains and tunnels to slow down the Soviet advance. This together with the fact that the Pyrenees obstructed the USSR from bringing their own rolling stock would force the supply lines

31. APWSU, 4 August 1947, "The Soviet Threat against the Iberian Peninsula and the Means required to meet it: Short Title: Drumbeat", p.7.

32. APWSU, Ibid., p.31.

33. APWSU, Ibid., p.24.

Chapter 3: 1947 Returning to Spain

to rely mainly on roads. This meant that initially the Soviets would be limited to 35 Divisions south of the Pyrenees and only later could all 50 Divisions be maintained in Spain.³⁴

In order to supply troops attacking Barcelona for example, two roads alone would have to provide access for the supplies. One from Figueras and the other along the Tossas Pass. The former had a capacity of 3,000 s/t and the latter of 2,500 s/t. An average Division was expected to use 450 s/t. Thus a total of 12 Divisions could advance on Barcelona. The rest of the divisions stationed along the East coast would have to attack Lerida. There a maximum of 8 Divisions could have been supplied. The supply problem was not less severe along the West coast as a single road through San Sebastian provided 5,000 s/t and other smaller roads a further 2,750 s/t thus supplying a maximum of 17 Divisions.

The study claimed that within 20 days the Soviet troops would break free of the Pyrenees and secure a line from Santander to Tortosa. Along this line about 57 Divisions could be maintained during the winter if rails and roads were used. Without the use of railroads merely 17 Divisions could be maintained.

The report continued, saying that ten days later the invaders would reach a line from Avila to Valencia. It was expected that heavy fighting would be going on around Madrid. However, after the fall of the Spanish capital the supply problem would be reduced and a Division would only require 270 s/t. It was presumed that within 45 days the Soviets would have conquered all of Spain apart from the area south of Lisbon and Cartagena. Finally two weeks later, Gibraltar was expected to fall.³⁵

By then, the study concluded, the USSR would have closed the Allied lines of communication along the Mediterranean and denied an Allied foothold in Europe.

In order to defend Spain, Franco controlled over 400,000 soldiers and security guards. The army was organized into 22 divisions, of which only one was an Armored

34. APWSU, *Ibid.*, p.29.

35. APWSU, *Ibid.*, p.24, p.29.

Chapter 3: 1947 Returning to Spain

Division with 100 tanks, including 20 German Mark IV. Over 100,000 soldiers were stationed abroad, mainly in Morocco. This left some 300,000 soldiers for the defence of Spain.

Spain lacked heavy guns and the Air Force, consisting of 350 operating planes, was obsolete against Soviet planes. The Spanish Navy was too small to defend itself.³⁶ In order to defend Spain the study recommended four possible options.

1) Granting economic aid to Spain would improve her infrastructure and military strength. This might have deterred an attack by the Soviet Army. In case of war less money would have to flow to Spain. It was recommended that from a military point of view this policy should have been initiated as soon as possible.³⁷

2) The study advised that the enemy lines of communication should be targeted.³⁸

3) The report proposed that the Pyrenees should be defended by 10 Divisions in the West and 7 in the East together with 8 Divisions along the rest of the mountains. A further 9 Division should be stationed in reserve and in the rest of Spain. A total of 34 Divisions (including 22 Spanish) and 900 planes were needed to secure Spain.³⁹

4) Finally the report foresaw that if option three failed, the Allied powers should try to defend the Southern tip of the Peninsula. The swamp area around the Guadalquivir and North of Cadiz would form the last defence in Europe. For this a total of 16 Divisions and 750 planes were required.⁴⁰

Politically, it was not expected that Spain would join the USSR but in case of Spain's neutrality, the study proposed to assemble forces in Spanish Morocco, French Morocco, the Azores, the UK and if deemed necessary in Spain itself. Obviously this

36. APWSU, *Ibid.*, p.14-16; PRO,ADM223.237, March 1946, Monthly Intelligence Report.

37. APWSU, *Ibid.*, p.33.

38. APWSU, *Ibid.*, p.34.

39. APWSU, *Ibid.*, p.3/35/36.

40. APWSU, *Ibid.*, p.3/37/38.

Chapter 3: 1947 Returning to Spain

might have lead to conflict with the Spanish authorities.

Thus the report concluded "from the military point of view, the United States should furnish economic aid to Spain as soon as feasible in order to strengthen her capacity for military resistance" and presumably to secure her cooperation in case of war.⁴¹

In a meeting by the State Department, on 7 August 1947, it was argued that early economic and military aid to Spain would hold the USSR for an extra 3 to 4 days at the Pyrenees and give enough time to rush help to Spain. It was becoming clear that political problems linked with this aid no longer outweighed the military advantages. Surprisingly, in the State Department meeting it was asserted that the UN resolution which was barely a year old, was no obstacle to this new policy.⁴²

Two Weeks later the Joint War Plans Committee issued "Guidance for Mobilization Planning as Affected by Loss of the Mediterranean Line of Communications". In this study Spain was considered valuable for several reasons: she supplied the base areas for strategic air operations; holding Spain would deny the Soviet Union North Africa; the US would retain the flanks and increase her strategic flexibility; and finally one could aid guerrillas in Europe through Spain.⁴³

The Joint War Plans Committee asserted that if Spain fell and troops had already been committed to the Middle East, a disastrous situation would arise as contact with these troops would be lost. To prevent this, forces were to be deployed in Spain during the conflict. The report recommended that after three months of hostilities seven Infantry Divisions should be stationed in Spain.⁴⁴

Another governmental study on the Mediterranean and the Near East claimed

41. APWSU, *Ibid.*, p.3.

42. NA, Civil Branch, State Department Decimal File 1945-1949, 852.20/8-847, 8 August 1947, Office Memorandum, William Koren (DRE) to Mr Horsey (WE).

43. APWSU, Vol.5, 18 August 1947, "Guidance for Mobilization Planning as Affected by Loss of the Mediterranean Line Of Communications", p.27.

44. APWSU, *Ibid.*, p.39.

Chapter 3: 1947 Returning to Spain

that "the Mediterranean Sea including the Straits of Gibraltar and Sicily must be considered as the main thoroughfare to the Middle East." Access to Southern Europe and North Africa "is vital to the conduct of military operations in the Mediterranean and Near East."⁴⁵ Later the report stressed that

"The long-term U.S. objectives in the Mediterranean and Near East area is to promote the national integrity and the survival as free nations of each country in this area, and to aid or win the respect and friendship of these countries... The role of the Mediterranean and Near East countries is of utmost importance in world affairs. Events in these countries may vitally affect the national security of the United States.".

The US policy was to "encourage Spain's anti-communist attitude by all practicable means including her induction to the family of Western powers."⁴⁶

In Spain, the Franco Government did not yet realize the full extent of this new attitude by the US military planners. However the change of policy by the US towards Greece and Turkey, meant that the Mediterranean was gaining in importance.⁴⁷

José Erice, Director of the Foreign Policy of the Spanish Foreign Office, told Culbertson that in case of conflict Spain would join the West against the USSR. The Spaniard estimated that without American intervention, the Soviet Union could overrun Western Europe including Spain within three months. He continued saying that his country could help little as it lacked a modern army or air force. This meant that the West could not use Spain as a base.⁴⁸ The implications are obvious; if the West wanted to use Spain as a base, Spain would have to receive aid to improve its military facilities.

45. NA, Military Branch, P-2 The Mediterranean and the Near East, 23 October 1947.

46. NA, Military Branch, P-2 The Mediterranean and the Near East, 23 October 1947.

47. WPIS, 19 March 1947, N.385.

48. FRUS 1947, Vol.III, 23 October 1947, The Chargé in Spain to the Secretary of State, p.1088.

Chapter 3: 1947 Returning to Spain

The result of the new military outlook by the Americans was a reversal of policy towards Spain. This shift was expressed in PPS/12 by the Policy Planning Staff on 24 October 1947. PPS/12 was laying the foundation for the very similar NSC 3 decision taken in December.⁴⁹

The Policy Planning Staff assessed that American policy so far had been a political and military failure. In the economic sphere Washington had withheld assistance, governmental credits and had held purchase of Spanish goods to a minimum. This had worsened Spanish - American trade and Spain's economic situation. The Policy Planning Staff now believed that Franco would not depart peacefully and the army had shown no signs of wanting to topple Franco. The political opposition to the Caudillo was split between Republicans, Socialists and Monarchists. Concerning the United Nations, the US delegates were instructed to minimize the discussions on Spain. The delegates were to vote against economic sanctions, diplomatic rupture or other proposals against Spain.⁵⁰ The study concluded that the net result of the American policy so far had been to strengthen Franco, to impede Spanish economic recovery and to be forced to operate in an unfriendly atmosphere in Spain in case of international conflict.

Thus, the PPS wrote "the Staff believes that, in the National interest, the time has come for a modification of our policy towards Spain." The report continued asserting that "it is the recommendation of the Policy Planning Staff that instead of openly opposing the Franco regime, we should work from now on toward a normalization of U.S.-Spanish relations, both political and economic."

It was recommended to quietly end various commercial controls and drop restrictions on private trade. Furthermore, it was recommended that Spain's resources

49. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 24 October 1947, PPS/12, U.S. Policy toward Spain, also in PPS 1947-1953, PPS No 12, 24 October 1947, US Policy toward Spain.

50. FRUS 1947, Vol.III, 24 October 1947, Mr George F. Kennan of the Policy Planning Staff to the Secretary of State and Under-Secretary of State, p.1091.

Chapter 3: 1947 Returning to Spain

be developed in commerce and industry. Yet, the report pretended that this normalization was not going to strengthen Franco's regime in Spain. Needless to say that any normalization or improvement of relations between Spain and the US would strengthen Franco's grip on power. The attempt to avoid strengthening Franco was an afterthought of the Policy Planning Staff. Normalization was to go ahead, no matter what the impact on Spain was.

Other parts of the State Department generally disagreed because of political implications. Robert A. Lovett, then Acting Secretary of State, claimed that normalization with Spain was still not fully possible due to Franco. He argued that the State Department would still prefer an evolutionary change in Spain to either stagnation or a threat of a civil war.⁵¹

Lovett's justification was strengthened by strategic information on Spain. It was obvious that Spain's army was unable to defend herself against the USSR. A report argued that a coalition war between Spain and the US was very unlikely as certain characteristics in Spain were missing and it was assumed that Franco would only fight if his position was hopeless, otherwise he would try to remain neutral.⁵²

It was revealed that an organization in San Sebastian smuggled prominent Nazis, including Martin Borman, from Germany to Spain. Such reports damaged Spain's reputation further.⁵³

Political considerations and a new military study temporarily reversed a desire for close military relations with Spain. On 8 November 1947, the Joint Strategic Plans Group issued the report "Broiler" which looked at a possible conflict with the USSR in the near future. It read:

51. FRUS 1947, Vol.III, 18 December 1947, The Acting Secretary of State to Embassy in Spain, p.1096.

52. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 26 October 1948, Spanish Information to President, Secretary of State, Secretary of Defense, Spain and a Third World War.

53. WNRC, Records of the Army Staff, G-2 Intelligence, 1947, Spain, 29 August 1947, AmEmbassy to Secretary of State.

"outweighing all other considerations would be the Soviet desire to concentrate on the seizure and neutralization of the United Kingdom and the seizure or neutralization of the Cairo - Suez area. Hence, at this time it seems improbable that the Soviets would risk the expenditure of men and material against the Iberian Peninsula."⁵⁴

In this new report, it was estimated that an attack on Spain would start 30 days later than expected before. This would decrease the necessity to grant economic aid to Spain. The report also said that "should the Soviets elect to seize Spain, the magnitude of the U.S. forces required to hold Spain... is far beyond U.S. capabilities to supply. Hence, the possible loss of Spain must be accepted as a calculated risk."⁵⁵ American resources could not afford to aid Spain once an armed conflict had broken out in Europe. Thus economic aid given to Spain before a war was all Spain could expect to get and so became all the more urgent. Similar to the study "Drumbeat", "Broiler" argued that in order to deter a Soviet invasion of Spain, the US would have to give Spain as much economic aid as early as possible. This was in fact a confirmation of option one outlined in "Drumbeat". In "Broiler" options three and four, ie. military aid to Spain, were excluded.

There were several ways in which to get aid to Spain. Given Spain's position, one was for Franco to apply under the Marshall plan for aid on the grounds that communist guerrilla fighters and a possible Soviet invasion threatened his government. Nevertheless political reasons made this impossible as the Marshall plan for Europe was to be administered by the European nations themselves and some of them, France above all did not welcome Spain.

Britain, considering her own commercial benefit from American aid for Spain, argued exactly the opposite. The British Foreign Minister, Bevin strongly disagreed

54. APWSU, Vol.5, 8 November 1947, "Broiler", JSPG "War with USSR in 1948", p.26/27.

55. APWSU, Ibid., p.98.

Chapter 3: 1947 Returning to Spain

with American hesitation to extend economic aid to Spain and through the US Ambassador, Douglass, in London, he informed Washington about his skepticism. He argued that a voluntary resignation by Franco was impossible and given his refusal to resign, any exclusion of Spain from a recovery programme would lead to economic disaster in Spain and thus threaten British and other European trade with Spain and therefore their recovery.

Unsurprisingly, the Spanish Foreign Office stressed the same point, on 15 November 1947. Spain's exclusion:

"subtracts from the American [Marshall] plan a vital piece which would make a conclusion of the pursued objectives difficult. It does not seem logical that the mentioned plan could have made omission of the surplus of exports of Spanish products and Industry which traditionally filled the necessities of the European continent... For a task of urgent reconstruction of the devastated territories, such as the one to be realized within the next five years 1947-1951 in Europe, the general economic establishment of Spain with a production capacity which now only reaches reduced effective production, is an already prepared element which results absolutely essential."⁵⁶

Madrid's hope to receive \$50 million for agriculture, \$190 million to maintain basic industry, \$211 million for transport and \$600 Million for imports was mere wishful thinking.

As late as 4 January 1948, Artajo expressed his high hopes:

"if the Great powers, as is expected, conserve the good political sense and effectively want to put into play all possible methods for the reconstruction of Europe, being benefited at the same time of an important market, they will soon give Spain facilities for its purchase of primary material and machinery, which will allow them to increase their production and contribute with their surplus to

56. Viñas, Angel, "El Plan Marshall y Franco", in Viñas, Angel, ed., Guerra, Dinero, Dictadura, Barcelona, 1984, p.266.

Chapter 3: 1947 Returning to Spain

a reestablishment of equilibrium in Europe.⁵⁷

It was true that Spain could aid other European economies in their recovery once she had received substantial aid but so could most other European countries and none of them carried the political baggage Spain carried.

While the US was discussing new policies towards Spain, Britain contacted the exiled Spanish politicians. A meeting between Bevin and Prieto took place in London, 23 September 1947. Prieto, a right wing socialist, aimed at a centre-right government in cooperation with monarchists. However, very little of practical value emerged from this meeting and any hopes of removing Franco were abandoned by Whitehall. Forcing Franco to liberalize his regime had to be done through the UN.

Five Latin American countries reminded the General Secretary that more than five months had passed since the December resolution and the Security Council still had not appointed an alternative regime or suggested any other way to deal with Franco.

Poland went even further and wanted the General Assembly to recommend to the Security Council possible ways to remove Franco, all of which were just short of direct intervention. Unsurprisingly, the Communist countries supported the Polish proposal.

At the same time the USSR propaganda machine made Spain an issue claiming that the US wanted bases on the Balearic and Canary Islands. The USSR asserted that this showed US imperialistic ambitions as well as Anglo-American pressure on small defenseless states. It was argued that the USSR was no longer seeking to overthrow the Spanish regime but preferred its current existence for propaganda reasons.⁵⁸ The Eastern block could comfortably point towards the improvement of relations between the West and Spain and claim that it gave proof of western imperialism. The USSR had ceded Spain to the Western sphere of influence in return for a gain of propaganda

57. Viñas, Angel, "El Plan Marshall y Franco", in Viñas, Guerra, Dinero, Dictadura, p.269.

58. The Commonwealth, 3 June 1947.

Chapter 3: 1947 Returning to Spain

material. Discussions in the UN were well suited for these attacks on the West.

On 12 November 1947, the First Committee in the UN passed on a recommendation to the General Assembly. In this recommendation seven Latin American countries, the US and six others opposed a reaffirmation of the December 1946 resolution.

On 17 November 1947 a Compromise Application was accepted by 36:5 with 12 abstentions. It outlined the steps taken since 1946 and expressed confidence in the Security Council to take actions towards Spain whenever appropriate.⁵⁹ Nevertheless, it posed a legal dilemma, as it did not uphold the 1946 resolution in its entirety. This gave more room for diplomatic maneuvering. Iceland took advantage of this and resumed full diplomatic relations with Spain.

As the year came to an end the relations between the United States and Spain visibly improved. Spain was visited by numerous Republican Representatives, including Karl E. Mundt (South Dakota), Lawrence M. Smith (Wisconsin) and Walter H. Judd (Minnesota).

In the US Administration, the Policy Planning Staff, headed by George F. Kennan, influenced the National Security Council concerning Spain. Forrestal recalls a conversation with Kennan over lunch. Kennan said that:

"our policy needed adjustment with respect to Spain and Japan. In the first instance, he [Kennan] felt that we should direct our representatives at the United Nations not to join in any further attempt to discredit the present government of Spain - in other words, to reverse our policy. The Mediterranean cannot be considered without considering Spain and the question of transit through the Straits of Gibraltar."⁶⁰

Kennan saw three geopolitical interests which the USSR might have had in Spain. Firstly, Spain flanked France and Italy, two countries on the verge of communism. He feared that if Spain fell to a Communist revolution, all of Europe was

59. Calvocoressi, Survey of International Affairs 1947-1948, p.124.

60. Millis, Walter, ed., The Forrestal Diaries, New York, 1951, p.328.

Chapter 3: 1947 Returning to Spain

threatened. Secondly, Spain was the key to North Africa. A defeat by Spain might precede closer arrangements with the Soviet block and hence threaten oil production in the Mediterranean and the Persian Gulf. Thirdly, Kennan saw Spain as the springboard to Latin America and into the American sphere of influence. Thus, for the American diplomat, a loss of Spain posed a triple threat to the US, a loss of control in Europe, a threat to vital raw materials and eventually a threat to America. He asserted that: "Soviet policy has thus been a) to do all in its power to render impossible achievement of any permanent modus vivendi between western powers and Franco ... b) to utilize every possible channel for mobilizing western opinion against Franco in the hopes that Western governments will have to yield to pressure and take strong action to bring about the downfall of the Franco regime."⁶¹

Kennan, arguing that the United Nations policy had actually strengthened Franco, wanted to integrate Spain into the Western community.

There is little doubt that by 1948 the Franco regime was fairly stable, the army was supporting him and the police and security forces were satisfied. The internal opposition against Franco was ineffective and the exiled government of the Republic was disorganized. The ostracism, if it was aimed at the removal of Franco, had failed. Nevertheless the policy had impeded Spain's economic recovery.

Now, the US made arrangements to start a new policy towards Spain. On the 5 December 1947, "NSC-3 United States Policy Towards Spain", based on PPS12, was issued. It argued that the net result of the present policy, governed by the UN resolution, had been to strengthen Franco, impede economic recovery and create an unfriendly atmosphere with Spain. NSC3 confirmed that "it is the recommendation of the Policy Planning Staff that instead of openly opposing the Franco regime, we should work from now on toward a normalization of U.S.-Spanish relation, both political and economic." There was to be no public announcement of the new view, in order to avoid

61. Seymour, Christopher, Ostracism: The United States and Spain 1945-1950, Princeton University, p.54.

Chapter 3: 1947 Returning to Spain

propaganda. However, the changes were real: a relaxation of the US restrictive economic policy and an elimination of official restrictive measures. It was hoped that this would create more private trade and financial assistance. From now on, Spain was to develop her resources and play a normal part in world trade. The US decided to oppose any UN resolutions against Spain and approve any resolutions favouring of Spain.⁶² Unsurprisingly, the Joint Chiefs of Staff expressed their agreement with the military side of NSC3.⁶³ After all, they had provided the foundation of this policy in their military studies conducted throughout 1947.

However, the American Chargé in Spain, Culbertson still believed that indirect pressure by the US and Britain could slowly liberalize the Franco regime. The bad economic situation, Culbertson advised, should be exploited through economic assistance to obtain modification and liberalization. Abrupt changes on the other hand could be counterproductive.⁶⁴

62. NA, Civil Branch, NSC-3 United States Policy toward Spain, 5 December 1947.

63. NA, Military Branch, ABC 092 Spain 1947, 11 December 1947, JCS.

64. FRUS 1947, Vol.III, 26 December 1947, The Chargé in Spain to the Secretary of State, p.1097.

Chapter Four

1948
Year of
Change

Chapter 4: 1948 Year of Change

The political situation of 1947 meant that the US services became more interested in Spain. The Navy in particular hoped for gains due to two reasons. Firstly, with a permanent base in Spain costs could be cut due to cheaper repairs, refueling and general maintenance near their theatre of operations. Secondly, the fact that the naval forces in the Mediterranean were placed under an independent command, the Sixth Fleet, favoured an independent headquarters nearby. In the future, the Navy was to become the most ardent supporter of bases in Spain.

The Joint Strategic Plans Group modified its earlier studies on 11 February 1948. It was a combination of "Broiler" and "Drumbeat". Two scenarios were analysed. View A assumed that due to logistical problems, the Red Army would not attack Spain. View B argued that Russia would invade the Iberian peninsula.¹

The implication of the study was that a Soviet invasion into Spain had become once more a real threat. This study, named "Bushwacker", further argued that the US would not be able to defend Europe before at least 1952 and thus had to withdraw its troops to Britain.² Given America's inability to aid Spain, economic aid became ever more important to prepare Spain and possibly deter a Soviet invasion.

Kennan, co-creator of the Marshall plan, expressed in a memorandum that he wanted Spain to be part of the Marshall plan and to receive economic aid.

The State Department expressed its partial agreement with Kennan's point of view and called for a normalization of relations towards Spain. Spain was to be taken off the "E List" by 1 June 1947, which meant that export controls on Spain were terminated and normal trade relations resumed. The Department also considered it possible to include Spain in the European Recovery Program if the 16 other countries agreed. Yet it was clear to the State Department that cordial relations had to wait for democratization in Spain and cooling down of US and Western European opinion. Until

1. APWSU, 11 February 1948, "Broiler", Joint Strategic Plans Group, "War in 1949", p.30.

2. APWSU, Vol.8, 8 March 1948, JSPG, "Plan Bushwacker", War around January 1952, p.21.

Chapter 4: 1948 Year of Change

then governmental grants could not be considered.³

On 2 February 1948, Culbertson, Artajo and Erice had a conversation concerning an article published in the newspaper *Arriba* claiming that the West had finally seen their error on the vote in the UN. The Chargé maintained that such propaganda did not help improve relations. Culbertson continued saying that governmental credits would only follow an evolution by Franco's regime towards democracy. Concerning the European Recovery Program, Spain's inclusion depended entirely on the other 16 nations which administered the funds. Naturally their attitude was based on Spain's democratization. Finally, Culbertson pointed out that future relations between the two countries were still governed by the UN.

Artajo replied that the *Arriba* article was only meant to help Spain get into the Marshall Plan. Yet as the conversation continued Culbertson noticed that Erice and Artajo showed no sign of understanding Spain's international image, still seen as a fascist police state where crimes against the state were handled by harsh military tribunals. On the commercial side, private credits avoided Spain due to the interference by the INI (Instituto Nacional de Industria) in private enterprise, creating an unwanted air of insecurity. Artajo replied that if Spain evolved too soon and introduced democracy too early, serious unrest would break out.⁴

There was a clear evolution in American foreign policy. Instead of trying to remove Franco through punishment, governmental grants were promised for evolution. However if Spain wanted to be included in the European Recovery Program, serious changes had to take place. Instead of making these changes, Spain tried to get into the European Recovery Program through the back door helped by America.

After the USIS, a cultural organization, had informed London that there were no impediments to Spain being included into the European Recovery Program, Britain

3. FRUS 1948, Vol.III, 5 January 1948, The Chief of the Division of Western European Affairs to the Chargé in Spain, p.1017.

4. FRUS 1948, Vol.III, 2 February 1948, Memorandum of Conversation by Chargé, p.1020.

Chapter 4: 1948 Year of Change

started fearing that Spain would achieve results with this policy and wanted reassurance from the US that the administration of the Marshall Plan lay in European hands. The British embassy in Washington got in contact with the Assistant Chief of the Division of Western European Affairs, Outerbridge Horsey. Horsey confirmed that there were no impediments on Spain's entry into the European Recovery Program from the American side but also reassured the British that it all depended on approval of the 16 nations.⁵ Britain was satisfied.

Spain had to improve foreign relations with Europe to get into the European Recovery Program. The Treaty of Friendship between Portugal and Spain was renewed and Portugal promptly invited Spain to the Program. Yet Dr José Caeiro de Mata, the Portuguese Foreign Minister, was opposed by the other 15 nations. Not willing to risk his own precarious situation he backed down.

Apart from Portugal, Spain gained support from Latin American countries. During the Ninth International Conference of American States in Bogota a Resolution was passed which upheld that: "the establishment or maintenance of diplomatic relations with a government does not imply any judgment upon the domestic policy of that country."⁶

Even France improved relations with Spain when the borders were reopening and Spain was allowed to buy industrial machinery from France.

The United Kingdom, France and the US also settled a long outstanding dispute with Spain concerning German property and the liquidation of balances and payments between Spain and Germany.⁷

5. FRUS 1948, Vol.III, 16 February 1948, Memorandum of Conversation by the Assistant Chief of the Division of Western European Affairs, p.1025.

6. A Decade of American Foreign Policy: Basic Documents, Washington, 1950, p.1690.

7. British and Foreign State Papers (BFSP) 1948, London, 1956, Part II, Vol.151, p.295, "Accord between the U.K., France and the USA and Spain for the Expropriation of German Enemy Property in Spain and the Liquidation of Balances and Payments between Spain and Germany.", 10 May 1948, Article 12; Article 11 and Financial Protocol Article 1; Part III, Vol.152, p.827, "Exchange of notes between Spain and the United States of America concerning monetary gold looted by Germany", 30 April 1948.

Chapter 4: 1948 Year of Change

Trying to exploit these developments and in order to gain credits from the US, José Félix Lequerica, former ambassador to Vichy France, was to go to Washington as an inspector and counselor to the Spanish Embassy. In a conversation between Culbertson and de Erice in the Palace Santa Cruz, 23 January 1948, the Chargé advised that Lequerica should delay his trip until April when Congress had finished discussing the Marshall Plan. This would avoid unnecessary embarrassment between the two governments and subsequent speculation by the press. Culbertson made it clear that he was prepared to grant Lequerica a visa whenever he demanded one, but that he preferred to wait until the European Recovery Program debates were over. Artajo gave in and agreed to a postponement of Lequerica's departure.⁸

The discussion over Lequerica's arrival in Washington reflects the position of the two countries. The US had concluded that Spain would be excluded from the Marshall Plan due to political opposition from Europe. Spain believed that the US could still muscle Spain into the aid program. Nicolás Franco, as ambassador to Portugal, was trying to get Salazar's support in these talks. The Spanish Foreign Ministry informed Culbertson that Holland, Portugal, Switzerland, Greece and Turkey all favoured Spain's inclusion.

Legally, there was no problem to justify Spain's inclusion into the European Recovery Program. The Foreign Assistance Act, regulating the European Recovery Program, allowed the extension of aid to all countries which had signed the Committee of European Economic Cooperation at Paris in September 1947 and, as section 3(b) read, also to: "any other country... wholly or partly in Europe, together with dependent areas under its administration; provided such country adheres to, and for so long as it remains as adherent to, a joint program for European recovery designed to accomplish the purposes of this Act."⁹

8. NA, Civil Branch, Lot File 59D108, 15 March 1948, Culbertson to Department of State.

9. Selected Hearings held in Executive Session before the Committee on Foreign Relations Senate, Vol: Foreign Economic Assistant Program Part I, 2 March 1948, Washington, 1972-1976.

Chapter 4: 1948 Year of Change

In respect to Spain, it could have been argued that she was indispensable to accomplish the success of the Act. Few countries in Europe accepted this thesis. In the US, Charles E. Bohlen, Counselor of the State Department, argued that Spain had not signed the agreements with the other sixteen nations in Paris and it was really up to them to let Spain in. The State Department would not push the issue even though it would welcome Spain's inclusion.

Lewis W. Douglas, Ambassador to Great Britain, supported Bohlen. He argued that it had not been Washington's decision to exclude Spain from Paris but Bevin's and Bidault's. The ambassador backed his argument by claiming that the UN resolution could be understood in such a way as to exclude Spain. For Douglas, as for Bohlen, all depended on the other European countries. The American diplomat in London said: "There are two sides of the coin. One is assistance which we are prepared to give these nations and the other side the extent to which the participating countries extent an invitation."¹⁰ Douglas claimed that "it was their club. We do not choose the membership."

In Washington, Congress had mixed feelings. Senator Alben Barkley (D/Kentucky) believed that, as it was American money, the US had a right to decide where it would eventually go. After all, he considered that in the future the US might change its policy towards Spain and then necessary funds would have to be found elsewhere. Senator Elmer Thomas (Oklahoma) went further and claimed that Spain was already invited under section 3.

Another Democratic Senator argued that Section 3 showed that "we could invite Spain in if we wished to, we would not want to do so, regardless of the effect on this other bunch of countries." Republican Senator Dewey Smith from Missouri speculated that the US had avoided diplomatic complications when Ambassador Douglas had

10. Selected Hearings held in Executive Session before the Committee on Foreign Relations Senate, Vol: Foreign Relief Assistance Act 1948, Lewis W. Douglas, 12 February 1948, Washington, 1972-1976.

Chapter 4: 1948 Year of Change

opened the door to Spain, knowing that Europe would not accept her. The State Department, in talks with Spain, could blame Europe for not letting her in and avoid complications with Madrid. At the same time relations with the European Recovery Program countries would not be put under strain.¹¹

In Madrid, the situation was clarified to Artajo at another meeting with Culbertson, 8 March 1948. Culbertson expressed the favourable feeling of the State Department that Spain should be included but could not admit so publicly. Artajo mentioned the coming discussions in Paris, 15 March 1948, which might still have resulted in Spain's incorporation into the European Recovery Program. Culbertson politely ignored the statement by Artajo, who in return insinuated bilateral agreements between their two nations. The Spanish minister claimed that Spain had really more interest grants from the US than in the Marshall plan. In an earlier conversation Culbertson had expressed that the impediment for such a governmental grant lay partly in the intervention by the INI in the market. Knowing this, Artajo now claimed that the INI was only a crisis measure which would be removed as early as possible, so that nothing stood in the way for American grants.¹² Culbertson did not rule out governmental grants, but it was more likely that Spain would obtain private credits and credits from the Export Import Bank.

The interview, between Artajo and Culbertson, was important for Spain. Madrid had avoided US damnation by abandoning past governmental economic intervention and started liberalizing her economy. In return Madrid hoped for economic aid.

After the conversation Artajo noted that: "the North American opinion has difficulty in understanding the Spanish position. In this sense it is convenient to start remembering that it is not reasonable to mix the internal problems of each country with

11. Selected Hearings held in Executive Session before the Committee on Foreign Relations Senate, Vol: Foreign Relief Assistance Act 1948, 12 February 1948, Washington, 1972-1976.

12. FRUS 1948, Vol.III, 9 March 1948, The Chargé in Spain to the Secretary of State, p.1026.

Chapter 4: 1948 Year of Change

the international relations.¹³

On 9 March, Culbertson fired off a telegram to George Marshall, Secretary of State, describing the meeting with Artajo held the day before. The answer came two weeks later. America's policy was unmoved by Artajo's arguments. No credits were to be extended, nor was Europe going to be pressured into accepting Spain in the European Recovery Program.¹⁴

After receiving Marshall's letter, Culbertson speculated that Spain really wanted to be part of the European Recovery Program, despite Artajo's claim that Spain preferred bilateral relations with the US. The Chargé thought that Spain had only turned away from the European Recovery Program because Madrid knew that France and Britain would never let the totalitarian regime into the program. The American diplomat said that Spain would blame the US and Britain for the failure to be included; the former because it did not pressure Europe; the latter because it acted out of selfishness. Culbertson also told the Secretary that Franco believed that Spain was too important for the US to be ignore.¹⁵

From the State Department's point of view, Spain was not a great loss to the West and diplomatically it was much easier to have limited relations. The military point of view was different. Shortly after the Artajo - Culbertson conversation, the military wanted to know about the progress of diplomatic relations with Spain. James Forrestal, Secretary of Defence, phoned up Norman Armour, Secretary for Political Affairs and former Ambassador to Spain. Forrestal, worried about the military situation, wanted to know if relations were improving. Norman Armour gave Forrestal the economic side of the arguments, asserting that commercial relations were not improving due to the strict

13. Viñas, Angel, "El Plan Marshall y Franco", in Viñas, Angel, Guerra, Dinero, Dictadura, Barcelona, 1984, p.277.

14. FRUS 1948, Vol.III, 23 March 1948, The Secretary of State to the Embassy in Spain, p.1028.

15. FRUS 1948, Vol.III, 24 March 1948, The Chargé in Spain to the Secretary of State, p.1028.

Chapter 4: 1948 Year of Change

control imposed by the INI over foreign trade.¹⁶

While the State Department in Washington was downplaying the military aspects of Spain, the Embassy in Madrid was not. Culbertson believed that military considerations should overrule diplomatic ones. According to him, Spain's military strength had to be improved urgently with US aid. On top of that Spain's economic isolation was slowing down Western recovery. Thus Culbertson suggested that normal relations should be resumed. He wanted to accelerate Spain's inclusion in the West through her integration into the European Recovery Program and suggested that Washington should stress the economic advantages for Europe's recovery from Spain's reintegration.¹⁷

Culbertson was influenced by the deteriorating East-West relations. On 20 March the USSR walked out of the Allied Control Council, the body officially charged with governing Germany. Reports of Red Army troop movements and comments by a Communist politician in Berlin had increased fears that a Russian military move against Berlin was imminent. Civil servants in the State Department speculated that a fall of Berlin would start an avalanche of communist takeovers in Europe. Under these circumstances, a military conflict in Europe could not be ruled out and Spain's resources would have helped.

Shortly after the conflict over Germany, a meeting between representatives of the State Department and the Air Force took place. Major-General Samuel E. Anderson, USAF, claimed that the Joint Chiefs of Staff had discussed the use of three airfields in Spain which should be constructed and equipped for the heaviest US bombers. The State Department pointed out that public opinion would be appalled if the US helped Spain militarily, but saw no objectives to finance and equip airfields for civil aircraft. Anderson backed down and informed the Joint Chiefs of Staff that securing

16. FRUS 1948, Vol.III, 26 March 1948, Memorandum of Telephone Conversation by the Assistant Secretary of State for Political Affairs, p. 1030.

17. FRUS 1948, Vol.III, 29 March 1948, The Chargé in Spain to the Secretary of State, p.1031.

Chapter 4: 1948 Year of Change

base rights at the moment was politically inadvisable as was furnishing military aircraft but, from his point of view, there were no objectives to civil aviation programs.¹⁸

Secretary of Defense Forrestal sent two officers to Winthrop Williams Aldrich, the Chairman of the Board of the Chase National Bank of New York, to discuss financial loans to improve Spanish airfields. In this meeting Aldrich showed enthusiasm for the idea. Promptly, a meeting between a Colonel of the Spanish Air Force, a representative of the civilian airline Iberia and the Chase National Bank was organized. During these talks it became clear that the Spaniards hoped to obtain these credits without giving securities in return. The Bank on the other hand insisted on gold coverage for the loan. Thus the meeting broke up without compromise.

The State and Defense Department encouraged these private loans but made it clear that they were not willing to intervene. The Bank realized the government's concern and sought a possible solution. Their representative in Washington, Mr Schermerhorn, got in contact with the two Departments on 22 June and said that the loans would be granted if gold securities were deposited or if the State or Defense Department guaranteed them on national security grounds.

Hickerson, representing the State Department, took the easy way out. He put the responsibility on the National Defense Department arguing that such guarantees should be extended only if the Department of Defense thought that they were needed to promote safety in international aviation. Forrestal, representing the Defense Department, was put under pressure. The whole idea to guarantee credits to Spain for civil aviation was a disguise for the improvement of Spanish airfields for future military use. However, public opinion would be appalled if this would have emerged. In the end this fear proved too much. The Defense Department did not issue the necessary guarantee and the credits were not extended.¹⁹

18. FRUS 1948, Vol.III, 29 March 1948, Memorandum of Conversation by the Assistant Chief of the Division of Western European Affairs, p.1034.

19. FRUS 1948, Vol.III, 22 June 1948, Memorandum by the Director of the Office of European Affairs to the Under Secretary of State, p.1039.

Similar military interests existed in Britain. The British Chiefs of Staff grew increasingly interested in Spain's military potential. On 16 April 1948 in a meeting by the Chief of Staff, Lieutenant-General Templer stressed Spain's strategic importance for the defence of the sea lines of communications and the military value of the Spanish armed forces for the West. Despite realizing the difficulties of a dual relationship, military advantages versus political complications, he encouraged the idea of a general agreement with Spain.²⁰ The Joint Planning Staff too acknowledged that if Spain was to be excluded from security pacts then the effective defence of the Atlantic and the Mediterranean would be greatly lessened. The diplomatic problem was realized but a modus vivendi with the Spanish military authorities had to be found.²¹

One month later, 26 May 1948, the Joint Planning Staff in Britain finished its report on Spain. Britain's minimum strategic requirements on the Iberian peninsula, the report claimed, were Spain's successful resistance to any aggression by the Soviet Union. To achieve this Madrid had to be assisted in training and organizing her armed forces and obtain military equipment. It was recognized that this would lead to unwanted propaganda and thus the policy was abandoned.²²

The Chiefs of Staff were dissatisfied with this conclusion and Major-General Ward asked for a new approach.²³ Shortly afterwards the Chiefs of Staff discussed strategic aims in Spain again and concluded that Spain was of first importance if the Rhine line was overrun by Soviet troops, as this would threaten the lines of communication through the Mediterranean. It was assumed that in such a case Spain might remain neutral unless relations improved.²⁴

20. PRO, DEFE4.12, 16 April 1948, COS Committee Minutes.

21. PRO, DEFE6.5, 16 April 1948, COS Committee Joint Planning Staff.

22. PRO, DEFE6.5, 26 May 1948, COS Committee Joint Planning Staff.

23. PRO, DEFE4.13, 7 June 1948, COS Committee Minutes.

24. PRO, DEFES.12, 8 September 1948, COS Committee Minutes, Short Term Strategic Aims in Europe at the Outbreak of War.

In addition to strategic military considerations, the UK was concerned about flight security to and from Gibraltar.²⁵ To secure air travel in Spain, loans for modern air traffic control equipment had to be granted. However, these looked alarmingly like military credits and thus were kept to a minimum and in the private sector.

The Chase National Bank seized one of these opportunities. Mr Barth, the Vice President of the Bank, arranged for a loan of \$10-15 million to the Spanish Foreign Exchange Institute for cotton and the construction of an ammonium nitrate plant. The loan required a 105% gold collateral.²⁶

When it became obvious that Spain was excluded from the European Recovery Program²⁷, the Joint Strategic Plans Group issued a new position, called "Crankshaft". The US was now willing to grant Spain "limited supply of small arms, ammunition and POL [petrol, oil and lubricants] for the first 6 months [of a conflict and] subsequently limited support for 20,000 guerrillas". This included small arms, ammunition, limited communications equipment and demolition equipment.²⁸

Shortly afterwards the Joint Chiefs of Staff issued the study "Halfmoon". The US now thought that a stance along the Rhine was possible.²⁹ However, Spain and Britain continued to guard the flanks of American troops and possibly cover an American withdrawal.

In the meantime the debate in Congress about the European Recovery Program had finished and Spain sent Lequerica to Washington. He was able to gain strong support in Congress and organized the mutual interests of several groups in American

25. PRO, FO371.73379, October 1948; PRO, FO371.79782, 31 May 1949, RAF rescue team in Spain.

26. FRUS 1948, Vol.III, 20 October 1948, Memorandum of Conversation by William B. Durnham of the Division of Western European Affairs, p.1057.

27. FRUS 1948, Vol.III, 2 April 1948, Acting Secretary of State to the Embassy in Spain, p.1035.

28. APWSU, Vol.7, 11 May 1948, JSPG, "Crankshaft".

29. APWSU, 26 May 1948, JCS, "Halfmoon", p.63.

politics into an effective Spanish Lobby.³⁰

In this task, Lequerica was aided by Charles Patrick Clark, who was member of several Congressional committees and government agencies and claimed to have influence with the Government. One of Clark's most influential moments came when he reported on 10 November 1949 after a trip to Spain, about freedom of worship for Protestants under Franco. He referred to Max H. Klein, the President of the American Chamber of Commerce, saying that "Protestantism is not a problem in Spain... Confining myself to Barcelona, where I usually live, I can be quite definite in saying that the Protestant community is not persecuted and they are free to worship according to their beliefs." Klein himself though was a Catholic and a foreigner in Spain.³¹ It is unlikely that he was a good source of information concerning freedom of worship for Spaniards.

As 1948 was an election year in the US, Lequerica joined the preelection lobbying. In Congress, five interest groups came together united by their pro-Spanish inclinations. The groups were Catholics, Anti-Communists, Republicans, trade orientated Congressmen and finally the military. The Lobby that emerged was very strong as the interest groups were bipartisan, supra-sectional, supra-economic and supra-religious in appearance and hence not clearly identifiable as a lobby.

The Catholic lobby was composed of men like Pat McCarran, Joseph McCarthy, Alvin E. O'Konsky and Keogh but above all Dr Joseph F. Thorning. They identified with Spain because of the deep rooted Catholic base in Spain. Education by the Church, Holy Crosses at Schools and Universities and a strong link between the Government and the Church were well-known aspects of the Franco Regime.

The Anti-Communist lobby grew alongside McCarthyism, the Cold War and subsequently political scandals such as Alger Hiss' conviction for perjury, the

30. PRO, FO371.79706, 20 June 1949, Embassy Washington.

31. Lowi, Theodore J., "Bases in Spain", in Stein, Harold, ed. American Civil-Military Decisions, Alabama, 1963, p.679.

Chapter 4: 1948 Year of Change

Rosenberg's executions and Oppenheimer's withdrawal of security clearance. The most outspoken Republicans in the lobby were Senator Taft, Charles Patrick Clark, Zablocki and later Senators McKellar, Owen Brewster and Bridges.

The economic lobby can be broken down into three subsections, cotton, wheat, and oil interests. Spain required cotton for its textile industry in Catalonia, at the same time Southern States were looking for new cotton markets to sell their surplus. The two interests fitted like hand in glove. Spain still required wheat imports. The harvest of 1947 was particularly unsatisfactory.³² Thus Spain opened a possibility to satisfy the overproduction of wheat in the Northwestern states. Finally the oil companies saw a structural and financial advantage in oil refining in Spain.³³ Congressmen from these three areas, ie. Southern cotton states, Northwestern wheat states and oil producing states, hoped for better commercial relations with Spain.

The last component of the Spanish Lobby were military experts including Admiral Richard L. Conolly. They saw Spain as a vital country for future bases because Italy and France only provided treacherous grounds due to their unstable political situations. Even Stanton Griffis, future ambassador to Spain, accepted this. He told Forrestal over breakfast, 26 May 1948, that he "finds it difficult to understand how we can talk about the control of the Mediterranean at one end and ignore the other points, now that we have no Ambassador in Spain."³⁴

Despite this, military necessities in other parts of the world meant that Spain had to be left on its own in case of a Soviet invasion. The Joint Chiefs of Staff argued on 26 August 1948 that the "defense of Spain will be provided by Spanish Forces".³⁵ At the moment the military establishment was happy selling surplus military material to Spain

32. WPIS, 1 October 1947, N.411.

33. NA, Civil Branch, State Department Decimal File 1945-1949, 852.6363/1.2648, 26 January 1948, Spain Petrol Import Requirements 1948, Embassy of USA to Secretary of State.

34. Millis, The Forrestal Diaries, p.445.

35. APWSU, Vol.10, 26 August 1948, JCS, "Joint Outline War Plans for Determination of Mobilization Requirements for War Beginning 1 July 1949", p.186.

Chapter 4: 1948 Year of Change

which could be used by Franco for his national defence. In January 1948, the surplus sale of military transport planes DC-3 was taken into consideration.³⁶ In February 1948, the State Department even approved the sale of Grumman Torpedo Bombers.³⁷

These policies and the actions of the Spanish Lobby could not fail to be noticed by the American public and many liberal minded people strongly opposed this.

Harold L. Ickes, Secretary of Interior under FDR and Truman, attacked Lequerica, writing that he and other Spanish diplomats had insulted Washington by giving a dinner in honor of the Japanese blow against the United States at Pearl Harbour.³⁸ He accused Lequerica of trying to manipulate American politics when he was lobbying for Dewey at the Republican Nomination Convention in June 1948.³⁹ Yet his strongest accusation concerned the Spaniard's role during his appointment to Vichy France. There Lequerica was assumed to have instructed others: "let no member of the embassy hold out his hand to a North American." Ickes ended a series of articles, bearing such provocative titles as "Heil Lequerica" and "Von Lequerica", with the following suggestion: "upon Lequerica's visits to the State Department, he should be greeted by Señor Don Dr. Pat McCarran y Shea and an honor guard with a Fascist salute and a 'Heil, von Lequerica !'"⁴⁰ Lequerica was indeed an objectionable character. In 1952 the American journalist Drew Pearson, who had written hostile articles about Lequerica for some years, revealed him as the head of the Spanish Lobby. Lequerica, losing his nerve, punched Drew Pearson on the nose who subsequently sued him successfully for assault.⁴¹

36. NA, Civil Branch, State Department Decimal File 1945-1949, 852.24/1-1548, 15 Jan 1948, Memorandum, Mr Reinstein to Mr Thorp

37. NA, Civil Branch, State Department Decimal File 1945-1949, 852.24 FLC/2-1048, 10 February 1948, Department of State to US Embassy.

38. Ickes, "Heil Lequerica", in New Republic, 15 January 1951, Vol.124.

39. Ickes, "State Department Siesta", in New Republic, 23 May 1949, Vol.121.

40. Ickes, "Von Lequerica", in New Republic, 8 June 1951, Vol.125.

41. PRO, FO371.102022, 22 August 1952, Washington.

Chapter 4: 1948 Year of Change

Lequerica was not the only one from the Spanish embassy staff in Washington to be verbally abused by the American press. Pablo Merry de Val, the counselor of the Spanish Embassy, was accused by Ickes of going from party to party, socializing with Senators, Representatives and the social elite of Washington, always trying to further the Spanish cause.⁴²

Ickes also attacked Propper de Callejón. Propper had been First Secretary in Vichy France to Lequerica. He then became Consul in Rabat and French Morocco at the time of Operation Torch. He was a good friend of Lequerica's and was not trusted by the Allied authorities. The Free French labeled him "persona non grata" and refused him as counselor. Yet now after the war, he came to Washington to assist Lequerica. Ickes wrote "What is not good enough for Paris is good enough for Washington."⁴³ Ickes saw America as the silent partner to "whitewash the bloody hands of Franco."

Unimpressed by such criticism, the State Department lifted all embargoes on Spain, ended all quotas and established free trade between the two countries.

Spain had found its supporters in American politics and was using these connections successfully. In March 1948, Myron C. Taylor, the Presidential Representative at the Vatican, paid a visit to Franco at the Pardo Palace. Soon afterwards a proposal was put forward by Representative Alvin E. O'Konsky, an ardent Catholic supporter of the Spanish Lobby, to include Spain in the European Recovery Program. It was accepted by the House of Representatives on 30 March 1948 with a vote of 149:52.

The unfortunate timing of the meeting between Myron Taylor and Franco, and the vote in the House, created the impression that the amendment had presidential approval. This was not true. The passing of the proposal was due to the world situation, such as the threat of communist influence in the next Italian election.

42. Ickes, "State Department Shell Games", in New Republic, 8 August 1949, Vol.121.

43. PRO, FO371.79706, 27 October 1949, Foreign Office; also Ickes, "State Department Siesta", in New Republic, 23 May 1949, Vol.121.

This situation had inclined many Representatives to vote in favour of Spain. The Foreign Assistance Act of 1948, including the proposal concerning Spain, passed the House. Artajo convinced several European states to speak out for Spain, trying to influence the US administration but in vain.

The decision of the House to include Spain in the Program forced the Senate, under the President's threat of using his veto, to call for a Joint Congressional Conference Committee which promptly eliminated the clause concerning Spain.

One nation to offer help was Argentina. On 9 April 1948 the two countries signed a four year agreement, the Franco - Perón Protocol, concerning financial and economic matters. The credit granted to Spain was increased from pesos 350 million to 1750 million (around £110 million). Argentina could offer Spain agricultural products but no oil, cotton or machines. In return for this credit, Argentina was allowed to buy Spanish goods, gain interests in Spanish industries and receive a free trade area in Cadiz.

The agreement between Argentina and Spain convinced many Latin American countries that the UN December resolution was not working and that it handicapped their trade and commerce compared to Argentina's. Brazil, together with six other nations, decided to send a ship to the 700th Spanish Navy Anniversary exercises.⁴⁴

Portugal was another of Franco's supporters. At the Paris Conference in 1948, Dr José Caeiro de Mata, the Portuguese Foreign Minister, argued that if the Marshall Plan was to include Germany, an aggressor state, then Spain "of 28 million people with great agricultural and mineral resources and commanding positions in the Atlantic and Mediterranean" had to be included as well.⁴⁵ It was becoming clear that some countries in the Western sphere were unhappy about the UN's resolution.

In order to prevent international pressure on the developing relations between

44. PRO, ADM223.256, October 1948, Monthly Intelligence Report; and ADM223.257, November 1948, Monthly Intelligence Report.

45. PRO, ADM223.250, April 1948, Monthly Intelligent Report.

Chapter 4: 1948 Year of Change

Spain and these countries, the Western Nations in the Security Council refused to debate a Russian proposal on the Spanish dilemma, 25 June 1948.

However the US was not prepared to go the other way and support Spain. Washington decided that it was best to avoid publicity. The Secretary of State wrote: "What reason and endeavor cannot bring about, often time will".⁴⁶

A Latin American proposal, supporting Spain, split the US delegation in the General Assembly. Truman and Acheson were ready to go along but the old New Dealers Mrs Eleanor Roosevelt and Benjamin V. Cohen as well as John F. Dulles tipped the scales towards neutrality. Similar to the Russian proposal earlier, the US avoided making a stance.

The clash of opinions was reflected in the publication "Forum". On one side stood the argument that normal relations with Spain should be resumed given the fact that even Axis nations were now receiving aid. It was also pointed out that Spain had already received a cotton credit from the Export Import Bank of \$13 million barely four months after Spain's Civil War, thus setting a precedent. On the other side, appointing an ambassador to Spain showed approval, something nobody in the West wanted to do just yet.⁴⁷

In August, Lequerica, trying to exploit the transition of US policy towards Spain, had a conversation with John D. Hickerson, Director of the Office of European Affairs, and Theodore Achilles, of the Western European Affairs Office. Hickerson claimed that Spain remained unchanged in politics and economics. He acknowledged that the December resolution was based on weak grounds. Yet the State Department saw it as very difficult to obtain the necessary 2/3 majority in the UN to repeal the resolution unless Spain showed more cooperation. Lequerica replied that the present resolution before the UN, which was identical with the December resolution, would fail

46. FRUS 1948, Vol.III, 28 July 1948, The Secretary of State to Diplomatic and Consular Offices in the American Republic, p.1045.

47. Carter Greenhouse, Inez French, "Should we reestablish Relations with Spain ? Pro - Con", in Forum, December 1948, Vol.110.

Chapter 4: 1948 Year of Change

to receive the 2/3 approval.⁴⁸

It was clear that ostracism of Spain had been a failure. After the 1947 resolution had failed to get 2/3 of the votes, four Latin American states had appointed ambassadors to Spain. In 1946 2/3 had voted against Spain, in 1947 only a majority voted against Spain, and in 1948 a majority voted in favour of Spain. Thus the problem was still not solved. The 1946 resolution was de facto dead but could not be overruled by another resolution.

Many countries still opposed the Franco regime in bilateral relations. Mr Bevin expressed his opposition towards Spain and said that "moral and material values of our western civilization" forced the exclusion of Spain under Franco from the western cooperatives such as the OEEC.⁴⁹ Yet soon Britain's position with regards to Spain would be coming under pressure, as international relations between East and West deteriorated even further.

The crisis in Czechoslovakia caused by communist infiltration was resolved by a coup d'état in February 1948. The loss of Czechoslovakia, one of the most advanced industrial states in East Europe, to communism induced the Pentagon towards a policy of military bases to guarantee state security of western nations. The US still had the base structure of the World War in place and could use it to prevent possible communist coups. This affected relations with Spain.

Paul Culbertson was by now well established in Spain. He was invited to go mountain goat hunting in the Picos de Europa as a state guest during the month of September. His brother William C. Culbertson, a prominent lawyer in the US, was even doing legal work for the Spanish Embassy.⁵⁰ On 13 June 1948, Paul Culbertson looked at what Spain should do in order to become economically acceptable. It was a

48. FRUS 1948, Vol.III, 25 August 1948, Memorandum of Conversation by the Chief of the Division of Western European Affairs, p.1047.

49. Calvocoressi, Survey of International Affairs 1947-1948, p.128.

50. NA, Civil Branch, Lot Files 59D108, 20 July 1948, Theodore C. Achilles to Paul Culbertson.

Chapter 4: 1948 Year of Change

long list and covered topics such as exchange rates, treatment of foreign capital investment and state control over industry.⁵¹ It was clearly a long way before Spain could meet these demands. Economically, Spain suffered from inflation and over-regulation. Many Spanish businessmen claimed that foreign credits given to Franco would be poured into a bottomless pit because of government intervention.⁵²

The State Department continued to call for a political, economic and military integration of Spain and an overall normalization of relations. It suggested that "the primary objective of the United States policy towards Spain at this time is the reintegration of Spain, politically, economically and militarily, into the free western European community of nations through the progressive normalization of Spanish relations with those countries and with the US."

Politically, US policy was still governed by the UN resolutions. It was asserted that Spain would only be included in the European Recovery Program if she gained international respectability.

The statement concluded:

"we believe, therefore, that the most desirable course of action for the present is to avoid international pressure on Spain and to continue our efforts to emphasize the need for political liberalization, ... We can concurrently encourage private trade with Spain and private investment on a purely business basis, and we can develop informal contact between Spanish and US military authorities, provided in all cases our political line is made clear."⁵³

Obviously, the State Department favoured some governmental changes in Spain but Franco was not necessarily excluded from possible future regimes. A liberalization of the Spanish government would be rewarded economically and financially.

Modern military technology naturally influenced American foreign policy. Air

51. FRUS 1948, Vol.III, 13 June 1948, The Chargé in Spain to the Secretary of State, p.1037.

52. "Spain: Useful Ally for US?", in US News & World Report, 22 October 1948, Vol.25.

53. FRUS 1948, Vol.III, 26 July 1948, Policy Statement by the Department of State on Spain, p.1041.

warfare had grown in importance, making air bases vital. In the light of developments in Czechoslovakia, it was planned that a ring of US air bases around the USSR should be created to deter Communist expansion.

Even though political complications in Spain made this impossible for the time being, civil aviation could provide the Trojan horse to improve airfields in Spain for future military use. Thus the Secretary of Defense, Forrestal, encouraged US companies to grant credits to Spain for improvements of airports, and the Secretary of the Army, Kenneth C. Royall, advised the National Security Council, 20 May 1948, that a plan for the defence of Europe should be flexible enough to include Spain, Germany and Austria in the future.⁵⁴

There was a real threat, as expressed by John D. Hickerson that Spain might get the impression that the Pentagon and the State Department were speaking with different voices and thus allowing Spain to sit back and wait for military necessities to overrule diplomatic considerations. The service attachés in Madrid were to be instructed to give the impression of harmony with their civilian colleagues.⁵⁵

But just how valuable was Spain militarily for the US? It was true that Spain had many war veterans but these had fought a low-level technical war.⁵⁶ The Spanish General Staff knew that her armed forces could not defend the Pyrenees against the Russian army. Thus Spain's present defence line was not the Pyrenees but the Rhine. This was, of course, music to the ears of American military planners.⁵⁷ In a conversation with Colonel Dasher, General Vigon asked the US military attaché for aid. In the current international climate, Spain urgently required anti-tank weapons. Vigon stressed that the military value of the Spanish army was being wasted, as Spain

54. Truman, Harry S., The Memoirs of Harry S. Truman, Vol.ii Years of Trial, Suffolk, 1956, p.260.

55. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 9 August 1948, John D. Hickerson to Alfred M. Gruenthal.

56. "Spain: next ally for America?", in US News & World Report, 27 July 1951, Vol.31.

57. WNRC, Army Intelligence, Project Decimal File, 1948, Spain, 16 August 1948, Jack D Neal to Colonel Carter W. Clarke.

Chapter 4: 1948 Year of Change

could not contribute to the Western defence system without military aid.⁵⁸ In return Vigo was willing to send troops north of the Pyrenees. However, this issue was more complicated than the Spanish General was willing to admit at the moment. Nevertheless it was clear that good relations with Spain allowed the US Army to purchase cheap raw materials.⁵⁹

The Pentagon had good reason to support better relations with Spain. Forrestal inquired in a letter to Marshall, 30 October 1948, how the international climate had changed. He did so hoping to increase the Defense Department's allocation from \$15 billion to \$17.5 billion. Marshall's reply, drafted by Under-Secretary Lovett, claimed that not a lot had changed, but that nevertheless it was crucial to rearm Western Europe. Marshall might have opposed the ban on ambassadors, but he did not favour sending aid to Spain because of the complications this might have caused with other countries.

Despite political restraints, during September and October 1948, a number of influential American politicians, businessmen and officers visited Spain. Senator Chan Gurney, movie-tycoon Eric Johnston, Democratic Leader and Coca-Cola manager James A. Farley and the Presidential Representative to the Vatican, Myron Taylor, as well as Rear Admiral Roscoe H. Hillenkoetter, who replaced Vandenberg as Director of the CIA were among various groups visiting Spain.

Businessmen in the US were becoming more interested in Spain. As the US economy grew more raw-material dependent, copper, tin, lead and other materials which could be found in Spain had to be imported. Many of the mines producing these raw materials were government-owned and Franco discouraged the export of these materials with a variety of policies.⁶⁰ All exports and imports had to be licensed with

58. WNRC, Army Intelligence, Project Decimal File, 1948, Spain, 17 July 1948, MA Spain to Intelligence Group.

59. WNRC, Army Intelligence, Project Decimal File, 1948, Spain, 1 July 1948, MA Spain to Director Intelligence.

60. PRO, FO371.73342, 1948, Travellers in Spain; and FO371.73343, 1948 Forced exchanges.

Chapter 4: 1948 Year of Change

the government. Other restrictions on foreign trade included limitations of 25% of foreign investment in any one Spanish company and also on profit repatriation by foreign investors. All these protective measures were exposed to constant pressure from the State Department.

The American government wanted to make it easier for banks to grant credits to Spain and expand into the Spanish market selling American surplus products. The Texas Oil Company, for example, had decided in 1948 to grant Spain a loan for \$50 million to purchase modern refining equipment.⁶¹

Nevertheless as long as Spain's government could freely interfere with its economy, foreign banks and multinationals were cautious in granting credits, sometimes demanding high guarantees for investing in Spain. The Chase National Bank loan of \$25 million for example required a 100% guarantee in gold to be sent to London and remain there for the 6 month period.

Otherwise, trade was conducted on a short term base. Despite this, foreign commerce, above all military related, flourished. Portugal exported 25,000 kg of military optical equipment. Greek entrepreneurs were selling substantial amounts of ammunition to Spain. Britain started to sell aircraft testing machinery and Rolls-Royce plane engines, despite the ban on export of military material. A Dutch company sold Spain military engines. Companies were now asking for a review of the export ban so that they could seize export contracts in Spain. Before long Spain bought five River class frigates from Britain. ICI exported 19.5 tons of dinitrophenol which, mixed with shellite, was used in HE (High Explosive) shells. 175 tons of gelatine dynamite were bought by Spain and discussions concerning two corvettes, 60-80 planes and loans for state-owned Iberia were in progress.⁶²

While businessmen saw financial opportunities in Spain, politicians in Europe still opposed close cooperation. Paul Henry Spaak, the Belgian Prime Minister,

61. PRO, ADM223.257, November 1948, Monthly Intelligence Report.

62. PRO, FO371.733201/73321/73322, January to December 1948.

Chapter 4: 1948 Year of Change

expressed his opposition to close relations with General Franco and Robert Schuman , French Minister for foreign affairs, assured Spain's exclusion of the Western Union defence organisation.

It was clear that Western Defence was no longer directed against a German threat but against a Soviet invasion. The Pact of Dunkirk between France and Britain in 1947, against a German aggression, was expanded in 1948 into the Treaty of Brussels. The Benelux states joined. Eventually in 1949 under Truman's guidance, the Vandenberg resolution was passed to form NATO. The West was closing ranks against the Soviet block. For these countries it was paramount to continue a united foreign policy.

The three Foreign Ministers Marshall, Schuman and Bevin from US, France and Britain respectively, held a meeting in order to try to coordinate their policies towards Spain. Marshall, disguising the strategic importance of Spain, claimed that it was crucial to consider Spain's importance for Europe in the political and economic sphere. The French and British ministers agreed that the people in their countries opposed relations with Spain and that both would try to play down a vote in the UN on Spain. Should the Polish resolution come up, both countries would vote against it.⁶³

The two western countries France and Britain, which in 1946 differed the most in their policy towards Spain, had come to an agreement to keep Spain out of the political and economic integration of Europe.⁶⁴

On 9 October 1948, General Marshall at a press conference said that he no longer favoured the ban on the appointment of ambassadors to Spain but he would not initiate its removal either.

Spain had to offer something to the US if she wanted to improve relations with Washington against the objections by France and Britain. In November, Erice told the

63. FRUS 1948, Vol.III, 4 October 1948, Memorandum of Conversation by the Secretary of State, p.1053.

64. FRUS 1948, Vol.III, 11 October 1948, The Acting Secretary of State to the Representative Jacob K. Javits, p.1055.

Chapter 4: 1948 Year of Change

American Embassy that economic aid could be exchanged for bases on the Canary, Balearic Islands and on Spain's mainland.⁶⁵ This was an attempt to split the western countries and get the US once again asking for Spain's military support.

US Senator Chan Gurney, the chairman of the Congressional Commission on the Armed Forces, visited Spain, 29/30 September 1948, and had a private audience with Franco. On his return he described the relations between the US and Europe, including Spain, as positive. He went even further and claimed that "all those who are resisting Communism must understand that it is in their interest to bring Spain into the United Nations."

In a meeting, 5 October 1948, held between Chan Gurney, Forrestal and the other three Secretaries of the Armed Forces, Royall, Sullivan and Symington, Gurney asked for "complete reestablishment of all relations between Spain and the United States."⁶⁶

In the international environment, Spain had already become acceptable. Many countries all over the world had signed trade agreements with Spain by the end of 1948. On 23 June 1948, a Sterling payment agreement was signed between the UK and Spain facilitating money transfers between the two countries.⁶⁷ Within the UN, Spain's position also improved. The Sixth Committee of the General Assembly in the UN had decided that Spain should be included in the International Convention on Economic Statistics. This was done in direct conflict with the UN resolution of 1946.

International relations improved without liberal reforms in Spain. Municipal elections in Spain were conducted in an undemocratic way.⁶⁸ The only party to stand in

65. FRUS 1948, Vol.III, 17 November 1948, The Chargé in Spain to the Secretary of State, p.1063.

66. Lowi, Theodore J., "Bases in Spain", in Stein, Harold, ed., American Civil-Military Decisions, Alabama, 1963, p.676.

67. BFSP 1949, Part II, Vol 154, p.398, "Sterling Payments Agreement between the UK and Spain", 23 June 1948.

68. FRUS 1948, Vol.III, 29 June 1948, Memorandum of Conversation by William B. Dunham of the Division of Western European Affairs, p.1040.

Chapter 4: 1948 Year of Change

these elections was the Falange. It was claimed that more than 75% of eligible voters turned up to vote, electing 80% Falangist representatives.⁶⁹ The validity of these numbers was called into question.

Some foreigners in Spain, writing in American journals, thought that it was surprising how freely people could talk as long as they were not specific or talked to a large audience. There were no longer book burnings and Marx's works could be found in the Madrid Public Library. Bookstores were selling copies of García Lorca's poems for which he had been shot by the Guardia Civil during the Civil War.

Yet these changes had come slowly. Despite the claim by the Vatican's mouthpiece "Quotidiano" that Protestants in Spain were not suppressed, the reality was different. In 1947 youths of the Catholic Action had damaged Protestant places of worship in Madrid and three Protestant chapels had been closed, accused by the authorities of propaganda activities. Between 1947 and 1949 another ten Protestant churches in Spain were closed, one of them had its furniture seized permanently. Protestant Church magazines, recreative gatherings and benevolent societies were banned for "attack[s] on the spiritual unity of the nation". Local Catholic priests sometimes stole furniture from Protestant churches but went unpunished. Even worse, in June 1948 in the Province of Jaen, a group of 30 to 35 young men belonging to Catholic Action and the Falange stormed a Protestant church shouting "Viva la Virgen" and started beating up the congregation and destroying the interior. The Spanish authorities promised investigations but little came of it.⁷⁰

The Monarchists, trying to replace Franco, were however outmaneuvered by him when he held a meeting with Don Juan on 25 August 1948. It was agreed that Juan Carlos, son of Don Juan, should go to Spain for his education. Franco had successfully

69. FRUS 1948, Vol.III, 23 November 1948, The Chargé in Spain to the Secretary of State, p.1063.

70. PRO, FO371.73341, 1 January 1948, 24 June 1948; FO371.79809, 27 April 1949, Protestant Churches.

Chapter 4: 1948 Year of Change

gained some of the Monarchists to support his regime.⁷¹

Other Monarchists, together with the Spanish Socialist Party in exile, representatives of the trade unions, the CNT, the UGT, the Izquierda Cataluña, the Alianza Democracia, still expressed their hopes to receive support from France, Britain and the US. They based their argument on the tripartite note of March 1946,⁷² and together issued a statement demanding the removal of Franco.⁷³

Yet a break between Monarchists and Republicans became inevitable when Don Juan agreed to send his son Juan Carlos to Spain for his education. In return Franco granted political amnesty to the monarchists. The "ABC", the monarchical press, was granted freedom of press. The time to oppose Franco had passed.

Satisfied with the way things had turned out, Franco exposed his thoughts on international affairs in an interview with the Newsweek reporter Edward Weintal. The dictator said that before any agreements between the US and Spain could be accepted, the Spanish people themselves had to desire them. The Caudillo blamed the British for the not perfect relations between Spain and the US. As for the question of liberalization within his own country, the Generalissimo argued that each country was different and thus needed a different regime and for him the current domestic climate prevented liberalization of his regime.⁷⁴ Spaniards had to wait for his death before experiencing liberalization.

71. FRUS 1948, Vol.III, 21 September 1948, The Ambassador in Portugal to Secretary of State, p.1050.

72. FRUS 1948, Vol.III, 28 September 1948, The Ambassador in France to the Secretary of State, p.1051.

73. FRUS 1948, Vol.III, 8 October 1948, The Ambassador in France to the Secretary of State, p.1054.

74. Edward Weintal interviewed Franco, "Franco on the Record", in Newsweek, 22 November 1948, Vol.32.

Chapter Five

1949/50

The Policy Changes

Chapter 5: 1949/1950 The Policy Changes

The fear of a world conflict which had led to the creation of the North Atlantic Treaty Organization also greatly influenced future relations between the US and Spain. On 8 March 1949, the Senate analysed Spain's strategic value. Senator Connally said that Spain was much more important than Italy and concerning American - Soviet relations, he stated that "it looks to me like we are in a rather ridiculous position to say 'Good Morning Mr Stalin. How do you do? Have a seat. Have a cigar.' and old Franco has to pass on the other side of the street." Senator Fulbright, usually liberal, acknowledged that Spain was the best base of all from a military point of view.¹

The USAF and the RAF had reached an agreement on uses of British bases during 1948. The geographical position of Great Britain allowed the USAF to disperse bases outside the reach of the Red Army, while continuing to be within striking distance of the USSR. James Forrestal, the Secretary of Defense, had claimed that over-concentration of bases, whether army, navy or air, courted hot war. Naturally, further dispersion of bases to Spain would be beneficial. On top of that a lack of suitable bases along the Mediterranean meant a possible loss of the Middle East countries in case of war. Thus it was concluded that bases were needed in either French Morocco or Spain, the USAF favouring the first, the Navy the latter.

Worldwide, and specifically in the Mediterranean, the US Navy aimed for strategic bases and mooring rights, which would keep costs and political difficulties, created by the dependence on British bases, to a minimum.

The 6th Fleet had to operate from Gibraltar, Malta and Suez. This arrangement created political problems with the Royal Navy and increased maintenance costs. A naval base in Spain would cut costs. Therefore it was only too natural that the US Navy wanted to maintain good relations with Spain. Admiral Richard L. Conolly, the Commander of the Naval Forces in the Eastern Atlantic and the Mediterranean requested to pay a courtesy call on Spanish ports. Nevertheless the State Department,

1. Selected Hearings held in Executive Session before the Committee on Foreign Relations Senate, Vol: The Vandenberg Resolution and North Atlantic Treaty, 8 March 1949, Washington, 1972-76.

Chapter 5: 1949/1950 The Policy Changes

fearing unnecessary propaganda by the Spanish authorities, blocked this request until September.

Before official military visits, Major General William H. Turner from the USAF secretly visited Madrid in order to make sure that Spain would not blow these military exchanges out of proportion and thus irrevocably damage US prestige in Europe. After the successful conclusion of the trip the State Department was willing to go ahead with Conolly's visit and from 3 September to 8 September 1949, a US naval squadron under Admiral Conolly and some British ships visited El Ferrol in Spain.² Shortly afterwards, the Admiral visited Franco in Madrid. This visit was to test both Franco's reaction and public opinion in Europe and the US. The result was satisfying for the US as Franco did not use the visit for propaganda reasons, nor did it cause diplomatic outcry in other European countries. The Department of Defense was now prepared to push harder. After his visit Admiral Conolly told the House Armed Service Committee that "the strategic importance of the Iberian Peninsula is uniquely evident." During the same month several members of the Armed Services Committee visited Madrid. The new Secretary of Defense Louis Johnson even contemplated going to Spain himself, clearly showing US military interest in Spain.³

It was obvious that the military planners in Washington had accepted the disadvantages of the Franco regime. The very nature of NATO gave Spain hope of escaping isolation once and for all. The fact that Portugal was included strengthened this belief. On radio Franco described Spain's importance by comparing NATO without Spain to an omelette without eggs, 4 April 1949. Yet most NATO member states in Europe, while hoping to come to an arrangement with Spain, did not want her to be part of the Organization.

London recognized that the US and Latin American countries had a growing

2. PRO, FO371.79666, August 1949, Spain: Political Summary; and FO 371.79700, 5 September 1949.

3. PRO, FO 371.79700, 27 September 1949, Visit of US Secretary of Defense Mr Johnson to Spain; confirmed by his and McCarren's office.

Chapter 5: 1949/1950 The Policy Changes

desire to bring Spain into the Western sphere. Even France improved relations with Spain. The French radio stopped referring to Spain as totalitarian and stopped hand-outs and free broadcasting time to Spanish Republicans. Paris, by falling out with London over commercial policies to Spain, had gained an advantage and had secured the sale of 86 Jumo aero-engines ahead of the British company Vickers - Armstrong.⁴ The strained relations between Britain and Spain meant that the UK was losing profitable contracts in Spain. It was only too natural that the British Ambassador in France Sir Oliver Harvey urged the French Foreign Minister Schuman to formulate a new common foreign policy towards Spain.⁵

In the UK, the Chiefs of Staff improved treatment of Spanish service attachés. Ignacio Martel, the Spanish Naval Attaché in London, expressed his desire to visit a British aircraft carrier and to takeoff in a plane. The Foreign Office feared that by granting his request too quickly, they might invite more serious pleas for information, yet not to do so would counter the decision by the military planners in Britain. Thus a compromise was reached and instead of going to the carrier, Commander Martel received information about Britain's post-war organization of civil defence.⁶

In the US, Senator Pat McCarren and Alvin E. O'Konsky demanded in April 1949 to reject the United Nations exclusion of Spain and to expand the Marshall plan to the whole of the Iberian peninsula.

Before the Spanish problem reemerged in the UN, the State Department wanted to know the position of the NATO countries. Whatever happened, Washington wanted NATO countries to form a united front in the talks on the Spanish question. Concerning the stance of the NATO nations, two problems had to be analysed. Firstly, the member states' position towards Spain's participation in special UN agencies and secondly their

4. PRO, FO371.79702, 14 January 1949, British Embassy; and FO371.79702, 29 September 1949, Mr Walmsley.

5. PRO, FO371.79702, 25 August 1949, Sir O'Harvey Ambassador Paris.

6. PRO, FO371.79815, 5 September 1949; FO371.79815, 11 October 1949, Rennewed application; FO371.79815, 9 November 1949.

Chapter 5: 1949/1950 The Policy Changes

position towards full membership of Spain in the UN.

London and Paris wanted to avoid the whole topic if possible. The two European nations would have tolerated a US abstention vote concerning the resumption of full diplomatic relations and might even have supported Spain's participation in special agencies. But what mattered most to them was that the US made it clear that Spain would not become a member of the European Recovery Program.

Belgium would have supported the US in a move to resume full diplomatic relations and would have welcomed Spain in the UN. The Netherlands, Norway, Sweden and Denmark would probably have abstained in both cases because of recent pressure by the US on these countries but would not be pleased. Luxembourg had been very reserved on this topic, but the US expected her to approve of Spain's inclusion into agencies but abstain on a vote concerning resumption of full diplomatic relations.

After the study of European opposition to Spain, the State Department concluded that it had underestimated the Spanish problem in Western Europe. Thus the Department recommended that Washington should continue its quiet policy of stressing the Communist threat. US prestige with NATO countries was not to be endangered for Spain's sake.⁷

The conclusion influenced the delay of sales of aircraft engines to Spain. The US air attaché in Madrid warned that this policy was rendering the Spanish air force useless. In 1944 Spain still had over 800 planes. In 1949, due to a lack of spare parts, she only had 300 left and pilots were not getting nearly enough training.⁸

In a meeting of the State Department, John Hickerson, in charge of the European section, stressed that the American military establishment attached great importance to the sale of aircraft engines to Spain. Dean Rusk, who was then in the Office of UN Affairs and would become Secretary of State in the 1960s, countered that

7. FRUS 1949, Vol.IV, 19 January 1949, Memorandum by G. Hayden Raynor, Special Assistant to the Director of the Office of European Affairs, p.721.

8. PRO, FO371.79777, 18 June 1949, Memo by Air Attaché J.W. Monk in Madrid; FO371.89568, 28 January 1950, Annual Report on Spanish Armed Forces.

Chapter 5: 1949/1950 The Policy Changes

the UN was against the sale and if it was postponed, the April meeting of the UN would be more relaxed. It was thus agreed to postpone the sale until after the April UN Assembly Session.⁹

In the meantime, Culbertson brought mixed news from Madrid. He observed that all Spain needed to be accepted by the West were superficial political changes. Franco might for example grant limited amnesty, modify the censorship or relax the police to gain international respect. The Chargé had also realized that Franco gave little importance to Spain's relations with other Western European nations. The Spanish dictator was convinced that he would not gain anything from liberalizing his country as long as the nations in Western Europe were ruled by socialist governments. The American Embassy in Madrid speculated that Franco's aims were to reverse the December resolution and to reach a bilateral agreement with the US.¹⁰

If what Culbertson wrote was true then pressure by Washington alone might have pushed Franco to make changes. It had to be put bluntly before him that if he made a move towards a more liberal state, his country would gain economic aid, military support and full diplomatic relations. However, this would have created a conflict with the American policy towards Europe, which was aiming at downplaying the Spanish issue altogether.

It was discussed how the US delegation to the UN should reconcile these positions. The study of the Policy Planning Staff during October 1947 had called for a normalization of relations with Spain. During January 1948, the President and the NSC had approved this policy. Thus no further pressure was to be applied towards Spain. The US delegation to the UN was therefore instructed to support any views expressing the feeling that the 1946 resolution against Spain had come to nothing. Nevertheless, in order to avoid complications with America's European allies, the delegation was not to

9. FRUS 1949, Vol.IV, 9 February 1949, Record of the Daily Meeting of the Under Secretary of State, p.725.

10. FRUS 1949, Vol.IV, 14 February 1949, The Chargé in Spain to the Secretary of State, p.727.

Chapter 5: 1949/1950 The Policy Changes

initiate any policy which might have created a disunion with Western Europe. Under these circumstances, the US delegation was instructed to decrease the importance of the Spanish problem.¹¹ This policy was communicated to several other US Embassies worldwide.¹²

These instructions split the US delegation in two. Mrs Eleanore Roosevelt said that even anti-Communist groups in Western Europe would criticize the US for bowing to military interests. Benjamin V. Cohen, another New Dealer, and John F. Dulles agreed with her. Nevertheless, Dr Philip C. Jessup, another US delegate, was opposed to their points of view. For him the US was not bowing to military interests but to the simple fact that the 1946 resolution had been ineffective.¹³ In the end the argument of the State Department prevailed. The delegation had to play down the Spanish Question. If a vote became unavoidable, the US should cast theirs to include Spain into special agencies and to return ambassadors to Spain. In spite of this reversal of policy compared to 1948, the delegation was to claim that the US had not changed its position towards Spain.¹⁴

When accused of supporting a dictator, Charles Bohlen, Counselor of the State Department, argued that the US had no sympathy for Franco but that Washington was not prepared to take the responsibility for a renewal of Civil War in Spain.¹⁵ Washington even allowed Spain to file applications for credits through the Export Import Bank for the first time since the end of the war.

Soon thereafter, pressure by European nations caused a new change in US

11. FRUS 1949, Vol.IV, 1 March 1949, Suggested U.S. Position on Spain at the April Session of the UN General Assembly, p.731.

12. FRUS 1949, Vol.IV, 24 March 1949, The Secretary of State to certain Diplomatic Missions, p.734.

13. FRUS 1949, Vol.IV, 13 April 1949, The US Representative at the UN to the Secretary of State, p.737.

14. FRUS 1949, Vol.IV, SD/A/C1/213, p.737n.

15. FRUS 1949, Vol.IV, 28 April 1949, Memorandum of Conversation by the Counselor of the State Department, p.740.

Chapter 5: 1949/1950 The Policy Changes

instructions to the delegation. On 20 April 1949, Acheson informed the delegation that they should now abstain in any vote concerning the resumption of full diplomatic relations or on amendments to the 1946 resolution.¹⁶

Publicly Secretary Acheson claimed in a press release, 11 May 1949, that the US would abstain from a vote in the UN on the Spanish question in order to leave the decision to other countries which had more important interests in Spain. He explained that the US was torn between resuming full diplomatic relations and the undesired gesture of goodwill which would follow the appointment of an ambassador.¹⁷ This statement was welcomed by European allies but caused Spain's diplomats to turn away from the State Department towards relations with the Service Chiefs. Clearly Spain's interests were better represented by the American military than by the State Department.¹⁸ Franco affirmed this in a conversation with an Italian businessman. The Spanish dictator claimed that relations with Truman were much less important than contacts with the American General Staff.¹⁹

With the reverse of instructions for the US delegates Acheson had not only alienated Spanish authorities but also came under pressure at home. He had already told a Subcommittee of the Senate Committee on Appropriations, 5 May 1949, that Washington would honor the UN resolution but pointed out that the US had never ended relations with Spain.

Senators McCarran and McKeller asked Acheson why the US, despite the governmental decision from 1947, still had no friendly relations with Spain, to which the Secretary pointed to the UN recommendation. McCarran then claimed that he had never voted in favour of a UN which would enslave US foreign policy. In return Acheson agreed to Spain's importance and acknowledged that it had been US policy to

16. FRUS 1949, Vol.IV, 20 April 1949, The Secretary of State to the US Mission at the UN, p.740.

17. Secretary Acheson, "US Spanish Policy", in US Dept. State Bulletin, 22 May 1949, Vol.20.

18. PRO, FO371.89479, 27 January 1950, Annual Review for 1949, Mr Hankey.

19. PRO, FO371.89492, 23 March 1950, V. Mallet, Rome.

Chapter 5: 1949/1950 The Policy Changes

reintegrate her into the western community. To McCarran's question whether Spain was essential for the full success of NATO, the Secretary replied that "it is very important. The pact can be successful without it; it can be stronger with it."

From Spain's point of view it was clear that the Spanish Lobby had made progress through contacts in Washington. Only the opposition of the President and the political implications highlighted by the State Department had to be overcome.

During May 1949 when the First Committee was discussing for a third time the Spanish Question, a new Polish proposal was handed in. This document accused the Anglo - Americans of improving their relations with Spain. It also recommended ceasing all exports of arms and strategic material and instructed nations to refrain from signing agreements or treaties with Spain. Obviously it ran counter to the instruction and interests of the US and other Western nations. Thus it was quickly rejected on the 7 May. A counterproposal by Bolivia, Brazil, Colombia and Peru was handed in. This proposal outlined the failure of the 1946 resolution and aimed at giving "member states full freedom of action as regards their relations with Spain." On 9 May it was discussed in the General Assembly. On 11 and 16 May the two proposal came up for a vote in the General Assembly, both failing to get the necessary majority. The Polish vote was 6:40 and the vote on the Latin American proposal was 26:16.²⁰ All NATO countries, except Denmark and Norway, supported or abstained.

Despite receiving more votes in favour than against, the final outcome of the vote on the Latin American proposal did not achieve the necessary 50% of all possible votes nor the two third majority of all votes cast and was thus turned down. Yet Spain's supporters in the UN had grown in numbers. In 1946 only six nations had voted for Spain. 1947 saw an increase to sixteen; now, three years after the December Resolution condemning Spain, twenty-six states supported that country.

The economic situation in Spain remained dire. Despite improved commercial relations with European nations and an increase of trade, Spain's domestic economic

20. FRUS 1949, Vol.IV, Polish Proposal A/C1/452 and Latinamerican proposal A/C1/450, p.742n.

Chapter 5: 1949/1950 The Policy Changes

position did not improve notably and had to face another serious crisis during 1949. A drought had caused serious problems for wheat farmers. To cover the necessities, Madrid was forced to turn to the foreign market. The British Vice-Consul in Melilla assured the Foreign Office that in the area of Malaga and Torremolinos the economic conditions had not been worse since 1932. Lack of rainfall also meant that not enough electricity was produced, which impeded industry.²¹ Barcelona had only 6 hours of power per week and the textile mills in Catalonia had to introduce a two day working week. The rail system was in disarray. Sometimes on crowded routes, travelers had to crawl through windows to get aboard and the transport fares consisted of the official price plus black market costs. The black market also drove up olive oil prices from 6 pts per liter to 20 pts. The Rastro, the famous Madrid flea market, was full of stolen and smuggled goods. The market of demand and supply was undermined by rules, registrations and restrictions on the one side and smuggling, crime and the black market on the other.²² This endangered payment for Argentinean imports and finally led to the collapse of the Franco - Perón Protocol. Under this protocol Spain had received a total of pesetas 11 billion and had returned only 300 million in goods. As the gap grew, authorities in Buenos Aires became more and more nervous. Finally Argentina decided to end exports to Spain. The conflict between the two nations was over the perception of the protocol. For Spain the trade agreement was a political agreement, for Argentina it was an economic one. After its collapse Spain faced a food shortage. In order to feed the country, Franco required at least an extra 500,000 tons of wheat. The payment for these imports were initially financed through a \$25 million loan of the Chase National Bank. A deposit in gold was required and Spain had to pay 5% interest on the loan. It was hard to see how Spain would be able to pay back this loan without US aid, as in

21. PRO, FO371.79719, January 1949, Monthly Economic Report; also FO371.79729, 7 December 1949, Effects of the drought on the food situation; and FO371.79729, 21 July 1949, Vice-Consul, Melilla.

22. Alvarez del Vayo, "Franco Spain: ERP or Bust", in Nation, 20 November 1948, Vol.167.

Chapter 5: 1949/1950 The Policy Changes

trade so far she had never exported more than \$50 million annually to the US.²³

The situation was so desperate that the American Embassy in Spain claimed that the Spanish economy was about to collapse. The drought from September to January had been a staggering 40% below the average rainfall. Culbertson predicted in February that this would result in poor crops and lack of electricity. The Chargé feared that this could lead to disaster which was not in the interest of Britain, France or the US. Thus he recommended that the Export - Import Bank should negotiate loans and that the US should increase trade and investment in Spain.²⁴

The State Department in Washington had its economic policy towards Spain under study since January 1949. Following Culbertson's description of Spain's economic collapse, Willard Thorp, the Assistant Secretary of State for Economic Affairs, sent a memorandum, 25 March 1948, to Under Secretary of State Webb in which he recommended normalizing relations with Spain. He wanted the US Embassy in Spain: "to inform the Spanish authorities that the Department no longer objects in principle to the filing of applications with the Export Import Bank for exporter credits or direct loans to Spanish agencies or enterprises." On 11 April, Truman approved Thorp's memorandum.²⁵ Two days later, Acheson sent the instructions to Culbertson. "It is realized in [the] view reported [on the] economic situation [in] Spain [that] assistance from [the] Ex - Im Bank could be very helpful." The Export Import Bank would consider Spanish applications on the same financial grounds as those from other countries. It was not an assurance of credits for Spain because there were still many impediments. The State Department believed that before any credits for Spain would be financially sound, she had to abandon her currency policy, barriers against foreign

23. PRO, FO371.79738, 11 February 1949, Grant by Chase National Bank.

24. FRUS 1949, Vol.IV, 17 February 1949, The Chargé in Spain to the Secretary of State, p.729.

25. FRUS 1949, Vol.IV, p.735n.

Chapter 5: 1949/1950 The Policy Changes

capital and INI's influence on the economy.²⁶ It did not take long for US newspapers to speculate that applications for credits from Spain would be approved.²⁷

Promptly on 17 May, Andres Moreno, Chairman of the Banco Hispano - Americano, talked to representatives of the Export Import Bank explaining that Spain needed \$600 million for consumer goods, \$675 million for capital investment and \$200 million for cotton, soy bean oil and wheat. The Bank rejected this on the grounds that Spain lacked repayment securities. Spain's food supply was about to collapse. In desperation, Andres Moreno had four more meetings in May with the Export Import Bank managers. He asked for a minimum credit of \$200 to \$300 million and pleaded for a mission by the Bank to Spain. The Bank believed a mission to be premature and thought that considerable investigations had to be conducted beforehand. On the other hand, the Bank mentioned that credits for cotton from the US might be extended to Spain. This would naturally secure US exporters large market shares in Spain against Egyptian and Brazilian competition.²⁸ On the other credits, the American Bank continued to believe that Spain lacked the ability to repay and Truman personally did not favour loans by the Export Import Bank to Spain.²⁹

A paper by the State Department explained why Spain was not a member of the Marshall plan. It argued that western countries were against close Spanish - American relations due to internal pressure in these countries and fear of growing USSR propaganda on the subject. And as long as Spain was not a member of the Western European defense arrangements, the US could not enter bilateral agreements undercutting the rest of Europe. The conclusion of the report was that Spain's political,

26. FRUS 1949, Vol.IV, 13 April 1949, The Secretary of State to the Embassy in Spain, p.735; also PRO, FO371.79739, 23 April 1949, State Department views on American loans to Spain.

27. NY Times, 3 May 1949; Wall Street Journal, 4 May 1949.

28. NA, Civil Branch, Lot Files 59D108, 17 May 1949, Exim Bank discussion on Spain; also PRO, FO371.89479, 27 January 1950, Annual Review for 1949, Mr Hankey.

29. FRUS 1949, Vol.IV, 20 May 1949, The Secretary of State to the Embassy in Spain, p.744; also PRO, FO371.79739, 3 June 1949, Washington Embassy to London.

Chapter 5: 1949/1950 The Policy Changes

economic and military integration into Western Europe was desired but that changes in Spain had to precede this.³⁰

That same summer, Culbertson decided to leave Madrid in early August 1949 to join the Spanish elite in the holiday resort of San Sebastian. There he expected to be closer in contact with the administration than in the capital which traditionally emptied during the hot summer months.³¹

He had become enchanted with Spain. His reports turned more pro-Spanish as time went by. In a memorandum dated 22 June 1949, he claimed that democracy in Spain was only possible in the far future because Spaniards had always been very individualistic. He claimed that "the present Spanish regime is no worse than its predecessors" and condemned the current American economic policy towards Spain. As for Franco's evolution, the Chargé wrote, "Franco takes no measures of an evolutionary character, and without evolution revolution is possible."³²

Culbertson's report had little effect in the US. A memorandum was sent to the Secretary of State which suggested that the US should continue her policy in the UN regarding Spain.³³ In a conversation between Bevin and Acheson, the British Foreign Minister expressed the same view as his American counterpart, trying to avoid the Spanish topic as far as possible.³⁴

However, in the State Department, an official wrote that Spain's "present political quarantine is an impediment to realistic U.S. planning on a global, European or even Atlantic scale." Hoping that under Franco a middle class might develop, some

30. FRUS 1949, Vol.IV, 25 May 1949, Paper Prepared by the Foreign Assistance Correlation Committee, p.748.

31. NA, Civil Branch, Lot Files 59D108, 16 August 1949, Culbertson to Ted Achilles.

32. FRUS 1949, Vol.IV, 22 June 1949, The Chargé to the Secretary of State, p.750.

33. FRUS 1949, Vol.IV, 2 September 1949, The Assistant Secretary of State for European Affairs to the Secretary of State, p.756.

34. FRUS 1949, Vol.IV, 14 September 1949, Memorandum of Conversation by the Secretary of State, p.758.

Chapter 5: 1949/1950 The Policy Changes

in the State Department suggested a program of assistance to be extended to Spain. At the same time information was to be exchanged.³⁵ Indeed soon thereafter the US Information and Educational Exchange Program, USIE, intensified and extended its activities in Spain.³⁶

Nevertheless, the President was unmoved. Truman stated in a press conference, 2 June 1949 that he would not favour a loan by the Export - Import Bank to Spain.³⁷ On 13 July 1949, Acheson expressed himself against the loan and referred to it as a bad credit risk. The very next day President Truman described Spanish - American relations as not friendly. Before loans from the Export Import Bank were to flow to Spain, certain monetary changes in Spain had to take place.³⁸ Truman was not alone. The Acting Secretary of State Webb agreed in a meeting that no loans should be granted to Spain.³⁹ Yet McCarran continued his efforts in Congress. Former Secretary for Interior Harold L. Ickes wrote that McCarran was trying to "raid the United States Treasury in behalf of Generalissimo Franco". For Ickes, McCarran had disgraced the US Congress and he called him an "undesirable member of Senate" and a "socially retarded".⁴⁰ The \$50 million loan to Franco, so Ickes accused, was only to maintain the Spanish "trigger-happy" soldiers in luxury.⁴¹ In early April, McCarran's amendment to the Foreign Aid Appropriation Bill was eliminated in the Senate. Spain failed to receive credits from the US government.

There was also some pressure on the State Department by prominent people in the US not to grant credits to Spain through the Export Import Bank. These included

35. NA, Civil Branch, Lot Files 59D108, 28 September 1949, S.Bradford to War Adams.

36. NA, Civil Branch, Lot Files 59D108, 5 October 1949, Note by Williams.

37. Public Papers of the Presidents of the USA: Truman, Washington, Doc.113.

38. NA, Civil Branch, Lot Files 59D108, 18 October 1949, Thompson on Spain.

39. FRUS 1949, Vol.IV, 7 June 1949, Memorandum by the Acting Secretary of State, p.750.

40. Ickes, "Senator McCarran and the ECA Bill", in New Republic, 1 August 1949, Vol.121.

41. Ickes, "State Department Shell Game" in New Republic, 8 August 1949, Vol.121.

Chapter 5: 1949/1950 The Policy Changes

Leonard Bernstein, Alfred Einstein, Rita Hayworth, Thomas and Heinrich Mann and Orson Welles.⁴²

Madrid continued its efforts to secure financial aid. The Conde de Marsal, a wealthy and influential businessman from Madrid with close ties to the government, got in contact with the State Department. He wanted to submit four or five projects totaling between \$50 and \$60 million. The American Director of the Office of Western European Affairs, Achilles, argued in this conversation that there existed trade and exchange rate problems due to excessive control by the INI. As an example he gave the Barcelona Traction Company, owned by foreign shareholders, which had been declared bankrupt despite making profits.

The Conde de Marsal replied saying that Spain would prefer money coming directly from the US rather than being included in the Marshall Plan. He justified government intervention in the economy claiming that economic hardship had forced these policies upon Spain.⁴³

In the US, the Spanish Lobby increased its activity. In April 1950 the Spanish government contracted the very respectable law firm Cummings, Stanley, Truitt and Cross as its American counsel.⁴⁴ The Lobby had sought members working closely with ITT and oil companies. The California Texas Oil Company had been in contact with the Empresa Nacional Calvo Sotelo, an offspring of the INI, to negotiate a project of refineries near Cartagena.⁴⁵ The Lobby was also in close contact with people in the wheat and cotton industry. In September it successfully brought McCarren and Admiral

42. NA, Civil Branch, Lot Files 59D108, 10 January 1950, Letter "Spanish Refugee Appeal of the Joint Anti-Fascist Refugee Committee".

43. FRUS 1949, Vol.IV, 1 November 1949, Memorandum of Conversation by Williams B. Dunham of the Office of Western European Affairs, p.763; further information in NA, Civil Branch, Lot Files 59D108, 4 November 1949, H.Arey, Vice-Chairman, Ex-Im Bank, Conversation with Conde de Marsal.

44. JFD Papers, Box 50, 26 April 1950.

45. PRO, FO371.79739, 7 July 1949, Note on American - Spanish commercial relations.

Chapter 5: 1949/1950 The Policy Changes

Conolly to Spain.⁴⁶

Lequerica had initially concentrated on improving relations with the Republican party and therefore after the reelection of Truman, he was sidelined by the Democratic government. With no alternative he concentrated on Congress. The State Department wanted him to leave the country but he was already too well dug in. James J. Murphy, a Democratic Representative from New York, visited Spain and called Franco a "very lovely and lovable character." The Democratic Senator Chavez from New Mexico declared while on a trip in Europe that Spain should receive military and economic help to aid Western European security. During early February of 1951, John F. Kennedy, then Democratic Representative for Massachusetts, visited Spain and met several Spanish officers including Major-General Jose Ungria Jimenez and Major-General Martinez Campos.⁴⁷ Joseph L. Pfeifer, Democrat from New York, had told the press that Spanish-American relations were "a matter not simply for the United States to settle. It is in the last analysis a question for Spain and the Spanish people to settle." Thomas Gordon and Clement Zablocki, both Democrats from Illinois and Wisconsin respectively, supported Pfeifer's statement. It is clear that these Democrats in Congress did not agree with the policy of the Truman administration.

Senator Owen Brewster, on 10 March 1950, pointed towards Spain's role during Operation Torch and outlined a report by Max Klein, a prominent member of the Chamber of Commerce in Spain, on religious freedom, as proof of Franco's relatively liberal government.

James Richards, the Chairman of the House Foreign Affairs Committee, had visited Spain together with other Representatives including Mr Keogh, a supporter of the Spanish and Catholic cause in Congress. The two had been the unfortunate victims of a robbery of \$5,000 while traveling on a train from Barcelona to Zaragoza.

46. NA, Civil Branch, Lot Files 59D108, 10 March 1949, Suanzes to Culbertson.

47. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 8 February 1951, AA Spain to Army Chief of Staff.

Embarrassingly for the two the thief also decided to take all their trousers, leaving them with little to wear during the meetings in Zaragoza.⁴⁸ Despite this unfortunate experience on their trip, James Richards had become an ardent supporter of Spain and pointed out that some countries receiving aid from the US were just as totalitarian in nature as Franco's regime. All this sudden interest in Spain was the result of the Lobby. It gave McCarran the hope of pushing through a new \$50 million loan program to Spain under the Economic Cooperation Act.

The barrier that was going to complicate McCarran's efforts was the fact that the President took the ultimate decision whether a nation would qualify for aid under the European Cooperation Administration.

On the Spanish question in the UN, the Spanish Lobby strongly opposed the abstention vote in May 1949. A booklet by the Madrid Diplomatic Office published in 1949 called for a rectification of the UN 1946 resolution. It stressed Spain's opposition to Communism and pointed out that Spanish Francoism, unlike Fascism or Nazism, was based on Church and Army as well as Party. The authors of the booklet also wrote: "Spain's neutral position [during the war]... decisively favoured the Allies."⁴⁹ It was a blunt propaganda publication trying to justify Spain's selfish actions of the past.⁵⁰ It neatly summarized the Franco myth.

Naturally, this did not convince in Washington. Dr Lloyd V. Berkner, Special Assistant to the Secretary of State and Chairman of the Foreign Assistance Correlation Committee, reexplained the decision to leave out Spain in military assistance programs over the past. This was done, he analyzed, because "greater damage would be done to the morale of Western Europe by creating a condition to which certain countries in Western Europe [France and Britain] ... would gravely disagree." He claimed that despite strong trade links "Spain is not an integral part of the North Atlantic Pact."

48. PRO, FO371.79706, 6 October 1949, Washington Post.

49. Diplomatic Information Office, Spain and UN accusations, p.40.

50. Diplomatic Information Office, Spain and UN accusations, p.8-57.

Overall it was for Berkner just an adding up of implications and the result was "with respect to our total security position... there would be a greater loss because of the influence of providing aid to Spain on the other countries"⁵¹

However, Acheson was told by his man in Madrid that US policy towards Spain had to change. Culbertson analyzed that Franco was not going to step down due to the economic situation. He claimed that the Monarchists had not enough power to force Franco down because they feared an interference with their property. As for the armed services, Culbertson thought that they would be willing to stage a revolt if they believed that a restoration would come about but fear of the unknown held them back. Culbertson believed that only strong support by the US for the government in exile and other opposition groups would break the deadlock.⁵² Culbertson concluded that only a change of the December resolution and favourable relations with Franco could bring about changes within Spain.⁵³

International events underlined this interpretation. The fall of China to Communism in September 1949 increased the pressure of the emerging Cold War and thus made Spain's military cooperation more urgent.⁵⁴

At the same time as the political question of Spain was coming under reconsideration in Washington, the military continued their quest for Spain's integration. In a report on military aid priorities, Spain was listed in the third most important category out of seven. It had become as important as Denmark, Norway, Portugal and Sweden. Yet the program also said that aid could only be granted to Spain

51. Joint Hearings held in Executive Session before the Committee on Foreign Relations and the Committee on Armed Services Senate, Executive Session, 11 August 1949, Washington, 1974.

52. FRUS 1949, Vol.IV, 9 November 1949/ 30 December 1949, The Chargé in Spain to the Secretary in Spain, p.766/768.

53. FRUS 1949, Vol.IV, 3 October 1949, The Chargé in Spain to the Secretary of State, p.759.

54. Olive Holmes, "New Pressure may alter US Policy on Spain" in Foreign Policy Bulletin, 20 January 1950, Vol.29.

Chapter 5: 1949/1950 The Policy Changes

if the political orientation of Western Europe changed.⁵⁵ Spain was assumed to be a potential ally in case of war against the USSR.⁵⁶ In particular the US Navy was hoping strongly to gain bases somewhere in the Mediterranean to establish a permanent headquarters for the Sixth Fleet.

The US was also looking for new markets on which to sell surplus products. Spain offered a very attractive option had it not been for certain domestic trade limitations.⁵⁷

Trade with the US could have been expanded if the Spanish government removed its control over the economy. The Import Export Bank wanted to use credits as a quid pro quo to soften Franco's hard line on foreign investment.

There was a trend to interpret the restrictions on military trade with Spain rather loosely. The State Department for example justified the export to Spain of Jeeps without four-wheel drive as legal because they were not classified as arms and thus required no license.⁵⁸

On the political side, Mr John Kee, chairman of the House Foreign Affairs Committee, expressed his criticism on the December resolution. The withdrawal of Ambassadors had not weakened Spain and a reestablishment of full diplomatic relations should have brought benefits. Mr Kee said that this should be done through the United Nations. Senator Hickenlooper argued that Spain was an easy place to get aid from in case of war, easier than any communist country like Yugoslavia.

Acheson continued to argue strongly against this:
"If anyone believes that Franco will be a loyal and true ally, all he has to do is to study

55. FRUS 1949, Vol.I, 18 August 1948, Report by the SANACC Subcommittee for Rearmament, p.259.

56. FRUS 1949, Vol.I, 1 June 1949, Basic US Security Resources Assumptions, p.339.

57. NA, Civil Branch, State Department Decimal File 1950-1954, 452.00/2-2651, William Dunham from Sterling Surrey, Spain 1949.

58. NA, Civil Branch, State Department Decimal File 1950-1954, 752.56/5-2650, 26 May 1950, Acheson to London Embassy.

Chapter 5: 1949/1950 The Policy Changes

the situation in the last war. There never was a situation where anyone went overboard to declare his undying fidelity to two people as Franco did to Hitler and Mussolini. He was their ally from hell to breakfast and back again, and he never did anything for either of them during the war that was not wrung out of him, and he never did anything for us that was not wrung out of him, and he never considered any problem except from the point of view of his own self interest... by making love to this fellow you are not going to get bases from this fellow anymore than Hitler did.⁵⁹

For the Secretary of State US policy could not change without a notable change in Spain as well as a change of public opinion in favour of Franco.⁶⁰

Acheson held on to a policy which no longer was popular or realistic. Some American businessmen were already contemplating selling military items to Spain and making a profit by doing so. In March the State Department authorized the export of 42 military planes. In October a merchant named Cesare Sabatucci filed for a permit worth \$400,000 for US surplus airplane engines which he wanted to sell on to the Spanish army for more than \$700,000, giving him a profit of \$300,000.⁶¹ The Dutch company Phillips was selling radar fire control equipment to Spain. Britain was losing export markets in Spain because she was unable to prevent patents being bought and exported to Spain by third nations. While Britain refused to sell 200 Merlin engines, France seized the opportunity and supplied them with 200 Jumo engines and Germany sold 150 BMW 132A aero engines to Spain. Likewise UK's Land Rover was not allowed to be exported to Spain while the US was selling 200 US Jeeps which Franco proudly presented in military parades. France helped Spain build nine destroyers at El

59. Selected Hearings held in Executive Session before the Committee on Foreign Relations Senate, Vol: Review of the World Situation 1949-1950, Acheson, 10 January 1950, Washington, 1972-1976.

60. FRUS 1949, Vol.IV, 31 October 1949, Secretary of State to the Embassy in Spain, p.762.

61. NA, Civil Branch, State Department Decimal File 1945-1949, 852.24/10-2649, 26 October 1949, Department of State Acheson to Embassy Madrid; also PRO, FO371.89565, 27 March 1950, Chancery Washington.

Chapter 5: 1949/1950 The Policy Changes

Ferrol.⁶² By the beginning of 1950 trade restrictions with Spain were easily bypassed and trade relations became a scramble for lucrative export opportunities to Spain.

Britain was using the "end-item" criterion when deciding on exports, ie. who would in the end use the item and not who in Spain paid and received the item in question. The US and others did not use the "end-item" criterion, giving them an edge over British exporters. Even so, the State Department Munitions Division initiated a review of export restrictions to Spain hoping to relax them even further.⁶³

Trade relations generally improved. Raw cotton exports to Spain reflect the development of the relations between the US and Spain. In 1945, Spain imported 66% of its cotton from the US, 18% came from Brazil and 6% from India. Over 1946 relations between Spain and the US worsened as Spain was ostracized and by the end of the year only 44% of Spain's raw cotton came from the US, 43% came from Brazil and 7% from India. This meant extra costs for Spain and thus the total of raw cotton imports fell to 61% compared to 1945. At the end of 1946, the UN had passed the resolution and American trade with Spain fell dramatically. In 1947 Spain imported less than 2% of its raw cotton from the US. Brazil made up more than 40%, India around 40% and Egypt 14%. The total imports of raw cotton had fallen to less than half compared to 1945. In 1947 the US exported less than 1% of its original exports of raw cotton to Spain. After 1947, relations improved with Spain and so did the cotton trade. In 1948, the US had regained 8% of cotton imports to Spain. Brazil made up 53% and India and Pakistan made up for 24%. As American imports increased so did Spain's total amount of cotton imports. In 1948 Spain had increased cotton imports to 136% of its 1947 level. In 1949 the trend continued, the US now made up 31% of Spain's cotton imports. Spain imported twenty-four times more cotton in 1949 than in 1947. Brazil

62. PRO, FO371.89564, 5 January 1950, FO Minute by Mr Lawrence; 20 January 1950, J.W.Russell; 25 January 1950, Chancery Madrid; FO371.89565, 25 April 1950, British Embassy, Washington; FO371.89566, 2 May 1950, FO Minute by Mr Young; 17 May 1950, Chancery Madrid.

63. PRO, FO371.89565, 13 April 1950, Sir O'Franks, Washington; FO371.89566, 15 May 1950, Chancery Washington.

only made up 43%, Egypt 12% and India and Pakistan 7%.⁶⁴ In 1950 the US had regained its first position, making up 52%, while Brazil only made up 20% of all of Spain's raw cotton imports.⁶⁵

Commercial relations between Spain and other European nations also improved. By 1948 Britain had seen her 16% (1932) market share of the Spanish automobile sector drop to only 1.2%. Yet in 1950 this had increased to an amazing 35%. In 1948 France had imported goods worth 19 million pts and exported to Spain 64 million pts. One year later this trade had increased to imports of 129 million pts and exports worth 132 million pts. Italian owned Fiat constructed a factory near Barcelona after the Spanish government had increased foreign permitted capital participation in some companies from 25% to 45%. International air travel too expanded. British Airways and Pan Am now flew to Barcelona three times weekly from London and New York, respectively. Air passengers increased from an average monthly 20,500 in 1949 to 27,000 in April 1950.⁶⁶

As the year 1949 came to an end, Secretary Acheson was receiving more and more reports urging him to reconsider his position towards Spain. Artajo's visit to Rome during the last days of 1949 implied that the Italian authorities would not object to a reversal of the UN 1946 resolution.⁶⁷ In the US, many Congressmen encouraged Acheson to take action. Congressmen Buchanan (Pennsylvania), Chatham (North Carolina), Colmer (Mississippi), Green (Pennsylvania), Poage (Texas) and Richards (South Carolina) all supported Spain. The Secretary was advised in this point by his counselor Kennan, who told him that the Spanish problem had been exaggerated and

64. NA, Civil Branch, State Department Decimal File 1950-1954, 452.006/12-450, 4 December 1950, Consul Barcelona to State Department.

65. NA, Civil Branch, OIR Report 6211 Analysis of Spanish Foreign Trade, 9 March 1953.

66. PRO, FO371.89524, Monthly Economic Report, January, March, May, August, 1950; also FO371.89526, 19 March 1950, Hankey, Madrid.

67. PRO, FO371.89492, 5 January 1950, Sir V. Mallet, Rome.

Chapter 5: 1949/1950 The Policy Changes

change was possible.⁶⁸

Finally, on 18 January 1950, the Secretary of State wrote to Connally, the Chairman of the Senate Committee on Foreign Relations that the US would abstain in the Political Committee or vote in favour of the resolution "in the interests of harmony and of obtaining the closest possible approach to unanimity in the General Assembly on the Spanish problem." He continued saying that "in our view, the withdrawal of Ambassadors from Spain as a means of political pressure was a mistaken departure from the established principle. It is traditional practice, once a state has been formally recognised, to exchange Ambassadors or Ministers and is usually without political significance." For the US, the prestige of the UN was clearly more important than the ban on ambassadors. Opposition to Spain in the UN had decreased dramatically and it was time for a change. As a justification the Secretary pointed towards the 9th International Conference of American States in Bogotá which had passed a resolution reading: "the establishment or maintenance of diplomatic relations with a government does not imply any judgement upon the domestic policy of that government." Acheson concluded that the US should continue to try to get Spain to change and to integrate her into the West where she belonged, but full relations were nevertheless to be resumed. The new policy towards Spain would open up new possibilities for American business. Government credits would be granted for specific and economically justifiable projects only.⁶⁹

This argument was to become the official stance of the administration. Spain was still to be excluded from Mutual Defense Assistance Program. She had to democratize before aid would be sent. As the program was administered through the European nations, Spain was excluded. Given European feeling, Spain's integration would weaken the "collective effort to safeguard and strengthen democracy" in

68. FRUS 1950, Vol.I, 6 January 1950, Memorandum by the Counselor to the Secretary of State, p.127.

69. A Decade of American Foreign Policy: Basic Documents, P.1690, also in FRUS 1950, Vol.III, 18 Jan 1950, The Secretary of State to the Chairman of the Senate Committee on Foreign Relations.

Chapter 5: 1949/1950 The Policy Changes

It was asserted by Washington that to approach Spain would worsen her relations with the rest of Europe. Furthermore, a military bilateral agreement between Spain and the US would inevitably increase French fears of an American withdrawal behind the Pyrenees and thus decrease their willingness to fight.⁷⁰

While some Congressmen welcomed this new approach to Spain. Others like La Follette expressed their concern. He wrote that "if it [the letter to Connally] was made in an attempt to quiet critics of the recently announced policy on Formosa we think the price is too high."

The American press, while generally accepting the necessity to change the UN 1946 resolution, was almost evenly split in their feelings towards Spain. Out of a total of 33 US editorials only six, including the NY Times and the Daily Worker, disagreed with Acheson's position towards a vote in the UN. Eleven wrote that change was necessary but still made it clear that they did not like the Spanish regime. Seven wrote that a change of the UN resolution did not mean cordial relations with Spain. Only the Herald Tribune and eight others expressed that relations with Spain should be cordial in the future.⁷¹

In Moscow the outcry against the US new position was natural. Pravda claimed that Franco's "talents as a torturer and hangman attract to him the sympathies of the American imperialists" and warned that "the imperialists are arming Spain." The paper Red Fleet saw Acheson throwing Franco a "Life Saver" and it was claimed that "US Secretary of State Acheson had stated that the American Government has proposed to Franco to begin negotiations for the conclusion of a treaty of friendship, commerce and navigation."⁷²

London and Paris showed themselves alarmed at the changes of the US policy to

70. NA, Military Branch, G-3 091 Spain, 1950, 17 April 1950, Why Spain is not included in the MDAP.

71. PRO, FO371.89496, 9 February 1950, Press reaction to Mr Acheson's Letter.

72. PRO, FO371.89496, 11 February 1950, Moscow Press.

Chapter 5: 1949/1950 The Policy Changes

Spain. On 20 January 1950, Britain declared its unwillingness to vote against the December resolution and France followed suit. These were hollow threats. Interest in improved relations with Spain had grown in both nations.

One month earlier, the Foreign Office in London reviewed her policy and wrote that "as a general principle it is the view of United Kingdom Government that accreditation of an Ambassador to a foreign government implies neither approval nor disapproval of that government." Yet Spain's particular situation was complicated by the UN resolution from 1946.⁷³ South Africa for example accused Britain of practicing an unrealistic policy by accepting full relations with Peking but not with Spain.⁷⁴

London was well informed about Acheson's letter to Connally. For the Foreign Office this letter only confirmed that the US saw no alternative to Franco and that "Spain is a part of Western Europe which should not be permanently isolated from normal relations with that area."⁷⁵ The logical conclusion would be new discussions in the UN concerning the Spanish problem.

In February the UN General Secretary, Trygve Lie, admitted that he had been wrong on the stance against Spain. He now believed that it was better to talk about a crisis than to ignore it.⁷⁶ This was a similar argument as the one outlined at the Ninth International Conference of American States in Colombia two years before. This did not mean that the General Secretary favoured Spain's full integration into the political system of the US and Western Europe. For him such a step was only possible if certain political changes took place in Spain.

Nevertheless, Acheson's letter to Connally gave hope to Spain and new attempts

73. PRO, FO 371.89500, 20 December 1949, UK Policy towards Spain.

74. PRO, FO371.89500, 13 January 1950, The South African Government's views on UK policy towards Spain.

75. PRO, FO371.89496, 19 January 1950, Acheson to Connally; also FO371.89496, 31 January 1950, FO Minute, Mr Lawrence.

76. FRUS 1950, Vol.II, 25 February 1950, Memorandum of Conversation by the Deputy US representative on the Security Council, p.227.

Chapter 5: 1949/1950 The Policy Changes

were made to obtain credit facilities. Mariano Yturralde, Director General for Economic Affairs of the Spanish Foreign Office, got in contact with Herbert E. Gaston, Chairman and President of the Board of Directors of the Export Import Bank. The Spaniard was trying to push for specific credits for fertilizer plants and for phosphate, lead and zinc mining machinery.⁷⁷

While these credits were being discussed, new military considerations greatly favoured Spain's good relations with the US. The National Security Council report, NSC68, called for a more aggressive foreign policy with respect to a use of conventional forces against the USSR. This implied that West Germany had to be incorporated into NATO and NATO had to secure its Southern flank. Spain's vital importance was highlighted again and it was stated that her geographical position meant that she controlled the main oil trading lines. NSC68 claimed that the USSR could conquer Europe within just days of the outbreak of a conflict. It had been drafted by Paul Nitze under the direction of Dean Acheson and with help from the Defense Department. On 7 April 1950, it was delivered to the President and on 25 April it was discussed in a NSC meeting at the White House.⁷⁸

The coming problems in Korea and the first successful explosion of a Soviet A-bomb made a change of policy necessary. Soviet nuclear capability which had not been expected to be achieved before 1954, made NSC plans before NSC68 obsolete. The fact that the US had lost her monopoly meant that her nuclear threat no longer offset the threat of the Red Army in Europe. The threat of a conventional war would again become a reality, once the USSR had built up its nuclear stockpile and delivery systems. A military invasion of the Red Army could no longer be answered by nuclear strikes. Whole new plans for the use of conventional forces had to be worked out.

For Spain in particular this was good news. All over Europe she was gaining

77. FRUS 1950, Vol.III, 24 January 1950, Memorandum of Conversation by the Director of the Office of Western European Affairs, p.1555; also PRO, FO371.89479, 27 January 1950, Annual Review for 1949, Mr Hankey.

78. McCullough, Truman, p.771.

ground with military planners. The Chiefs of Staff of most NATO countries agreed on the necessity for military bases in Spain. Portugal had even advocated getting Spain into Western European defence planning. Now the military consideration of Europe and the US became the same. Yet Europe continued to have more interest in political implications which relations with Spain would bring about. Closer relations with Spain might have resulted in communist political gains in France and Italy. In Washington bilateral agreements between Spain and the US were discouraged by the State Department. The Department feared that such bilateral agreements ran counter to US commitments in Europe to NATO by implying a defence of the Pyrenees rather than the Rhine. The Office for Western European Affairs decided for the moment to follow the policy of Europe.⁷⁹

The military planners disagreed with this. Bradley, Chairman of the Joint Chief of Staff, argued that not enough importance was given to security and strategic aspects. He claimed that France and the Low countries were unable to defend themselves against the USSR, thus Spain had to be secured as an ally in case of war. Spain was still considered to be the last US defence line on continental Europe during a conventional war. Bradley wrote "if a major war occurs before the Western Powers have the capability of successfully defending France and the Low Countries, the situation may well develop in such a manner that Spain would become the last foothold in Continental Europe." For military logistics, Spain presented the key between the Atlantic and the Mediterranean. Thus the Joint Chiefs of Staff called for either bilateral agreements or integration of Spain into NATO and the Western Union Treaty.⁸⁰ It was considered at the time that Spain was incapable of any effective offensive action or even of defending herself against an attack by modern troops. This was due to obsolete war

79. FRUS 1950, Vol.III, 15 April 1950, Memorandum by the Country Specialist in the Office of Western European Affairs, p.1558.

80. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 3 May 1950 Memo JCS to Secretary of Defense, also in, FRUS 1950, Vol.III, 3 May 1950, Memorandum by the Chairman of the Joint Chiefs of Staff to the Secretary of Defence, p.1560.

material, insufficient modern training and generally the archaic military concepts employed by the Spanish armed forces. The Spanish soldiers had to be retrained to handle modern equipment and officers had to be taught modern warfare theory. Furthermore, it was asserted that Spain had to improve its highways and railroads to be fully effective in case of war.⁸¹

The US military attaché in Madrid received a very detailed questionnaire from Washington on Spain's war material. This was expected to be used in the future for military orders by Spain. Military cooperation improved. On 4 May 1950, the US military authorities in Germany allowed German technical specialists to go to Spain and to help out in the production of fine steels, high explosives and synthetic gasoline. From 6 to 9 May 1950 one American cruiser and three destroyers visited Palma de Majorca.⁸² Yet political reasons complicated these approaches by the armed forces and shortly afterwards the Department of the Navy decided that "for political reasons no further naval visits to Spain should be planned for the balance of this year."⁸³

The military was nevertheless convinced that "from a national security point of view, Spain is as important to the United States as several of the countries in the North Atlantic Pact."⁸⁴

Undoubtedly this put pressure on the State Department in Washington. On one side military considerations were in favour of improved relations with Spain, on the other cooperation with European allies was not guaranteed despite their military interests in Spain. Dunham from the State Department recommended that the Spanish problem should be put on the agenda for Acheson's visit to London. Hopefully this

81. NA, Military Branch, G-3 091, Spain, 1950, 31 May 1950, Numerical Strength and Effectiveness of the Spanish Armed Forces.

82. PRO, FO371.89496, 25 January 1950, Mr Harkey, Madrid; FO371.89497, 11 May 1950, US warships visit to Palma de Mallorca.

83. NA, Military Branch, Classified Correspondence of Secretary of Navy Francis P. Matthews, 1949-1950, 11 May 1950, James Webb to Matthew.

84. NA, Civil Branch, NSC 72 Background Information, 11 January 1950, J.H. Burns to Admiral Soures.

Chapter 5: 1949/1950 The Policy Changes

would lead to cooperation with France and Britain in a joint policy towards Spain. London agreed.⁸⁵ In these talks it became obvious that the State Department was willing to give in to military interests. Dunham argued that the political and economic situation in Spain was due to history and not to Franco and that these conditions required the rule of a strong regime. He claimed that Franco was tolerated and no political change would take place without a military conflict or a serious deterioration of the economic climate. Dunham speculated that if the Spanish economy was to continue to worsen then a breaking point might be reached which would result in riots. Initially he still expressed his fear in a Communist threat to Spain but after further discussions he abandoned this. The Foreign Office noted that Dunham had been under pressure from the Pentagon to improve relations with Spain and to get London to approve such a policy.⁸⁶

Political considerations by the State Department in Washington had given way to military arguments. Their representative in Madrid argued that the US should study "the Spanish problem from a practical, even selfish, point of view." For Culbertson the policy to eliminate Franco was unrealistic and hoping for an economic collapse was futile. Thus evolution, he asserted, was only possible through acceptance of the regime. The Chargé wrote: "So long as we spit in the eye of the guy who has it in his power to bring about evolution, we can expect little progress."⁸⁷

On 6 June 1950, General Bradley was asked in an Executive Session of the Senate Foreign Relations Committee by Senator Vandenberg if he believed that the President should have the possibility to increase the number of those in receipt of the Mutual Defense Assistance Program. The General answered that it was up to the Committee to decide on that issue but he also pointed out that he did not believe that

85. PRO, FO371.89497, 6 April 1950, US Policy towards Spain.

86. PRO, FO371.89497, 4 May 1950, US Policy towards Spain: 22 June 1950, US Policy towards Spain.

87. FRUS 1950, Vol.III, 20 June 1950, The Chargé in Spain to the Secretary of State, p.1563.

Chapter 5: 1949/1950 The Policy Changes

Spain would hold out very long if she was attacked by Soviet troops. General Bradley and the Joint Chief of Staff though believed that despite Spain's geographical position and its exclusion, the Mutual Defense Assistance Program had a sound military basis and supported the strategic concept for the defence of the North Atlantic area. He argued that the reason why Spain was excluded and the US military was not pushing hard for a change of Spain's position was because "it would be a great pity and it would be very discouraging to the French" if the "French were ever to get the impression that we intend to fall back of the line of the Pyrenees and stand there?"⁸⁸ At this moment the Joint Chiefs of Staff hoped that the State Department would no longer oppose close relations with Spain but would wholeheartedly concentrate on improving relations between America's European allies and Spain.

On 8 June 1950, the Secretary of Defense issued NSC 72. It argued that because France would now or during the next several years be defendable, the US and allies should "take proper steps to assure that Spain will be an ally in [the] event of war." The paper outlined the military advantages of Spain and it recommended that the State Department should assure that Spain would be militarily accessible and cooperation would be unproblematic. The State Department should also overcome possible objections by France and Britain.⁸⁹

At first glance this seemed strange because if France was defendable by NATO troops, the importance of Spain was greatly diminished as a last foothold in Europe. Nevertheless, if France was now defendable, a bilateral agreement with Spain would not create fear and suspicion in other NATO countries about a withdrawal from central Europe. Bilateral agreements would no longer offend European allies and had become a possibility. The State Department used this argument to encourage its European allies to improve relations with Spain.

88. Executive Session of the Senate Foreign Relations Committee, Vol.II 81st Congress 1st 2nd Ses. 1949-50, 6 June 1950, Mutual Defense Assistance Program, Statement by General Bradley, Washington, 1976/77.

89. NA, Civil Branch, NSC 72, 8 June 1950, Secretary of State.

For Washington, any bilateral agreement with Spain required sufficient funds to attract interest in Madrid. This question came up in Congress. On 19 June 1950, the Senate discussed the Amendment to the Mutual Defense Assistance Program which was to give the President the right to provide "military assistance to any other European nation whose increased ability to defend itself the President finds contributes to the preservation of the peace and security of the North Atlantic area". Trying to limit political complications with its European allies, the State Department in Washington, represented by George Perkins, wanted to limit the President's power and thus decrease the likelihood of a rapprochement with Spain in two ways. Firstly, military assistance should only be granted to "other free European nations" and secondly the President should only do so "after consultation with the governments of other nations which are members of the North Atlantic treaty".

The second amendment was passed but it was made clear that the President was to consult and consult only before making his own decision. Discussions on the first proposal were more complicated. "Free" might have included Finland, Sweden and Switzerland but would have put Spain and Austria in a borderline case and would almost definitely exclude Yugoslavia. "Non-Communist" was also dismissed because it clearly excluded Yugoslavia. "Non-fascist" was also dismissed because as Senator Gurney pointed out "we must have every friend we can get." There seemed to be only one possibility left, leave the proposal out altogether, let the President make the final decision.⁹⁰ This the Senate decided to do and thus tacitly sided with the military and against the State Department. The only serious barrier left hindering economic aid to Spain under the bill was the President's personal opinion.

90. Executive Sessions of the Senate Foreign Relations Committee, Vol.II 81 Congress 1st 2nd Ses. 1949-50, 19 June 1950, Mutual Defense Assistance program, Sec 408(c) Amendment, Washington, 1976/77.

Chapter Six

Korea and New Concerns

On 21 June 1950, George F. Kennan told Mr Cannon, a Counselor to the State Department, that the USSR would not invade Spain because Spain was ideal for guerrilla resistance and thus Soviet supply lines would be stretched over the limit. If this was so, Spain had little interest in joining the US in military plans. Kennan claimed that "no political concessions made now to Spain will bring us some sort of a military gratitude, or, indeed anything other than new excess of Falangist arrogance."¹ This reluctance to approach Spain by policy planners in Washington was swept away that very same month.

On 25 June 1950, the Korean War broke out. Under the leadership of Kim-Il-Sung, the troops of North Korea overran the sparsely defended border of South Korea and rushed towards the capital Seoul. Political circles in Washington already wanted to change American foreign policy but had lacked the popular support to do so. The military budget had been increased in 1949 to \$15.9 billion but NSC68, a decision on national security, demanded an increase to as much as \$50 billion. Congress had been reluctant to support this policy. Korea changed all that. The military got its way and overseas bases grew in numbers. In 1949 the US had 258 bases in Canada and Europe. Four years later in 1953 there were 446. The same can be observed worldwide, 582 bases in 1949, 815 in 1953.

Naturally, relations with Spain were affected by this. Senator Harry Cain from the Armed Forces Committee, visited Spain and held friendly conversations with Franco and Artajo. He wanted to assure Madrid's support in case of war.² However, political considerations still weighed heavily. After pressure from the Pentagon, the State Department argued, on 30 June that "politically, Spain is considered by many important elements to be alien to the underlying purposes of this policy. Any action by the US to bring about the participation of Spain would cause dissension and controversy

1. NA, Civil Branch, Lot File 64D563, 21 June 1950, George F. Kennan to Mr Cannon.

2. PRO, FO371.89497, 17 August 1950, US Spanish Relations.

Chapter 6: Korea and New Concerns

among our allies, thus weakening rather than strengthening the collective effort.³

The Secretary of Defense, Louis Johnson, stressed that France and the Low Countries were unable to defend themselves against an attack by the USSR, thus Spain had to be won over as an ally in case of conflict. In order to assure this, Spain had to be integrated either through NATO, the Western European Union or bilaterally. Acheson believed that the Secretary of Defense had based his argument on the theory that "the NAT[O] countries could not... defend France and the Low Countries successfully in event of Soviet attack" and thus he countered in his response, NSC 72/1, that the whole NATO planning had been based on the assumption that no conflict would occur before 1954 and that NATO was meant to prevent and not to win a war. He concluded that agreements with Spain would weaken the collective security of Western Europe and French and British opposition had to be overcome first.⁴

Many in the State Department disagreed. Already in May a paper on Spanish policy by William Dunham and James Wilson argued:

"In the light of the intensification of the "cold war", the potential military importance of Spain... [has] increased in importance to such a degree that the security interests of the U.S. and the NATO nations now require that a program... should be put into effect, despite political objections, in order to provide at least for indirect Spanish cooperation within the western European strategic pattern."

Only in December 1950, after China's involvement in Korea threatened UN defeat, was this allowed to be forwarded from the State Department to the National Security Council.

The US Army had already concluded that "In view of the wide disparity between requirements for forces and the current Western European plans for providing

3. NA, Civil Branch, NSC 72 Background Information, 30 June 1950, State Department.

4. NA, Civil Branch, NSC 72/1, 3 July 1950, Secretary of State, also in FRUS 1950, Vol.III, 3 July 1950, A Report to the NSC by the Secretary of State.

Chapter 6: Korea and New Concerns

them... it is wholly unrealistic to expect success in the initial defense of Western Europe." The memorandum continued recommending that "the NATO powers... [should] avail themselves of the military potentials of Spain and Western Germany." This was against French political interests, which strongly opposed a German rearmament and an American - Spanish military agreement.⁵

Political considerations concerning other NATO countries had to be tested. In a conversation between the US Army Attaché and the British Military Attaché in Spain it became clear that the British War Office was in favour of military cooperation with Spain but that the Labour Government was not, nor were the French authorities. It seemed unlikely that an Anglo - American military cooperation with Spain would emerge.⁶

In meantime pressure to improve relations with Spain in Washington increased. The Korean crisis and McCarthyism created a political atmosphere under which it was difficult to oppose anti-communism in foreign policy debate.

On 27 July 1950 the Mutual Defence Assistance Act assuring aid to Europe was signed. Four days later, 31 July 1950, Secretary of Defence Louis Johnson wrote a memorandum to Truman. He made clear that under the Mutual Defense Assistance Act, Public Law 621, section 408(c) a total of 10% of the funds to countries in Europe could be spent in other European nations given three conditions. Firstly, the right could be exercised only "in the event of a development seriously affecting the security of the North Atlantic area." Secondly, the strategic location of the nation must make it "of direct importance to the defense of the North Atlantic area." Finally, the money should only be spent after "consultation with the Governments of the other nations which are members of the North Atlantic Treaty". Ultimately the decision lay with the President, who had to consider that the increased ability of such a nation to defend itself would

5. NA, Military Branch, G-3 091 Spain, 1950, 1 November 1950, Memorandum by the Chief of Staff, U.S. Army.

6. WNRC, Army Intelligence, Project Decimal File, 1950, Spain, 14 September 1950, Attach to Department of Army.

Chapter 6: Korea and New Concerns

"contribute to the preservation of the peace and security of the North Atlantic area and is vital to the security of the United States."⁷ This opened the possibility of granting money to Spain.

Another possible source of funds for Spain was the Export Import Bank. The Bank decided in July 1950 that Spain could be in a position to receive credits for agricultural and fertilizer projects.⁸

A third source of financial support came from Congress. For the third time, McCarran and Owen Brewster proposed in August 1950 a \$100 million credit to Spain. McCarran, who eventually received the "Grand Cross of the Order Of Isabella the Catholic" for his efforts to improve Spanish - American relations, had organized a secret meeting in his office at the Senate Building, which included several military officers of high standing.

McCarran's third attempt had been worked out better than the previous ones. The administrator Paul G. Hoffman was "directed" to lend money to Spain. Hoffman would issue notes for these funds and turn them over to the Treasury. In return the Treasury would issue the cash for the notes to Hoffman. He would then turn the cash over to the Export Import Bank for delivery to Spain. The Export Import Bank would only handle the mechanical details while the European Cooperation Administration would administer the loans.

With this system, McCarran had provided the most difficult step, the creation of finances for the Spanish loan. All the Administration had to do was put the existing money to work in Spain. Nevertheless, this last action had to be done with the President's approval. McCarran had no control over this final step but he had good reason to believe that the government would grant the money to Spain.

The procedure to apply for a loan under the \$62.5 million appropriation was as

7. NA, Military Branch, CD 091.3 Spain 1950, 31 July 1950, Lowis Johnson to President; also in, FRUS 1950, Vol.III, 31 July 1950, Memorandum by the Secretary of Defense to the President, p.1572.

8. NA, Civil Branch, Lot Files 59D108, 11 July 1950, Perkins to Secretary of State.

Chapter 6: Korea and New Concerns

follows. A Spanish company seeking a loan would try to get an endorsement by the Spanish government through the Ministry of Commerce and Industry. This would be transmitted to the Foreign Minister and then passed on to the Export Import Bank. The Bank would make a decision and pass all applications together with the decision to the European Cooperation Administration. One of the problems was that neither the Bank nor the European Cooperation Administration saw all applications for the credits, as the Spanish Ministry had first choice.⁹ This complicated the whole issue as the Spanish Ministry was headed by Suanzes, who was also the creator of the INI. One could expect that many applications for credits by private investors would be turned down, not because of economic reasons, but due to a lack of connections at the ministry.

The Senate approved the credit by 65:15 on 1 August 1950 thus dealing a blow to the Administration, and the House approved a reduced credit of \$62.5 million. Despite Truman's opposition to both credit proposals, on 25 August, Congress agreed that Spain was to receive \$62.5 million and thus became the only country to receive credits from the European Cooperation Administration without having a bilateral agreement with the US.

Acheson and Truman both expressed their disapproval but this loan proposal was more carefully constructed. It was attached to the first General Appropriation bill and thus had to be accepted or rejected in full by Truman. A rejection by the President would have sent a misleading message to Europe, implying that the US Government was no longer willing to bear the costs of defending Europe. Thus once the General Appropriation bill had passed Congress, Truman was forced to sign it, given the strong anti-communist feeling and the Korean conflict.

Any attempt by the Administration to risk a veto over the bill would have failed and any stronger attempts to lobby against it would have opened the Administration to accusations of being soft on Communism.

9. Hearings before the Committee on Foreign Affairs House of Representatives: Mutual Security Program, Perkins, 18 July 1951, Washington.

Chapter 6: Korea and New Concerns

On top of that the Portuguese dictator Salazar had publicly expressed his desire to get Spain into NATO. He said, 10 August 1950, that the "peninsular collaboration is basic for Atlantic solidarity. The geographic frontier of Portugal is the Pyrenees." If Spain had to remain outside NATO, Salazar hoped that the US would at least grant assistance.¹⁰

Despite Portugal's interest, the campaign for Spain's inclusion in NATO had to wait until the complications with Germany had been dealt with. Compared to Spain, Germany had far more military potential for the Western Defence structure, yet for obvious reasons many feared a German remilitarization. Thus "the Joint Chiefs of Staff agreed that General Bradley should approach the Sec[retary of] Def[ense] with the idea of obtaining his concurrence to withholding action on this matter [Spain's integration into NATO] for the present, possibly until the West Germany situation was cleared up."¹¹

Only a few Congressmen were deeply offended by the McCarran proposal. Representative Howard W. Smith from Virginia said that the loan was "an almost ridiculous situation where an attempt is being made to write foreign policy on the floor of the House of Representatives." This was correct but the Administration saw a way out.

On 6 September, Truman signed the credit pointing to the fact that he was now authorized to grant aid to Spain but that he was in no way obliged to do so. The same day he said: "Money will be loaned to Spain whenever mutually advantageous arrangements can be made with respect to security, terms of repayment, purpose for which the money is to be spent, and other appropriate factors, and whenever such loans will serve the interest of the United States in the conduct of foreign relations." It was not only going to be a quid pro quo, but a deal would be struck only if political

10. FRUS 1951, vol.IV, 23 January 1951, The Ambassador in Portugal to the Secretary of State, p.776.

11. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 18 August 1950, Memorandum on JCS 1821/14 [United States Policy toward Spain].

Chapter 6: Korea and New Concerns

skepticism by Western Europe, especially France, could be accommodated. For the White House the problem seemed only minor.

However, at the American Embassy in Madrid things looked rather differently. On the same day, Culbertson after hearing the news from Washington, informed the State Department about his position regarding the new law. He stated that "since the President and the Secretary of State have clearly announced the Administration's opposition to the credit, the Congress has by its action rather effectively taken out of our hand the conduct of one of the most important political factors in our relations with Spain." As for his personal position Culbertson argued "the Congress has certainly made a first-class liar out of me." The chargé had been telling Spain that evolution had to precede credits. Now that credits had been made available, changes could no longer be expected. The Embassy in Spain believed that Franco would do nothing until aid flowed to Spain.¹²

In the US, Acheson, unconvinced by the military arguments, claimed that "the Spanish army is not well equipped, it is not well trained and it is not in a position to do it [defend against a Soviet attack] and I am sure the Spanish would not fight for anything except their own country."¹³

The State Department conducted a study on Spain's strategic importance to the West and came up with a conclusion which challenged the military point of view. It argued that "a dollar spent in Spain, will in general, yield a smaller economic return than one spent in any other western country." It continued to claim that "in the absence of foreign aid, the military contribution of Spain would be negligible." Infrastructure such as the railways had made no progress since the war. Spain had fewer locomotives, freight and passenger cars than in 1945. Wear and tear of the Spanish rail network was estimated at two to three million cross-ties annually. Yet in 1947 only 1 million and in

12. FRUS 1950, Vol.III, 6 September 1950, The Chargé in Spain to the Secretary of State, p.1573.

13. Selected Hearings held in Executive Session before the Committee on Foreign Relations Senate, Vol: Review of World Situation 1950, Acheson, 28 November 1950, Washington, 1972-76.

Chapter 6: Korea and New Concerns

1948 1.5 million new cross-ties were laid. The network was actually shrinking. The State Department considered that Spain's only contribution could come from its natural mineral resources. Spain possessed one of the world's most important mercury, pyrites and potash deposits. The report claimed that "the conversion of Spain into a base of Western military operations would be less expansive [than integration into Western Defense], but there would still be a need for considerable U.S. assistance."¹⁴ A similar report on Spain argued that "any unilateral US efforts that could be construed as efforts to include Spain in its over-all plans would be strongly resisted by the people. This would result ... in the loss of considerable public support for Western European integration and would jeopardize the successful achievement of US policies."¹⁵ After these studies it was clear that the State Department favoured Germany's integration into the Western defence structure over Spain's.

Considering commercial relations between Spain and the US, it was obvious that trade with America had replaced British exports and imports. Spain's main imports were: petrol 12%, cotton 11%, and fertilizers 9%. In return she exported mainly cotton manufactured goods 12%, oranges 12%, olive oil 7% and canned food 7%. In order to understand the importance of trade relations between Spain and other countries, we must look at Spain's main trading partners with regard to these main products.

She imported most oil and petrol from the West Indies and Arabia. The fertilizer imports, mainly from Chile, Belgium, Germany and French Morocco, were diversified enough to give no bargaining power over Spain. However, more than half of all raw cotton came from the US, making her dependent on the US for its raw cotton imports.

Spain's cotton products went 21% to Spain's overseas possessions, 15% to the UK and 9% to Egypt. Oranges went to France 39%, UK 18% and the Netherlands

14. NA, Civil Branch, OIR Report 5324.1, 10 October 1950, Strategic significance of Spain to the West.

15. NA, Civil Branch, OIR Report 5324.2, 9 October 1950, Political significance of Spain.

Chapter 6: Korea and New Concerns

11%. None of these two products made Spain dependent on the buying nations. However, 44% of all olive oil exports went to the US, making Spain again vulnerable to US pressure.

Spain also exported mining products which could have been processed in Spain to strengthen her economy.¹⁶ Yet to do so Spain needed foreign capital. Naturally the \$62.5 million credit was welcomed in Spain.

Yet after studies by the State Department and because of his personal opposition, Truman spoke out against issuing these loans to Spain. McCarran was fuming. He claimed that the President was acting unconstitutionally and against a clearly expressed directive from Congress. But to force the President's hand an impeachment proceeding would have been necessary. In fact the President was not at all acting unconstitutionally. While he was obliged to make the necessary funds available, he was nevertheless under no obligation to actually extend them to Spain.

Shortly before Christmas, 21 December 1950, the Spanish Embassy in Washington wanted to obtain funds. Serrano Suñer, then Under Secretary of Industry and Commerce, and the Marqués de Nerva, the Commercial Attaché, got in contact with the State Department to discuss a loan to Spain. The loan was under the Export Import Bank but did not fall within the newly passed credits. For this particular credit the Bank wanted 3.5% interest over 20 years, while the Spaniards argued for 2.5% over 25 years. There was also a complication over the range covered by the credits. The Bank was willing to support cotton, tractors, and fertilizer imports.¹⁷ Serrano Suñer, however, wanted the credits for corn, wheat, and petrol imports.¹⁸ Suñer knew that apart from the \$62.5 million appropriated funds, other credit applications by Spain to the Export Import Bank were possible and what mattered most were the conditions

16. NA, Civil Branch, OIR Report 6211, 9 March 1953, Analysis of Spanish Foreign Trade.

17. PRO, FO 371.107717, Turner, Madrid.

18. FRUS 1950, Vol.III, 21 December 1950, Memorandum of Conversation by the Assistant Secretary of State for Economic Affairs, p.1579.

Chapter 6: Korea and New Concerns

attached to these credits. Spain could afford to wait as development were clearly going her way.

This was also true in the UN. Spain's ban from Specialized Agencies of the UN had serious consequences for the UN. The Inter-governmental Maritime Consultative Organization (IMCO) could not guarantee the safety of Spain's ships, thus passengers traveling on them were under greater danger. The World Health Organization (WHO) had it more difficult to control the spread of major diseases while Spain was excluded and there was a lower health standard on ships and planes traveling to and from Spain. The International Civil Aviation Organization (ICAO) could not force Madrid to sign the Chicago convention and therefore Spain's standards of air traffic control and aerodrome maintenance were lower than in other countries.¹⁹ These were but a few reasons why the 1946 resolution was unpopular.

On 7 August 1950, the Dominican Republic requested that the Spanish problem ought to be put on the UN agenda for the Committee on Politics and Security. Peru and Bolivia joined in the request and drafted a joint resolution recommending the revocation of the 1946 resolution.²⁰ In short succession El Salvador and the Dominican Republic drafted two proposals along similar lines.²¹ The US had urged them forward as she was not willing to initiate discussions on this topic.

Pravda accused Washington of trying to get Spain into the UN and NATO.²² The USSR claimed that US policy towards Spain demonstrated that she no longer respected human rights. Washington dismissed this criticism saying that the US hoped for an end "of external pressure" so that "Spain would, in its own way, take steps which would enable it to reenter the family of nations." This was further underlined

19. PRO, FO371.89503, 24 August 1950, FO Minutes by Mr Lawrence.

20. PRO, FO371.89503, 23 August 1950, Peru and Bolivia: Joint Draft resolution.

21. PRO, FO371.89503, 6 September 1950, El Salvador: draft resolution; 16 September 1950, Dominican proposal of draft resolution.

22. PRO, FO371.89497, 10 October 1950, Pravda 6 October 1950.

with a decision by the Supreme Court which declared the Falange a totalitarian party and thus prohibited visits by its members.²³

At the same time Washington was lobbying Western nations for the Spanish cause in the UN. Portugal needed no convincing. The Foreign Minister, Dr Paolo Cunha, urged the North Atlantic Council to include Spain in NATO for strategic reasons.²⁴ The Netherlands and Denmark were also supporters of Spain's cause. Belgium and Luxembourg wanted to cooperate with France and Britain.²⁵ It became therefore paramount for the US to lobby Britain and France into a position favourable to Spain.

The French Ambassador in London made it clear that he wanted France to abstain in the coming vote but it was of utmost importance to his country that the three western allies should cooperate.²⁶ As London was wavering under US pressure and thus did not give a clear lead to France, Paris decided to come down on the American side and vote in Spain's favour.²⁷

In July the UK wanted to abstain on a vote but under US pressure and after the reaction by Latin American and other European nations London reconsidered.²⁸

The British Chargé in Spain drafted a 16 page letter outlining his opinion that Britain should abandon her old policy to Spain and end the 1946 resolution. In London, the Foreign Office was divided on the issue. Some supported the Chargé, others argued that the British public disagreed with such a rapprochement to Spain and thus rejected

23. PRO, FO371.89497, 26 October 1950, Hanky.

24. PRO, FO371.89503, 16 September 1950, Dr Cunha in Council.

25. PRO, FO371.89501, 8./8./10./15. August 1950, Dutch, Luxembourg, Denmark, Belgium attitudes to the Spanish Questions.

26. PRO, FO371.89501, 4 July 1950, FO Minute by Mr G.P. Young.

27. PRO, FO371.89501, 8 August 1950, French attitude to amend the 1946 UN resolution.

28. PRO, FO371.89501, 4 July 1950, FO Minute by Mr G.P. Young.

Chapter 6: Korea and New Concerns

the idea.²⁹ This argument was discredited when unions like the National Union of Manufacturers encouraged better relations with Spain for economic reasons.³⁰

On 6 September 1950 the issue was discussed in the British cabinet and it was decided that the UK delegation to the UN should abstain in the vote on the 1946 Resolution. Furthermore there was to be no change of general policy towards Spain.³¹

Since the Foreign Office had initiated serious conversations concerning the Spanish Question, France had started to abandon her policy to vote in favour of Spain. Despite US pressure, France would follow Britain. One day after the British cabinet decision, the French Ambassador in London M. Massigli informed the Foreign Office that his nation would follow Britain's policy in the UN.³²

After a wave of several draft proposals from Latin American countries, a joint draft recommending the revocation of the 1946 resolution was issued.³³ This was the one which the Political Committee started to discuss on 27 October 1950.

During the three days from 27 to 30 October it became clear that there was overwhelming support for Spain. During the first day thirteen nations spoke in favour of Spain. Poland, opposing a review of the resolution, avoided defeat only by adjourning the vote for several meetings. During the next days only three Latin American states (Guatemala, Mexico, Uruguay), the three Soviet delegates (Ukraine, Byelorussia, USSR), three Eastern European states (Czechoslovakia, Poland, Yugoslavia) and Israel (a total of ten states) made their opposition to the draft proposal known. 28 other statements supported the draft.³⁴

29. PRO, FO371.89501, 18 July 1950, Hankey, Madrid; 6 August 1950, Ernest Davies reply to Hankey's letter; 8 August 1950, Sir W. Strang to Hankey's letter.

30. PRO, FO371.89501, 31 August 1950, National Union of Manufacturers.

31. PRO, FO371.89503, 11 September 1950, FO Minute by Mr Mallet.

32. PRO, FO371.89502 15 August 1950, Conversation Mallet - Lebel; FO371.89503, 7 September 1950, FO Minute by Sir W. Strang.

33. PRO, FO371.89503, 3 October 1950 Draft Resolution; 7 October 1950 Draft Resolution.

34. PRO, FO371.89505, 27./28./30. October, 1 November 1950, Sir G.Jebb, UK delegate at UN.

On 31 October 1950 the UN Political Committee, in its fifth meeting, decided to hold the final vote. The result was 37:10 with 12 abstentions in favour of the draft and it was passed on to the General Assembly.³⁵ On 4 November 1950, after a vote on each paragraph and finally in its entirety, the UN General Assembly with a vote of 38:10 with 12 abstentions adopted the draft passed by the First Committee.³⁶ The US had voted in favour throughout.

Two days later, the Spanish newspaper *ABC* wrote that this was Spain's "final victory in the last battle of the Civil War." Artajo made the most out of the reversal of the 1946 resolution. In a speech to the Cortes in December he claimed that since 1945 Spain had been a victim of communist propaganda. According to him, Western Powers had foolishly tried to appease the Soviet Union and by doing so had sold out Spain. He gloated that the West had finally realized that Spain had been right all along, the Soviet Union was a threat and appeasement had to stop.³⁷

The truth was far from it. In 1946, the UN had made a vital mistake. It had attached diplomatic relations to a moral issue, making it impossible to separate them.

The change of attitude in favour of Spain was due to Arab and Latin American countries, changing their point of view between 1946 and 1950. In 1946/47, the Arab League was neutral towards Spain but by 1949 and 1950 they had reversed into a pro-Franco stance. The Arab vote in favour of Spain in the UN was in return for Spanish support against the creation of a Jewish state in Palestine. Furthermore, in 1946 only six Latin American countries voted for Spain, four years later 16 countries, out of a total of 20, did so. They based their reversal on two grounds. Firstly, diplomatic relations did not mean an ipso facto acceptance of the regime and secondly they were deeply upset with the economic gains by Argentina which had continued her

35. PRO, FO371.89506, 31 October 1950, 30th meeting of ad hoc Political Committee.

36. FRUS 1950, Vol.III, 31 October 1950, p.1577n.

37. PRO, FO371.89509, 20 December 1950, Hankey.

Chapter 6: Korea and New Concerns

ambassadorial relations.

The vote by the US in favour of Spain made the administration vulnerable to attacks from the left. President Truman, probably influenced by new documents revealing Nazi investments of \$200 million in Spain, stated that it would be a "long, long time" before the US resumed full diplomatic relations with Spain. This greatly confused policy makers. Did it mean that the President, despite his nation's vote in the UN, did not favour the end of the 1946 resolution and circumstances had pushed him to approve it anyway? Truman's statement was only a personal statement and cannot be seen as the official position of the President. The State Department had a far more realistic approach and already in May 1950 had considered several candidates for the post of ambassador to Spain. The State Department had previously discussed with Truman the possible appointment of H. Freeman Matthews, Deputy Undersecretary of State, Hersgel V. Johnson, Ambassador to Brazil, John C. Wiley, Ambassador to Iran, Mark Ethridge, a prominent publisher with experience at the UN and finally Robert M. LaFollette, former Senator.³⁸ Truman, knowing that full relations would be resumed shortly, had simply made a diplomatic blunder.

Culbertson in Madrid was particularly upset with Truman's "long, long time" statement. It came as a blow because it looked as if a split of policies between the White House and the State Department had occurred. The official US position in Spain and on Spanish affairs at the UN had been undermined. It seemed that the State Department was eager to normalize relations with Spain while Truman was not.³⁹ Nevertheless behind the scenes Truman realized that his statement had been a diplomatic mistake and on 13 November, the President was again considering who to appoint as ambassador to Spain.⁴⁰ Slightly more than a week later the question was

38. NA, Civil Branch, Lot Files 59D108, 9 May 1950, Achilles to Thompson.

39. NA, Civil Branch, Lot Files 59D108, 7 November 1950, Culbertson to H. Freeman Matthews.

40. NA, Civil Branch, Lot Files 59D108, 13 November 1950, Memo of Conversation with President.

Chapter 6: Korea and New Concerns

settled in favour of Stanton Griffis, who promptly accepted.⁴¹

Trying to lessen the embarrassment of Truman's statement, the State Department did not inform London about the final decision and Homer Byington, Director of the Office for Western European Affairs, told the Foreign Office that the two front runners were Stanton Griffis and possibly George Garret, Ambassador in Dublin.⁴²

Only a couple of days later, Propper de Callejón from the Spanish Embassy inquired if Griffis was going to be appointed ambassador to Spain. Byington wanted to avoid further embarrassing the President over his statement and despite having been informed of Griffis' appointment, informed Propper that no instructions had been given to him from the White House and thus he was unable to confirm the rumour.⁴³

Griffis, born in Boston in 1887, was a New York investment banker, who had served in the past as ambassador to Egypt, Portugal and Argentina. He also headed the 1948 UN Relief for Palestine Refugee Committee. He was thus well suited for the job as he had links to Argentina and the Arab world.

Griffis cunningly took a holiday after his official nomination, 27 December, to decrease the continuing embarrassment by the President caused by his claim that a long delay would precede the resumption of full diplomatic relations. Truman told Griffis: "That's a great idea and exactly what I want. I don't want you to go for the present- so soon after what I said a few weeks ago. I have been a little overruled and worn down by the [State] Department."⁴⁴

When Griffis finally presented his credentials at the Pardo Palace, Franco tried to make the most of the propaganda. A gilded carriage drawn by six white horses and escorted by the Moorish Guards was provided.

Britain and France were also in no hurry to appoint an ambassador to Spain, and

41. NA, Civil Branch, Lot Files 59D108, 21 November 1950, Dunham to Culbertson.

42. PRO, FO371.89507, 1 December 1950, Burrows conversation Byington.

43. NA, Civil Branch, Lot Files 59D108, 4 December 1950, Byington Memo of Conversation.

44. Lowi, "Bases in Spain", p.691.

Chapter 6: Korea and New Concerns

various complications arose. The British appointee ambassador, Sir John Balfour, was an admirer of the Portuguese Dictator Salazar and had supported British neutrality during the Spanish Civil War, but the Foreign Office was less enthusiastic about relations with Spain than Balfour. While the British Chiefs of Staff had urged the Foreign Office to relax the restrictions on the activities by the Spanish service attachés in London and to resume the visit of British Navy ships to Spain, the Foreign Office rejected both suggestions on the grounds that the timing would be inopportune. The Office argued that the new Ambassador to Spain had to be appointed and present his credentials to Franco, before policy changes could take place.⁴⁶

Nor was Madrid in a hurry to improve relations with London. An article in "Arriba", the government controlled paper, accused British officials of forging Spanish currency.⁴⁷ Furthermore, during December 1950, Franco stimulated the campaign by the Falange against Gibraltar. The Foreign Office considered counter-balancing this renewed campaign by delaying the appointment of an ambassador. The realization that this would do little more than worsen relations with Spain and the fact that Falangist agitations soon stopped, made London abandon the plan.⁴⁸

The Foreign Office was hoping that Franco would appoint the Duke of San Lucar, former Spanish chargé to London, to the post of Ambassador to Great Britain.⁴⁹ Franco however appointed Fernando Castiella. Fernando Castiella was a member of the Falange and had won an Iron Cross while fighting in the Blue Division. In 1941 he had written a book "Spanish Demands" in which he claimed colonial territories from Britain and France. The Foreign Office bluntly refused to accept him as

45. PRO, FO371.89506, 6 November 1950, Minister de Crouy conversation with P. Dixon.

46. PRO, FO371.89508, 6 December 1950, Chiefs of Staff Committee.

47. PRO, FO371.89500, 1 March 1950, Arriba article, reported by Hankey.

48. PRO, FO371.89508; 15 December 1950, FO minutes Mr Tomkins; FO371.89509, 19 December 1950, FO minutes Mr Mallet; 20 December 1950, Hankey.

49. PRO, FO371.89507, 15 November 1950, Hankey - Erice conversation.

Chapter 6: Korea and New Concerns

Ambassador.⁵⁰ Instead, Miguel Primo de Rivera, brother of the founder of the Falange José Antonio, was appointed by Madrid for the post. This was only slightly less controversial.⁵¹

Relations with the US moved in a more favourable direction. The Security Council policy decision, NSC72/1, had revised US policy towards Spain. The State Department analyzed the implications of this document. It was clear that Spain was of strategic and military importance considering the volatile international situation. However, for the time being the State Department considered participation in the Mutual Defense Assistance Program and/or NATO impossible. It was recommended that the US should improve Spain's position without creating political controversies and her military potential was to be developed immediately by granting military equipment in return for air and naval bases. It was also hoped that now, as the situation in Korea was deteriorating, Congress would want to increase its commitment to Spain, maybe even so far as to integrate Spain into NATO or the Mutual Defense Assistance Program. It was obvious that this would cause problems with other NATO countries. Though hope existed that these also had changed their policy towards Spain due to Korea.⁵²

Under these circumstances it was natural to want to learn more about Spain's strategic potential and military requirements. In September four Spanish Officers, Brigadier-General Aguirre and one member of each of the three military services, were flown to Frankfurt to attend maneuvers of the US Army in West Germany. This was an attempt to find out more about logistical needs of the Spanish military.⁵³ In October a study of Spain's topography to develop intelligence on military geography was made.

50. PRO, FO371.96154, 7 February 1951, Summary of Events in Spain for January 1951.

51. PRO, FO371.96154, 28 February 1951, Summary of Events in Spain for February 1951.

52. FRUS 1950, Vol.III, 25 November 1950, Memorandum by the Assistant Secretary of State for European Affairs to the Secretary of State, p.1577.

53. PRO, FO371.89576, 21 September 1950, Hankey, Madrid.

Chapter 6: Korea and New Concerns

Previous studies were almost ten years old and out of date for strategic planning at operational and tactical level. The study, expected to take between 18 and 24 months, concentrated on strategic areas of the Iberian Peninsula and of great importance to the US Defense Department.⁵⁴

Nevertheless, all this was done knowing that Germany had priority over Spain. The US had to wait until Germany was remilitarized and integrated into NATO before pushing for Spain's integration. On 13 December 1950, the Director of the Joint Staff was reminded that "by previous action, the Joint Chiefs of Staff had stated that the question of German rearmament should be given priority and that the question of including Spain in the defense of Europe should not be pushed until the German question had been settled." Nevertheless, as the military commission had accepted the paper relating to Germany's rearmament, it seemed time to "take up the paper on our policy toward Spain."⁵⁵

54. WNRC, Army Intelligence, Project Decimal File, 1950, Spain, 17 October 1950, War Department to Department of Army.

55. NA. Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 13 December 1950, Memo for Director JS.

Chapter Seven

NSC72/6

Spain's

Realignment

Chapter 7: NSC72/6 Spain's Realignment

On the other side of the globe, US troops in Korea met disaster when the Chinese poured thousands of troops into a gap left by Americans. In two weeks the Chinese regained almost all of North Korea and defeat could no longer be ruled out. In the free world, governments feared more aggressive communist policies.

As the Korean conflict deepened, the British mission in Madrid believed that Washington would improve military relations with Spain. The British Chargé Hankey expected that an American review of Spanish port facilities by the US Naval Attaché was the initiation of a change of policy. This was not at all welcomed by other European nations, in particular by France, Greece and Italy.¹

As the British correctly feared, the US was at the time reviewing its policy toward Spain. On 12 January 1951, the Joint Chiefs of Staff sent a memorandum to the Secretary of Defense, concerning NSC 71/1. It argued that so far Spain did not want to join NATO because France was unable to defend herself. As this strategic aspect was changing and a stance in Europe against the Red Army became a possibility, Spain was expected to change her position and "under the circumstances, there should be little, if any, hesitancy on the part of Spain to join NATO." The memorandum continued claiming that Spain's participation in NATO would not *per se* mean a withdrawal behind the Pyrenees of US forces. Rather it would mean an allocation of a defence task to Spain to "make a significant contribution" to overall Western defence. For the time being, the Joint Chiefs of Staff lacked the information on Spain's military capabilities to pursue this point and thus asked the Department to channel its diplomatic activities towards obtaining this information. "Military association between NATO and Spain, or as a minimum between the United States and Spain, should be effected immediately... As soon as the German participation question is settled, the United States [should] propose to NATO that authority be given for the military agencies of NATO to

1. PRO, FO371.96169, 10 January 1951, Hankey, Madrid.

Chapter 7: NSC72/6 Spain's Realignment

establish military association with Spain."²

Shortly afterwards, on 15 January 1951, the Secretary of State gave an outline of the new policy towards Spain. In this justification, NSC 72/2, the Secretary of State considered Spain to be of geographical importance and thus had to be integrated into the planning for the defence of Western Europe and the Mediterranean. America's ultimate aim was to get Spain into the Mutual Defense Assistance Program and NATO. Acheson claimed that the longer the US waited to approach Madrid, the more likely it would become for Spain to remain neutral in a conflict and the more the US would have to pay. Acheson claimed that it was indeed possible to eliminate the political disadvantages of Spain's incorporation into Europe. He asserted that, at the time, Spain had no offensive and only limited defensive value. In order to use military bases in Spain, new storage and repair facilities, radio and navigational equipment, port facilities, railroads, highways and telecommunications were needed. NSC 72 had encouraged closer political ties with Spain. In order to achieve this, NSC 72/2 argued that the US should "develop the military potential of Spain's strategic geographical position for the common defense of the NATO area. All action in this regard should be guided by the potential considerations set forth in NSC 72/1." Thus US policy should aim at defending France. It was clear that eventually, the US would approach Spain for long-range bomber bases and for naval facilities. In the meantime, technical advice was to be granted to Spain. The Secretary stressed that the American authorities should emphasize in all discussions concerning Spain that the aim was not to liberate but to defend Europe. To do so, one required bases in Spain for which the US would allow the sale of military equipment, air navigational aids and other electronic equipment. However, under NATO, the Mutual Defense Assistance Program and the European Recovery Program, NATO countries still held priority over Spain.

The Secretary recommended that the US should make a complete survey of

2. NA, Military Branch, CD 092 Spain 1951, 12 January 1951, JCS Memorandum to Secretary of Defense, on NSC 72/1.

Chapter 7: NSC72/6 Spain's Realignment

Spain's requirements and capabilities, mutually exchange information, consult with Spain's defence planners and give technical advice. In order to avoid international complications, Spain had to improve relations with other NATO countries above all with France and Britain. The ultimate objective was Spain's inclusion into NATO or an agreement, acceptable to NATO, securing Spain's participation in the Western Defence.³

On 18 January 1951, Acheson outlined why US policy had changed towards Spain. He claimed that Spain had to be part of the Western European structure and as Franco's position was strong there was no alternative but to talk to his government.

The State Department, still worrying about political implications, wanted to know how Europe would react to the new approach to Spain by the US. Portugal was still favouring Spain's participation in NATO.⁴ The Netherlands had also shown more interest in Spain and in December a Dutch naval squadron including the carrier "Karel Doorman" had visited Valencia.⁵ The British Government was unhappy with the developments as the Labour Party was no longer united on this topic. Attlee wanted to avoid discussions in the Commons altogether.⁶ A purely military bilateral agreement between the US and Spain, excluding Britain, was also unwelcomed by the Foreign Office as it would indicate that the US was getting Spain into NATO through the back door without the consent of Western Europe. The British Embassy in Madrid was aware of the American military plans in Spain and assumed that the US was looking after her own interests and not those of Europe.⁷ The British Chargé in Spain, discouraging US plans, claimed that Spain's army could only be mobilized with

3. NA, Civil Branch, NSC 72/2, 15 January 1951, Secretary of State; also in, FRUS 1951, Vol.IV, 15 January 1951, Draft report by the Secretary of State to the National Security Council.

4. FRUS 1951, Vol.IV, 23 January 1951, The Ambassador in Portugal to the Secretary of State, p.776.

5. PRO, FO371.96154, 4 January 1951, Summary of Events in Spain for December 1950.

6. FRUS 1951, Vol.IV, 24 January 1951, The Ambassador in the UK to the Secretary of State, p.778.

7. PRO, FO371.96203, 21 February 1951, Hankey, Report by Brigadier A. Murray.

Chapter 7: NSC72/6 Spain's Realignment

difficulties and transportation/supply lines to the Pyrenees ran along roads and railways which would not be able to deal with the increased volume in case of war.⁸

France too was opposed to the new US policy to Spain. While Gaullist elements favoured full NATO-membership for Spain, most National Assembly deputies elected in 1946 were still anti-Franco. Bidault and the official French policy were still strongly opposed to Spain's integration into NATO, bilateral agreements between the US and Spain, or agreements based on those with Turkey and Greece.⁹

Back in Washington, despite the disagreements with France and Britain, the Joint Chiefs of Staff welcomed NSC 72/2 as a "significant advance in thinking by the State Department over the position taken by it in [NSC] 72/1." The only disagreements between the two Departments now concerned Spain's inclusion into NATO and some other minor points. The Joint Chiefs of Staff proposed small changes to two points, one in the analysis the other in the conclusion of NSC 72/2.¹⁰ The Joint Chiefs of Staff informed the Executive Secretary of the NSC "that the United States [should] now propose the acceptance of Spain as a member of NATO" and if this was not possible, US military planners should enter talks with Spain directly.¹¹

The chairman of the Joint Chiefs of Staff, General Bradley agreed with NSC 72/2's main conclusions. He too believed that Spain's exclusion threatened Europe's security and, given the right military guarantees, Spain might make her armed forces available for the defence of Europe.¹²

On 29 January, the Secretary of Defense issued his reply, NSC 72/3. According

8. PRO, FO371.96203, 24 January 1951, Hankey.

9. FRUS 1951, Vol.IV, 25 January 1951, The Chargé in France to the Secretary of State, p.780.

10. NA, Military Branch, CD 092 Spain 1951, 23 January 1951, JCS to Secretary of Defense, on NSC 72/2.

11. NA, Military Branch, CD 092 Spain 1951, 29 January 1951, Memorandum for the Executive Secretary of NSC.

12. FRUS 1951, Vol.IV, 23 January 1951, Memorandum by the Chairman of the JCS to the Secretary of Defense, p.783.

Chapter 7: NSC72/6 Spain's Realignment

to George C. Marshall NSC 72/2 overcame the political complications expressed in NSC 72/1. He wanted to make clear under point 7a) that "the military potential of Spain's geographical position" had to be developed "urgently" rather than be delayed due to political consideration. He asserted that negotiations concerning bomber, fighter and naval operational bases should not wait until plans for these bases were complete. Therefore the US should not approach Spain "eventually" but should do so without delay and with the expectation of gaining a military commitment from Spain. The Defense Secretary further rejected the idea of simply permitting "the sale of military equipment", he wanted to "provide" military assistance to Spain. He agreed that negotiations were to be conducted through the Embassy, but not exclusively so. He recommended that the negotiations be conducted "in close relation between officials of the Department of State and Defense." Finally, NSC 72/3 tried to amend NSC 72/2 by stressing the importance of an "early" achievement of the ultimate objective, getting Spain into NATO.¹³

The Secretary of State reacted positively to these proposals. Yet he argued that military assistance to Spain should only be granted in accordance with the final aims in respect of US policy towards Spain, ie. under paragraph eight, military assistance should only be granted once Spain actually had contributed forces to the defence of Europe. This assistance was seen as a strong bargaining position and should not be given away before agreements had been signed. In respect to the enforcement of policy through close cooperation between the two Departments, the Secretary of State wanted the Department of Defense and the Joint Chiefs of Staff to agree at a later date on a single State Department mission to Spain. The reason for this was to present an undivided negotiation front, thus eliminating any attempts by Spanish officials to split

13. NA, Civil Branch, NSC 72/3, 29 January 1951, Secretary of Defense, based on NSC 72/2; also in, FRUS 1951, Vol.IV, 29 January 1951, Memorandum by the Secretary of Defense to the Executive Secretary of the NSC, p.782; further information in FRUS 1951, Vol.IV, (undated) January 1951, Memorandum prepared in the Department of Defense, p.785.

Chapter 7: NSC72/6 Spain's Realignment

the US negotiations team into factions.¹⁴

The result of these communications between the two Departments was NSC 72/4. On 1 February 1951, the NSC senior staff finished its discussion on the controversy between NSC 72/2 and NSC 72/3. The first six points of NSC 72/2, which formed the justification of the new policy, were dropped altogether and NSC 72/3 prevailed. The resulting document NSC 72/4 did not allow the simple provision of "military assistance to Spain" but made this aid subject to consistency with other objectives. These were introduced into NSC 72/4 by the Secretary of State and read:

"Any MDAP assistance given to Spain should be given under such terms and conditions as to advance and not retard Spanish participation in NATO. The Spanish Government would doubtless prefer a purely bilateral relation with the United States under which Spain received United States aid and the United States received certain rights from Spain without involving Spain in any obligations for the defense of Western Europe. This result should be avoided and aid should be given only if we are satisfied that by so doing we are advancing Spain closer to participation in NATO."

The primary objectives of US policy toward Spain were thus to develop urgently the military potentials of Spain's strategic position for the defence of the NATO area, to assist in the improvement of relations between Spain and Western European nations and to eventually obtain early Spanish participation in NATO.

This had replaced the claim that the contribution of Spanish troops to the integrated defence forces should be presented as a necessary step to Spanish admission to NATO and as a basis for the establishment of military assistance under the Mutual Defense Assistance Program. The same day NSC 72/4 was approval and became governmental policy.¹⁵

14. FRUS 1951, Vol.IV, 30 January 1951, Memorandum by the Assistant Secretary of State for European Affairs to the Secretary of State, p.787.

15. NA, Civil Branch, NSC 72/4, 1 February 1951.

Chapter 7: NSC72/6 Spain's Realignment

NSC 72/4 was divided into two sections. Section one was concerned with the immediate objectives of US policy towards Spain and section two with the ultimate objectives. Section one called for development of Spain's potential for the common defence of NATO and thus made clear that Spain was not to be defended on its own but was part of a common defence of Europe. It urged the US to approach Spain for long-range bomber, fighter and naval bases in return for military assistance and technical advice. It also suggested that the US should assist Spain in improving her relations towards other NATO countries and hoped that after discussions with France and Britain, the US could form a common policy of western nations toward Spain.

Section two listed two ultimate objectives governing all relations with Spain. Firstly, Spain was to be included into NATO as early as possible and secondly the US should if possible avoid bilateral agreements with Spain.¹⁶

Shortly afterwards, the State Department granted more funds to the USIE, representing American culture in Spain, for more personnel and material. At the same time instructions were sent to the USIE to induce people and authorities in Spain to promote US policies and to reduce Spain's isolation from international institutions like NATO, OEEC and UN.¹⁷

On 6 February 1951, Acheson informed the designated Ambassador to Spain, Griffis, about his delicate mission. Griffis had been confirmed on the first day of February and was planning to arrive in Spain on the 20 of the same month. He was to stay at Ramón de la Cruz 5, with the Embassy close by on the Paseo de la Castellana.¹⁸ Griffis, arriving in Cadiz by boat with two large limousines,¹⁹ was welcomed by an American Export lobby in Spain which had organized a reception

16. FRUS 1951, Vol.IV, 1 February 1951, Statement of Policy by the National Security Council, p.789.

17. NA, Civil Branch, Lot Files 59D108, February 1951, Country Paper for Spain of USIE.

18. NA, Civil Branch, Lot Files 59D108, 4 January 1951, John W. Jones to Stanton Griffis.

19. NA, Civil Branch, Lot Files 59D108, 31 January 1951, William B. Dunham to John W. Jones.

Chapter 7: NSC72/6 Spain's Realignment

buffet for some 100 VIPs. However, more than 1,000 turned up to greet the ambassador. Short of food and drinks it was not the best start to show American generosity to Spaniards.²⁰

Concerning talks with Franco, Griffis was instructed to point out that propaganda attacks on international institutions like NATO, OEEC and UN had in the past worsened relations between Spain and Europe and that Washington disliked them vehemently. Griffis should not miss the opportunity to outline certain economic problems in Spain, including the 25% investment limit on foreign capital, the restrictions on conversion of profits from Spain to US dollars, the loss of confidence after the Barcelona Traction incident, the export - import controls and the multiple exchange rate system. All of these discouraged foreign investments in Spain.²¹ Griffis also had to make clear that if Franco wanted to improve relations with the US he could only do so by improving relations with Europe. He was to make it clear that the US was committed to NATO countries first and Spain second.²²

In a meeting of officials from the State Department, the Pentagon and the Joint Chiefs of Staff, the State Department asked for the Department of Defense to aid in working out further instructions for Ambassador Griffis.²³

Before this was done, on 12 and 13 February Britain and France respectively were informed about some of the instructions given to Griffis.²⁴ Four days later the State Department asked for their position.²⁵ Sir Oliver Franks, British Ambassador in

20. NA, Civil Branch, Lot Files 59D108, 27 February 1951, Griffis to William B. Dunham.

21. FRUS 1951, Vol.IV, 6 February 1951, The Secretary of State to Spain, p.791.

22. NA, Civil Branch, NSC 72/4, 5 June 1951, Progress Report, also in, CD 092 Spain 1951, 9 February 1951, D. Acheson to Stanton Griffis, also in, FRUS 1951, Vol.IV, 9 February 1951, The Secretary of State to the Ambassador-Designate to Spain, p.795.

23. NA, Civil Branch, CD 092 Spain 1951, 15 February 1951, Memorandum for the Secretary [of Defense] by J.H. Burns.

24. NA, Civil Branch, NSC 72/4 Progress Report, 5 June 1951.

25. PRO, FO371.96182, 20 March 1951, FO Minute Mr Young, Timetable.

Chapter 7: NSC72/6 Spain's Realignment

Washington, found the changes of policy regrettable. He feared that Franco would use them for propaganda reasons and more importantly, to drive a wedge between the Anglo - French and American policy towards Madrid.²⁶ The American Ambassador in London, Gifford, contacted George P. Young, head of the Western Department of the Foreign Office who argued along similar lines. Ambassador Sir John Balfour in Madrid feared that splitting the Western powers was exactly what the Spanish Foreign Ministry was trying to do. He could only hope that the Spanish Ministry would be embarrassed if it tried to play off Britain versus the US. Yet Balfour already knew Griffis and he feared that "with his sanguine temperament Mr Griffis will find it difficult to remain passive for long."²⁷ Already there were renewed problems between British Gibraltar and the Falange. At the same time the Spanish press was publishing anti-British articles. *Arriba* supported Argentina's claim for the Falklands and Guatemala's claim for British Honduras.²⁸ The British Chargé Hankey in Madrid argued that military support for Franco would increase the activities of the fifth column in Spain in case of war.²⁹ Gifford himself assumed that if the US acquired bases in Spain then the ultimate objective to include Spain in a common defence of the West and NATO would have become an impossibility. He believed that Spain would avoid multilateral agreements if she entered bilateral arrangements with the United States and thus bypass opposition in France and Britain. He asserted that bilateral agreements would increase the rift between the US on one side and France and Britain on the other. This would make a common policy towards Spain impossible.³⁰

In a conversation in Washington between Dunham from the State Department and Jamieson from the British Embassy these fears by the Foreign Office were

26. PRO, FO371.961841, 13 February 1951, Sir O. Franks, Washington.

27. PRO, FO371.96172, 4 March 1951, Sir J. Balfour, Madrid.

28. PRO, FO371.96154, 4 April 1951, Summary of Events in Spain for March 1951.

29. PRO, FO371.96181, 16 February 1951, Hankey, Madrid.

30. FRUS 1951, Vol.IV, 8 March 1951, The Ambassador to the UK to the Secretary of State, p.805.

Chapter 7: NSC72/6 Spain's Realignment

summarized to the State Department. The Foreign Office disagreed with the new turn in Washington and pointed towards the fact that relations between Spain and NATO involved more nations than just Spain and the US. Britain also feared that if the Spanish problem came before NATO, agreements on Germany's remilitarization would be slowed down. Naturally, from a defensive point of view, Germany was a front line country with more military potential and thus had to be given priority.³¹

In March, Dunham had a conversation with the Counsellor of the British Embassy in Washington, Burrows and the Ambassador. The Counsellor preferred that the US should not enter into talks with Spain over a possible inclusion into NATO and Sir Oliver Franks told the State Department that he believed that Griffis should not contact Franco at all before further consultation between Britain and the US had taken place.³² Dunham was unwilling to give in and could only assure the British that Griffis had been instructed not to touch on Spain's relations with NATO before the US had consulted with Britain.³³

The British position was the result of a far more important political consideration. Public opinion and scarce economic resources in Britain meant that London would have been sidelined in a rapprochement to Spain. Gibraltar's strategic importance would have decreased if the US gained naval bases in southern Spain. *Pravda* even suggested that Gibraltar was to be transferred to the US.³⁴ Britain was certainly in favour of improving relations with Spain. In spring 1951, the First Sea Lord went to Spain and soon afterwards official naval visits were resumed.³⁵ However,

31. FRUS 1951, Vol.IV, 17 February 1951, Memorandum of conversation by William B. Dunham of the Office of Western European Affairs, p.798.

32. FRUS 1951, Vol.IV, 1 March 1951, Memorandum of Conversation by the Deputy Secretary of State for European Affairs to the Deputy Under Secretary of State, p.799.

33. FRUS 1951, Vol.IV, 1 March 1951, Memorandum of Conversation by the Director of the Office of Western European Affairs, p.799.

34. PRO, FO371.96182, 28 February 1951, Chancery Moscow on *Pravda* 17 February 1951.

35. PRO, FO371.96206, 6 April 1951, FO Minute Mr Young.

Chapter 7: NSC72/6 Spain's Realignment

London was not interested in a collective rapprochement to Spain. The Foreign Office knew that Britain, unlike the US, would benefit little from an economic or military improvement of relations with Spain. Thus it was advisable to hinder such a development.³⁶ In an attempt to get Washington to reverse its policy, London lobbied for its cause. During the coming months, the Italian Chargé in London received confidential information through the Foreign Office concerning US - Spanish relations. Italy in return supported Britain's arguments.³⁷ The Foreign Office also discouraged Portugal from raising the Spanish issue in NATO meetings, claiming that the military built up of Western Europe had priority over Spain's. In the OEEC Britain argued that Spain's membership was undesirable because "owing to the generally low level of its resources, the contribution which Spain might make to OEEC would of necessity be a very limited one." London argued that for Spain joining the OEEC would mean a reversal of her monetary and fiscal policies, something which the Foreign Office considered to be unlikely and that therefore links should be discouraged.³⁸

Given previous French opposition to the Franco regime, it is strange that the Quai d'Orsay was much more open towards talks between Griffis and Franco than the Foreign Office. The truth was that French opposition to Spain was concentrated in the French National Assembly while the Government and the Ministries were more open minded. This is reflected when a vote by the French Foreign Affairs Committee of the National Assembly opposing the appointment of an ambassador was overturned by the French Government deciding to promote M. Bernard Haridon from the post of chargé to ambassador to Spain.³⁹ A statement by the French Ambassador Massigli to London, expressing his concern with US policy to Spain, has to be seen as a diplomatic

36. PRO, FO371.96181, 16 February 1951, F. Hoyer-Miller, Deputy on NAT.

37. PRO, FO371.96183, 5 April 1951, FO Minute Mr Young.

38. PRO, FO371.96195, 12 March 1951, FO Minute Mr Falla.

39. PRO, ADM223.297, February 1951, Monthly Intelligence Report.

Chapter 7: NSC72/6 Spain's Realignment

gesture.⁴⁰ At the same time, Jean Marc Boeger from the French Foreign Office informed the American Ambassador that Griffis should go ahead with talks with Franco. Quai d'Orsay was unwilling to burn any bridges with either of its Western allies. It hoped for top security in these talks, fearing that disclosure would lead to political repercussions but was not strongly opposed to the talk.⁴¹

When Britain realized that France did not strongly object to discussions of a new policy by the Western allies towards Spain, London backpaddled and suggested that discussions between the three nations should take place as soon as possible.⁴²

While this was going on, Secretary of State Acheson told the Senate Foreign Relations Committee and the House Military Affairs Committee on 16 February 1951: "The importance of the association of Spain in the defense of Western Europe I think is clear. I think it is also clear that relations of this country, and I hope of other countries, with Spain are now entering a new phase". For the Secretary there seemed to be little doubt about Spain's strategic value.⁴³ Military necessities had overruled Acheson's previous political considerations for Spain's integration.

If Acheson was implying that Spain should receive military aid, many on the right would have opposed him. Rearming Spain would mean less resources for France and Germany. Yet in Europe, France was the backbone of Western Defence. The Rhine and not the Pyrenees were to be the final stance, thus resources going to Spain were better employed in ten new German Divisions as far as fighting the Soviets was concerned.⁴⁴

In spite of this, the Chief of Staff of the USAF repeated on 23 February that the

40. PRO, FO371.96181, 16 February 1951, FO Minute Sir W.Strang.

41. FRUS 1951, Vol.IV, 11 March 1951, The Ambassador in France to the Secretary of State, p.806.

42. PRO, FO371.96181, 22 February 1951, Hoyer-Miller, NATO.

43. NA, Civil Branch, NSC 72/4 Progress Report, 5 June 1951.

44. Ernest Lindley, "Should we rearm Spain?", in Newsweek, 5 December 1949, Vol.34.

Chapter 7: NSC72/6 Spain's Realignment

US urgently required base rights in Spain.⁴⁵

There was another military consideration which covered neither strategy nor logistic distribution of war material. The Defence Department analyzed the dependency by the US on several raw material imports worldwide. In order to meet the full mobilization requirements the National Stockpiling Program was set up. Internal production in the US, Mexico and Spain were the sole sources for four raw materials which the US required. Celestite imports from Spain were needed for signal flares, tracer ammunition, filler for paints, rubber and plastics. Fluorspar acid was required to built ceramics, flux (a substance mixed with metal to promote fusion), and hydrofluoric. Fluorspar was demanded for flux to manufacture steel, cast iron and ferro alloys. Finally and most important of all, Spain was required for mercury, vital for explosives, chemicals and electric apparatuses. Some of the worlds largest mercury reserves were situated in the south of Spain.⁴⁶

The State Department realized that Spain's production of raw materials could be boosted by American capital investments. Lead production could have been increased by almost 100,000 tons, worth almost \$40 million, with an investment of only slightly more than \$4 million. \$3.75 million would have increased pyrites production by 1,640,000 tons worth \$20.5 million. \$1.25 million would have increased tungsten production by 4,700 tons, worth \$20.2 million. The same amount invested in mining of zinc would have increased production by 70,000 tons, worth \$10.9 million.⁴⁷

Despite these considerations and due to the reaction of the British diplomats, Washington decided to back down and Griffis was instructed not to talk about detailed military questions. He was also told to avoid any talk about Spain's relations with

45. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 23 February 1951, JCS 570/163, Air Force Base Rights Requirements in Spain.

46. FRUS 1951, Vol.I, 12 October 1951, Study by the Department of Defense and the Office of Defense Mobilization.

47. NA, Civil Branch, State Department Decimal File 1950-1954, 852.00/2-2552, Embassy to State Department Memorandum.

Chapter 7: NSC72/6 Spain's Realignment

NATO and bilateral agreements with the US.⁴⁸ Griffis was informed by Acting Secretary of State Webb that Spain would be willing to accept either bilateral or multilateral agreements. The US would prefer multilateral ones but in coming months bilateral agreements were all that seemed possible. Before more detailed instructions could be given to Griffis, the State Department had to consult with London and Quai d'Orsay.⁴⁹

On 7 March the Griffis - Franco talks received the green light to go ahead despite further disagreement from Britain and France.⁵⁰ At the same time Washington wanted to make sure that the damage done to Anglo - American relations was minimized through further talks with British diplomats. The same day, during a dinner in London, Miss Willis, a young and inexperienced diplomat working at the US Embassy, stressed the importance of utilising Spain's military potential and confessed that Washington's immediate objective was the acquisition and utilization of air and naval bases in Spain. She even revealed that the US would enter bilateral talks with Spain while continuing to consult with France and Britain. After dinner Theodore Achilles, in charge of the Western European Division and more experienced than Miss Willis, had to reassure the Foreign Office representatives somewhat when he showed himself to be more critical towards the Griffis - Franco talks and Spanish - American relations in general.⁵¹

In Madrid Sir John Balfour had a meeting with his American counterpart. During more than one hour Stanton Griffis outlined Spain's importance for Western Europe. Instead of reassuring Ambassador Balfour, Griffis created the impression that he was in fact challenging part of his own instructions from Washington concerning

48. FRUS 1951, Vol.IV, 2 March 1951, Memorandum for the Files by the Deputy Assistant Secretary of State for European Affairs, p.801; PRO, FO371.96182, 7 March 1951, Mr Steel, Washington.

49. FRUS 1951, Vol.IV, 6 March 1951, The Acting Secretary Of State of the Embassy in Spain, p.802.

50. NA, Civil Branch, NSC 72/4 Progress Report, 5 June 1951.

51. PRO, FO371.96182, 7 March 1951, FO Minute, Mr Young.

Chapter 7: NSC72/6 Spain's Realignment

Spain's relations with NATO and bilateral talks with the US. The two Ambassadors were obviously not getting on with each other. Balfour had previously commented on his fears about Griffis sanguine character endangering the delicate situation of Spain's position in foreign relations. Now he added: "Mr Griffis showed himself to be even more impervious to reasoning than I had expected."⁵² Some days later Balfour was again outraged by the American's "naive persistence" and he wrote: "Mr Griffis struck me as a tired man... he may well find it difficult to stay the course."⁵³ Even Washington seemed concerned about Griffis' over-enthusiasm and tried to stop Griffis from further complicating the issue.⁵⁴

Under instructions from Washington to improve relations and despite opposition from Paris and London, Franco and Griffis held their first official talks on 14 March. Franco did most of the talking while the American Ambassador listened patiently. Nevertheless, Griffis must have briefly mentioned US policy to cooperate militarily with Spain and possible US use of Spanish air and naval facilities because Franco was pleased to talk about the topic and discussed it at great length. The Caudillo guaranteed concessions concerning religion, something which was vital for Truman. Then he touched military matters. Expressing his disbelief that France could be defended, he thought that America's best option was granting aid directly to Portugal and Spain. The Caudillo expressed his willingness to join the US on terms similar to those of NATO, should the appropriate aid be granted. This would tie Spain into NATO defence against hostilities versus any NATO country. Even without such an agreement, he said that Spain would be willing to send troops north of the Pyrenees after they had been properly armed and supposedly trained.⁵⁵ The dictator said that "should Spain be

52. PRO, FO371.96182, 10 March 1951, J.Balfour, Madrid on Balfour - Griffis talks 9 March 1951.

53. PRO, FO371.96182, 13 March 1951, J. Balfour, Madrid.

54. PRO, FO371.96182, 20 March 1951, FO Minute Mr Young.

55. NA, Civil Branch, NSC 72/4 Progress Report, 5 June 1951, also in, FRUS 1951, Vol.IV, 15 March 1951, The Ambassador in Spain to the Secretary of State, p.807.

Chapter 7: NSC72/6 Spain's Realignment

sufficiently armed then he would send troops north of the Pyrenees to fight in a common front."⁵⁶

As for American Bases in Spain, Franco told Griffis that they would be a real possibility if they were mutual bases and if in case of war they were under Spain's command. He also expressed his interest in a bilateral agreement with the US. The Caudillo left Griffis with the belief that he could be guided along any lines the Americans wished for as long as "aid to Spain [was] in proportion to aid given other countries." Griffis and Washington did not forget that it was crucial to approach France and Britain correctly if the policy towards Spain was to be successful.⁵⁷

On the 16 March, Homer M. Byington from the State Department informed the counselor to the British Embassy Bernard A.B. Burrows about the Franco - Griffis conversation. On the same day the French authorities were informed in a similar way. What the Americans decided to omit was the part of the conversation which concerned possible bases in Spain which Franco was willing to grant to the US. Slightly later, the Embassies and the Representatives at NATO were informed about the talks, yet in all cases the US carefully avoided the topic concerning bases. The reason for this omissions is clear. The State Department wanted at least to keep the appearance that a bilateral military settlement between Spain and the US had not even been considered during the talks.⁵⁸

On the same day as Britain and France were informed about the conversation between Griffis and Franco, the State Department requested the view of the Department of Defense on the talks with France and Britain over Spain. Together the two Departments were to work out the tactics to successfully implement NSC 72/4.⁵⁹ It

56. Marquina, "Aspectos relevantes en las negociaciones entre España y los Estados Unidos", in Buhigas, Bases y Reducciones, Madrid, 1987, Franco to Griffis, March 1951, p.11.

57. NA, Civil Branch, NSC 72/4 Progress Report, 5 June 1951, also in, FRUS 1951, Vol.IV, 15 March 1951, The Ambassador in Spain to the Secretary of State, p.807.

58. NA, Civil Branch, NSC 72/4 Progress Report, 5 June 1951.

59. NA, Civil Branch, NSC 72/4 Progress Report, 5 June 1951.

was hoped that neither France nor Britain would make a public statement opposing these talks as this would show a split of opinion in Western policy towards Spain.

Four days after the talks between Franco and Griffis and two days after Britain and France had been informed a version of the conversations was somehow leaked to the Associated Press and received publicity worldwide. It had been America's attempt to avoid this publicity. Now Britain and France were forced to express their regret on the unilateral approach by the US towards Spain publicly. Naturally this did not enhance the relations between the three Western powers.⁶⁰

In pace with the military talks, economic relations between the US and Spain continued to improve. In February 1951 Spain received the right for the first \$12.2 million under the \$62.5 million credit. The credit was used to buy 60,000 bales of cotton and its conditions were favourable to Spain. The credit had to be paid back within 18 months at only 2.75% interest. The rest of the credit from the Export Import Bank could be used to buy cotton, wheat and even machinery, provided applications were filed for particular projects.

During the same year the US improved her trade position with Spain of military equipment in relation to Britain. There was an exchange of airforce officers between the US and Spain to discuss a deal concerning eight F-84 and two training planes, T-33. In April several USAF Thunderjets flew from Germany for flight demonstrations in Seville and Madrid. After these demonstrations, a representative of the Spanish company Ramón Escario informed the British company DeHavilland that he had serious doubts about doing business with the British company. Straight away Ambassador Balfour encouraged a flight show by DeHavilland Comets to limit the commercial repercussions of the USAF demonstration.⁶¹

In his over-enthusiasm Ambassador Griffis again went further than Sir John

60. NA, Civil Branch, CD 092 Spain 1951, 30 March 1951, Memorandum of Conversation, Mr Burrows (British Embassy) - Mr Byington (WE), similar letter from French Ambassador Bonnet on 19 March 1951; also PRO, FO371.96183, 30 March 1951, FO Minutes Mr Morrison.

61. PRO, FO371.96172, 9 May 1951, Sir J. Balfour.

Chapter 7: NSC72/6 Spain's Realignment

Balfour in the attempt to accommodate Madrid. During a dinner talk of the American Chamber of Commerce in Barcelona, he advocated technical and financial assistance for Spain in return for relaxation of restrictions on foreign capital in Spain. He also stressed Spain's strategic importance, a topic which had great appeal to the Spanish press.⁶² In another talk to the American Chamber of Commerce, this time in Madrid, Griffis requested help for Spain "not so much for the benefit of Spain as for the benefit of the United States Government itself. " He even urged the firms represented at the meeting to bring pressure on Congress and on President Truman so that relations between Madrid and Washington would improve.⁶³ Griffis was not even deterred when a journalist in a press conference in Barcelona caught him in a series of political blunders. Griffis referred to the people of Eastern Europe as satellite people and the nations as write-offs. According to him Russia had destroyed the independent spirit of Poland. This did not make Griffis a popular man in European politics. More importantly in the eyes of the State Department, he over-emphasized Spain's strategic importance for the US. Despite his later regrets, such statements naturally led to increased demands by authorities in Spain.⁶⁴

Unlike Griffis, the State Department wanted to be far more subtle in pressuring France and Britain into improving relations with Spain. Griffis' approach not only created a bad atmosphere between the three western allies but also made military concession by and political changes of Spain less likely.

The State Department was aware that Spain's economy was not yet liberated enough to encourage private companies to invest heavily. An American report, dated 1 February 1951, to the House of Representatives was very pessimistic about Spain's economic situation. It argued that the INI was pushing out private enterprises. The construction of a steel factory for example had been planned by the authorities in 1950.

62. PRO, FO371.96172, 16 May 1951, Sir J. Balfour.

63. PRO, FO371.96172, 19 June 1951, Mr Murray, Madrid.

64. PRO, FO371.96172, 11 June 1951, Sir J. Balfour.

Chapter 7: NSC72/6 Spain's Realignment

However, the factory was to be unprofitable and bankrupted other smaller, private profitable enterprises. Projects like these meant that liberals in the US could challenge the loan by the Export Import Bank to Spain.

It was true that after the collapse of the Franco - Perón agreement, Spain needed credits to finance imports. The \$62.5 million credit could have helped during some months. Yet many feared that the credits would be poured into state projects which added little to the solution of the problem.⁶⁵ One had to conclude that the Export Import Bank had to administer the credits very carefully so as to avoid the problems which might arise.

In April, Griffis sent his impression of Spain's economic situation to Washington. The Ambassador confirmed that Franco was firmly in power and that his death or removal would only destabilize Spain. He argued that the economy could put an end to Franco only if the army was willing to oust the dictator, which he considered highly unlikely. Militarily, Griffis claimed that Spain was unable to defend herself because despite the willingness of Spaniards to fight, they lacked arms to do so properly. Thus, he asserted, military aid and a military mission were urgently required.⁶⁶

Military considerations in Washington played an important role. The U.S. Army was convinced that "Spanish military capabilities are so promising that they can be substantially improved for possible employment in the European Defense plans economically and more rapidly than any other European continental power"⁶⁷ and "at no greater cost and faster than any other major continental European nation."⁶⁸ Senator McCarthy supported this view in debates in Congress. He claimed that "the defence of

65. LOC, H 1868, 1 February 1951, No.8.

66. FRUS 1951, Vol.IV, 24 April 1951, The Ambassador in Spain to the Secretary of State, p.814.

67. NA, Military Branch, G-3 091, Spain, 1951, 25 April 1951, G-2 to C/S.

68. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 24 June 1951, Deputy Army Chief of Staff, G-2 to U.S. Army Europe.

Chapter 7: NSC72/6 Spain's Realignment

Europe should be... revised so as to provide for utilization of the military and other resources of Western Germany, Spain, Turkey and Greece."⁶⁹

More serious military considerations were not as clear cut as McCarthy's political opinion. On 13 April the International Security Affairs Committee argued that: "the military capacity of Spain to make a contribution to Western European defense would require the support of the Spanish people. It might be difficult to obtain the support if it appeared to the Spanish people that United States interest in Spain extended only to expenditures on behalf of the Spanish military establishment and disregarded the welfare of the Spanish people themselves."

The Committee recommended carrying out the \$62.5 million loan by issuing the notes to the European Cooperation Administration for purchase by the Secretary of the Treasury and thus make credits more available.⁷⁰

The International Security Affairs Committee argued that in order to implement NSC 72/4 further economic aid was required. Yet the document itself was not specific on this aid. The Financial Year (FY) 1952 did not include any budget allocations for Spain apart from the possibility to use part of the \$850 million credit for Europe. Furthermore, the \$62.5 million credit was to expire by the 30 June unless the European Cooperation Administration was extended into FY 1952. By now, out of the \$62.5 million only \$17 million had been approved. Unless the money was extended for one year, there existed a real possibility that there would be no credits available for Spain during the coming FY. This would mean the necessity to issue grants to help implement NSC 72/4 because, the International Security Affairs Committee argued, military improvements depended heavily on the transport network, ports and airfields in Spain. There was no current estimate of how much credit was to be required but it was obvious that possible credits had to be created so that the government could draw upon

69. PRO, FO371.96183, Mr B.A. Burrows, Washington.

70. NA, Military Branch, CD 091.3 Spain 1951, 13 April 1951, International Security Affairs Committee.

Chapter 7: NSC72/6 Spain's Realignment

them whenever necessary. In conclusion, the International Security Affairs Committee reported that the \$62.5 million credit of the Export Import Bank should be extended into the FY 1952 and Congress should increase the credit limit. If grants had to be issued to Spain, they should have been treated in the same way as those to Yugoslavia.⁷¹ Truman approved this report on the 23 April 1951.

The Joint Chiefs of Staff had also concluded in a study on 13 April 1951 that France and Britain still opposed US policy towards Spain. Clearly the Korean war had moved them little in this respect. Despite this the Joint Chiefs of Staff report suggested that "measures should, therefore be immediately initiated by the United States to make Spain one of our military allies." The reason was simple: "a coalition of Western Powers to fight communism in Europe would be greatly strengthened by the inclusion of Spain"⁷².

In a memorandum for the Chiefs of Staff, 25 April 1951, it was argued by the US Army that Spain's armed forces had many trained soldiers, a unity in general staff and the troops were not divided by Marxist theories. Its only disadvantage, the US Army argued, was that it lacked modern weapons,⁷³ and there the US could help out. In another project it was even estimated that Spain would be able to defend the Spanish Pyrenees line or at least delay the enemy's advance by about two weeks.⁷⁴

In a Joint Chiefs of Staff meeting, the Services disagreed over American policy towards Spain. The Army wanted to introduce the Spanish problem to the Standing Group of NATO and thus extend discussions with France and Britain. This would have decreased the political complications but would have made bilateral agreements less

71. FRUS 1951, Vol.IV, 13 April 1951, Memorandum by the International Security Affairs Committee.

72. FRUS 1951, Vol.I, 13 April 1951, Study prepared by the Joint Chiefs of Staff Supplementary Study on the 15 January 1951 Review of the Current World Situation and Ability of the Forces being maintained to meet the United States Commitments.

73. WNRC, Army Chief of Staff Decimal File 091 Spain 1951-52, 25 April 1951, Memo for Chief of Staff.

74. WNRC, Army Chief of Staff Decimal File 091 Spain 1951-52, Project 6188 and, 10 April 1951.

Chapter 7: NSC72/6 Spain's Realignment

likely. The Navy and Air Force argued that if the problem came before the Standing Group, complications would arise. The two services argued that NSC 72/4 clearly called for negotiations between the two countries and at the moment this could only be done unilaterally with Spain. The Army believed that cooperation with Madrid would only be possible after France and Britain accepted Spain's usefulness for NATO. The Navy and Air Force once again countered that NSC 72/4 had dealt with that problem by deciding that the US would grant aid in return for contributing to the defence of Spain.⁷⁵ The disagreements between the three services is not surprising. The Navy and Air Force stood to gain more out of a deal with Spain than the Army which predicted complications in military cooperation.

In either case military requirements in Spain included an improvement of Spain's infrastructure and thus credits had to be made available. In order to facilitate these, the Chairman of the Export Import Bank, Gaston, wrote to the American Embassy in Spain clarifying the form of acceptance of credit applications under the \$62.5 million credit. Credit applications, analyzed on individual merits, had to be in the interest of the US and Spanish economy, above all the private sector. The Bank favoured applications for the mining and agriculture sectors. According to Gaston, the most often committed mistake in applying for credits was that the Spanish industry did not file for specific programs. By April 1951 only five credits adding up to \$17.2 million had been approved: \$5 for cotton, \$3.5 for fertilizers, \$3 for tractors, \$0.7 for fertilizers by the project of the Sociedad Iberica Nitrogeno and \$5 million for wheat. Some of these were not even taken up, such as credits for cotton and fertilizers. Instead credits for insignificant parts for tractors had been used. Other credit applications had been rejected due to the size, lack of alternative funds, lack of knowledge or lack of economic justification. In return the Bank proposed credits for more wheat, cotton,

75. NA, Civil Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, JCS 1821/31 Draft, April 1951.

Chapter 7: NSC72/6 Spain's Realignment

fertilizer, and other sectors.⁷⁶

Later the same year, Griffis told the Acting Secretary of State that the fault for the delay of credits under the Export Import Bank was not only due to Spain's lack of correct applications but also due to the US slow process of granting credits to small and medium sized projects.⁷⁷ The Acting Secretary replied that this was due to the failure by Spaniards to apply for specific programs.⁷⁸ Whatever the case, the fact that credits under the \$62.5 million appropriation were only slowly forthcoming, complicated military considerations.

Initially after NSC 72/4, the Joint Chiefs of Staff recommended to send Admiral Carney, Commander-in-Chief of the USNF Eastern Atlantic and Mediterranean to contact Spanish military authorities in order to obtain US flight, stop and transit rights over Spain. Carney was also to have asked for free access to and use of military bases in Spain, Spanish Morocco and Spain's Islands. These bases would have been used to control the Strait of the Gibraltar and for antisubmarine warfare. The Admiral was to conduct "initial military discussion of an exploratory nature with Spanish military authorities." However, since the passage of NSC 72/4, there had been nervous talks between France and the US on 13 February, 19 February and 11 March. Similar talks had been held six times with the British between 17 February and 29 March. Under these circumstances the State Department wanted to hold further talks with France and Britain before Admiral Carney's visit to Spain. The Department of Defense did not want any delays and planned to go ahead with the visit.⁷⁹

The Foreign Office in Britain was very much opposed to the new approach by the US to Spain. On the other hand a study by the British Joint Planning Staff, part of

76. FRUS 1951, Vol.IV, 23 April 1951, The Chairman of the Export Import Bank to the Embassy in Spain, p.844.

77. FRUS 1951, Vol.IV, 8 December 1951, The Ambassador Griffis to the Secretary of State, p.855.

78. FRUS 1951, Vol.IV, 12 December 1951, The Acting Secretary of State to the Embassy in Spain, p.856.

79. NA, Military Branch, CD 092 Spain 1951, 1 May 1951, G.C. Marshall to Secretary of State.

Chapter 7: NSC72/6 Spain's Realignment

the Chiefs of Staff, pointed in exactly the opposite direction. Similar to US plans, the British study recognized Spain's strategic value. It was claimed that Germany's rearmament made a change of policy towards Spain possible. However, Spain was not to be included into NATO due to political implications. Concerning the other alternative, a bilateral agreement between the US and Spain, the British Joint Planning Staff hoped that France and Britain would be able to enter simultaneously a secret contract with Spain, allowing the use of facilities. The downsides of such an agreement were: firstly, a diversion of American military arms to Spain, away from the rest of Europe. Secondly, the risk that Spain and Portugal might permanently enter the American sphere. Finally, that the problems caused would weaken NATO's defence concept in general.

The Joint Planning Staff saw two options - either to abandon any military association with Spain, hoping that pressure on Washington would make them back down or to agree with the idea of bilateral agreements between the US and Spain. The report clearly outlined that the former option carried a high risk in that so far Washington had not been willing to give in to European concern and there was no indication that it might do so in the future. Thus London risked being sidelined and cut out of a deal. The report read: "It is clear that the Americans are intent on reaching a military understanding with General Franco, it would therefore be useless to oppose the American pact as our opposition would only harm Anglo/American relations." Thus the report recommended that "to reduce the dangers to us inherent in a bilateral agreement we should associate ourselves with the agreement so as to obtain the maximum advantages from it."⁸⁰ Unfortunately the Foreign Office chose not to follow the military recommendations and decided instead to become sidelined.

On 23 April, a directive went to Admiral Carney. After George C. Marshall's encouragement, Carney was instructed to conduct initial military discussions with

80. PRO, DEFE6.16, 24 April 1951, Report by JPS.

Chapter 7: NSC72/6 Spain's Realignment

Spain, to form the basis for future military cooperation.⁸¹ US military requirements were long-term rights in Spain to base and rotate air groups. These rights were to include Cadiz, Madrid, Barcelona, Seville and three other airfields. The Navy was to seek anchorage rights in Barcelona, Algeciras, Cartagena, Ceuta and four other ports. Arrangements for his trip were being made through the Senior Military Attaché in Madrid and the American Ambassador to Spain was to be kept informed about developments. Admiral Carney was instructed to avoid publicity.⁸²

Two weeks later the service attachés in Spain organized aerial photographs of Valencia, Tarragona, Cullera, Sagunto, Barcelona, Badalona and other coastal areas.⁸³ These were to help future negotiations and to clarify the sites identified for military bases.

Spain was very much interested in purchasing military equipment for their armed services. Lequerica informed Acheson that Spain wanted to purchase fourteen fully equipped and armed F-51D fighter planes of which two should be for training purposes.⁸⁴ The State Department dealt fairly quickly with the Spanish proposal. Spain could only get these fighter planes through the Mutual Defense Assistance Act if the President was willing to grant them. As this was very unlikely, Spain was told to forget about the purchase.⁸⁵ In June the Spanish Air Minister General Gallarza visited the Secretary of Air Finletter.⁸⁶ Another visit by Lieutenant-General Camilo Alonso Vega,

81. NA, Civil Branch, Lot Files 59D108, 1 May George C. Marshall to State Department.

82. NA, Military Branch, CD 092 Spain 1951, 23 April 1951, Draft Directive to C-in-C, USNF, East Atlantic and Mediterranean.

83. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 10 May 1951, AA Spain to Department of State.

84. NA, Civil Branch, State Department Decimal File 1950-1954, 752.5622/5-2851, Lequerica, Ambassador to Acheson.

85. NA, Civil Branch, State Department Decimal File 1950-1954, 752.5622/6-1451, John C. Ellitt to William Dunham.

86. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 22 June 1951, Memorandum for the Executive.

Chapter 7: NSC72/6 Spain's Realignment

Director General of the Spanish Civil Guard was planned for August.⁸⁷ Military relations were improving and economic considerations were closely linked to these.

During the first half of 1951, rising prices in Spain had led to strikes in Barcelona during early April and to other worker and student riots. To provide social stability, Spain needed economic aid. After clarifications in Washington, loans were made more accessible to Spain. By May 1952 Spain had received the following credits under the \$62.5 appropriation: \$17 million for cotton, \$7.5 million for the railways, \$7.25 million for wheat, \$4.7 million for mining, and \$17.5 for several other projects and raw materials, leaving \$10 million.⁸⁸ All these credits were granted between the beginning of 1951 and 1952. Thus it took almost half a year to extend the first credit but then they were granted freely.

Between 1949 and 1951 Spain had also received private credits from US banks. The Chase Manhattan had granted Spain \$42 million and the National City Bank had given Franco \$20 million for agricultural machinery and food.

This was crucial because Spain lacked the financial capacity to improve in the agricultural sector. Less than 1% of the total government expenditure went into agricultural improvement in 1950. These credits for Spain were also of some importance to the American industry. In the US, the export surplus had fallen from \$6.2 billion in 1949 to \$3.6 billion one year later and new markets were vital to US exporters.

Spain was one such possible market. On 7 June 1951, the State Department, issuing NSC 72/5, argued that in order to achieve the objectives of NSC 72/4 certain changes had to be made concerning economic and military assistance. The Department agreed that the development of Spain's military potential was no longer to be governed by political considerations. Thus US officials should no longer have to emphasise that

87. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 28 July 1951, Letter Camilo Alonso Vega.

88. Hearings before the Subcommittee of the Committee on Appropriations House of Representatives: Mutual Security Appropriations for 1953, Washington, 1952, p.535.

Chapter 7: NSC72/6 Spain's Realignment

the primary role envisaged for Spain was supporting the defence of Europe. The State Department even agreed to "provide military assistance and the necessary and appropriate economic assistance to Spain". Here the State Department had gone one step further than in NSC 72/4. Now Spain was not only to receive military assistance but also economic assistance as long as this was compatible with two restrictions.

Firstly, "any assistance provided to Spain should be guided by the simple principle that the NAT countries have priority for our aid and for material under the NAT, MDAP and ERP." Secondly, "any military or economic assistance given to Spain should be given under such terms and conditions as to advance and not retard Spanish participation in NATO etc." NSC72/5 suggested that the Defense Department should continue to release "through the Civil Aeronautics Administration, either directly to the Spaniards or through the United States air lines operating in Spain, as much as possible of the air navigational aids and other electronic equipment which the Spanish Government requested last June during the negotiation of the Civil Air Agreement."

Nevertheless, the State Department continued to argue that it was important to "reach agreements with ... NATO on Spanish participation and thereafter to initiate discussions with the Spanish Government." Compared to NSC 72/4, the State Department had watered down the attack on Spain's attempt to gain bilateral agreements. The only other changes in NSC 72/5 were minor differences in immediate objectives, ultimate objectives, guiding considerations, political and administrative ways to achieve objectives.⁸⁹

Shortly thereafter, on 19 June, the Joint Chiefs of Staff wanted to change NSC 72/5. This was due to General Hoyt S. Vandenberg's belief that NSC 72/5 gave the impression that if Spain was not to be included in NATO and no alternative arrangements could be made with NATO members then no alternative mutual defence

89. NA, Civil Branch, NSC 72/5, 7 June 1951, State Department.

Chapter 7: NSC72/6 Spain's Realignment

arrangement would be concluded.⁹⁰ It was proposed that point 2a) should read "to obtain early Spanish participation in NATO" instead of as "early as possible" and point 2b) "to conclude alternative mutual security arrangements"⁹¹ instead of trying to avoid bilateral agreements.

On 27 June 1951, the NSC senior staff issued NSC 72/6 as a response to the State Department's proposal. The changes were dramatic, political considerations no longer governed the development of Spain's military potential. The paper no longer put an emphasis on defending rather than liberating Europe. Spain's inclusion into NATO was no longer a long-term aim but fell under the section of immediate objectives. The paper even argued that if Spain's integration was delayed, alternative mutual security arrangements should be proposed. The paper suggested that military and air aviation aids were to be granted by the Defense Department. Although the NSC still considered NATO to have precedence over Spain concerning military aid, NATO no longer had priority if aid for Spain would be "facilitating the acquisition by the United States and its allies of strategic materials of use in their mobilization efforts." American negotiators could now approach Spain for military bases disregarding European opposition. The NSC staff had decided not to go along with the State Department's proposal that before initiating discussions with Spain concerning its inclusion into NATO, agreements had to be reached with other NATO countries.⁹² This paper, NSC 72/6, was approved by the President Truman on 28 June 1951 and became US policy.

Nevertheless, on 23 June, five days before NSC 72/6 had become US policy, the Secretary of State had informed Griffis that US policy to Spain was still governed under NSC 72/4 which meant that before Spain would receive any further credits it had

90. NA, Civil Branch, NSC 72 Background Information, 19 June 1951, Vandenberg to Secretary of State.

91. NA, Military Branch, CD 092 Spain 1951, 19 June 1951, JCS to Secretary of Defense.

92. NA, Civil Branch, NSC 72/6, 27 June 1951, Revision by Senior NSC Staff of NSC 72/5, also in, FRUS 1951, Vol.IV, 27 June 1951, Statement of Policy Proposed by the National Security Council.

Chapter 7: NSC72/6 Spain's Realignment

to grant base rights to the US.⁹³

International considerations were changing and further talks had to be held by the US with France and Britain. Washington hoped that London was ready to enter military talks with Spain.⁹⁴ After the first negotiations on 15 June with foreign diplomatic representatives to the US, the Secretary of State wrote to the Embassy in Spain: "We shall inform Brit[ain] and Fr[ance] that the US Gov[ernmen]t believes in order to carry out our NATO responsibilities it will be necessary for us to make bilateral arrangements with Spain to secure base facilities." The same day both the French and British embassies were informed about this.⁹⁵ On 21 and 22 June more talks were held between the US and the two European nations. This time the military aspects came under scrutiny. Admiral Sherman and McGuire E. Perkins of the State Department outlined the US position to the British Air Chief Marshall Sir William Elliot. The British could not help feeling that the State Department had been pushed into an uncomfortable position by the Defense Department.⁹⁶ The next day the two Americans met with the French General Murtin to inform him likewise.

Shortly afterward's France and Britain compared the information given to them by the State Department. It became clear that France had received less specific information about the planned US bases and airfields. This was probably done by Washington because the authorities there knew that the French were concerned about a withdrawal of US troops behind the Pyrenees in case of war. Britain on the other hand had received no information that the US saw little need to issue a tripartite statement before signing agreements with Spain. Once again this was the most important issue for London and by not being informed of this through Perkins and Sherman, the US had

93. FRUS 1951, Vol.IV, 23 June 1951, The Secretary of State to the Embassy in Spain, p.849.

94. FRUS 1951, Vol.IV, 14 May 1951, Memorandum by the Assistant Secretary of State for European Affairs to the Secretary of State, p.816.

95. NA, Civil Branch, NSC 72/6 Progress Report, 7 September 1951, also in, FRUS 1951, Vol.IV, 18 June 1951, The Secretary of State to the Embassy in Spain.

96. PRO, FO371.96184, 22 June 1951, Mr Steel, Washington.

Chapter 7: NSC72/6 Spain's Realignment

hoped to avoid complications with Britain. After this exchange of information, Britain and France decided to delay the talks between the US and Spain so that they would not take place during the first days of July 1951.⁹⁷

Yet already on 25 June Matthews and Perkins from the State Department had cleared Sherman's visit to Spain. He was not to depart later than 15 July and was instructed specifically to discuss base facilities. His talks were to be followed by a small group to continue the negotiations. This group was to include high-ranking officers from the Navy and Air Force.⁹⁸ Griffis in turn was told that he should inform the Spaniards that the talks from 14 March 1951 would be resumed.⁹⁹

After being worn down by Sherman and Marshall and after approving NSC 72/6, in early July 1951 Truman authorized the visit by the Chief of Naval Operations Admiral Sherman to Spain. The decision to send Sherman or Carney was not made until the last days of June and finally came down to a personal preference by Ambassador Griffis who after all was to coordinate the negotiations.¹⁰⁰ The Ambassador had urged the State Department to send Sherman and not Admiral Carney for personal reasons. In fact, Griffis had already invited Sherman when the Admiral was in Europe during April 1951.¹⁰¹ Yet at that time political objections had still overruled military advantages and therefore the State Department had discouraged Sherman from going to Spain. Now, after NSC 72/6, the considerations were reversed and nothing stood in the way of the visit.

In the meantime and as agreed with France, on 29 June the British Embassy expressed its desire for the Americans to delay their planned bilateral talks with Spain

97. PRO, FO371.96184, 27 June 1951, FO Minute Mr Young.

98. FRUS 1951, Vol.IV, 3 July 1951, Memorandum by the Deputy Assistant Secretary of State to the Secretary of State, p.825.

99. NA, Civil Branch, NSC 72/6 Progress Report, 7 September 1951.

100. NA, Civil Branch, Lot Files 59D108, 25 June 1951, Memo "Conduct of Base Negotiations with Spain".

101. NA, Civil Branch, Lot Files 59D108, 7 June 1951, Griffis to Perkins.

Chapter 7: NSC72/6 Spain's Realignment

in order to give the British Cabinet more time to reach and express publicly its opinion.¹⁰² This was a trap by London to delay the talks indefinitely. Mr Homer Byington, Director of Western European Affairs, assured the British Embassy that the US would wait until H.M. Government's view was received before the bilateral talks would be resumed.¹⁰³ Yet as we have seen Sherman's visit had already been approved by the State Department and only needed Presidential confirmation to go ahead. In fact Sherman had been instructed not to leave for Madrid later than 15 July. Byington was clearly unaware about the Anglo - French attempt to delay the talks.

Britain was in no hurry to make its view known and time was running out. Finally on 6 July the Americans informed the British Embassy that talks were to be resumed with Spain. The US could no longer wait for H.M. Government's view.¹⁰⁴ If Britain wanted to make her policy known, she had to do so quickly. For the US this mattered little as under NSC 72/6, Washington had decided to go ahead with bilateral talks whatever the position of her NATO allies.

Ambassador Balfour in Madrid urged London on to make its policy known. He knew that Sherman had gone on a trip to the Far East for one week, would then return briefly to Washington for final instructions before finally departing for Madrid around the 17 July.¹⁰⁵

Under this pressure, the British cabinet and France finally issued a statement. In an aide-mémoire on 10 July 1951 and in talks with the American Ambassadors, the two European nations made clear that they opposed close relations with Spain. They admitted that Spain had strategic value but claimed that material and morale considerations were more important. They saw unilateral action by the US as a severe

102. NA, Civil Branch, NSC 72/6 Progress Report, 7 September 1951.

103. PRO, FO371.96184, 30 June 1951, Mr Steel.

104. NA, Civil Branch, NSC 72/6 Progress Report, 7 September 1951; PRO, FO371.96184, 6 July 1951, O. Franks, Washington.

105. PRO, FO371.96184, 7 July 1951, Balfour, Madrid.

Chapter 7: NSC72/6 Spain's Realignment

shock for most NATO countries, suffering severe strain on their morale because of a possible American withdrawal to Spain. On the material side, Europe saw more urgent needs elsewhere, above all in West Germany. In their note France and Britain agreed that the impossibility of keeping negotiations secret would complicate the whole matter.¹⁰⁶

This mattered little as NSC 72/6 overruled European opposition concerning Spain. Accordingly Acheson informed the British Ambassador on 12 July 1951 that the US had considered the opposition from London and Paris but nevertheless had decided to go ahead.¹⁰⁷ As we have already seen the decision to go ahead with the talks had been taken long before Britain and France had voiced their concern. Despite the French and British aide-mémoire, Dean Acheson, George C. Marshall, General Bradley from the Joint Chiefs of Staff, Admiral Sherman and President Truman reconfirmed their decision to go ahead. In order to reduce complication, Griffis was instructed to keep the visit as quiet as possible. The talks were going to touch on general use of air facilities, overfly rights, airplane basing and the use of ports.¹⁰⁸

The Foreign Office and Quai d'Orsay in return stepped up the pressure on their Governments and it was decided by both countries to issue another aide-mémoire to the State Department stressing the seriousness of the situation.¹⁰⁹

Rodolfo Llopis, Secretary-General of the Spanish Socialist Party in exile desperately tried to help the two European countries in preventing Washington from resuming bilateral talks with Franco's regime. He claimed rather unconvincingly that sections of the Spanish Army and the Spanish Monarchs were about to present an

106. NA, Civil Branch, NSC 72/6 Progress Report, 7 September 1951, also in, FRUS 1951, Vol.IV, 8 July 1951, The Ambassador in the UK to the Secretary of State.

107. PRO, FO371.96185, 12 July 1951, O. Franks, Washington.

108. NA, Civil Branch, NSC 72/6 Progress Report, 7 September 1951, also in, FRUS 1951, Vol.IV, 12 July 1951, The Secretary of State to the Embassy in Spain.

109. PRO, FO371.96185, 13 July 1951, Aide-Memoire to State Department.

Chapter 7: NSC72/6 Spain's Realignment

ultimatum to Franco in September if the US gave no support to the Spanish dictator.¹¹⁰ It took no political genius to realize that this attempt to stop the talks was a last desperate undertaking.

All these attempts were in vain. NSC 72/6 had settled that matter. Sometime after the issuing of NSC 72/6, the National Security Council argued that NSC 72/6 would provide greater military flexibility, additional dispersion of troops and permit continuity if other bases were to be temporarily unusable. The new policy also guaranteed a larger counterattack, control of Gibraltar and the West Mediterranean, thus increasing the security of the lines of communication.¹¹¹

On 19 July 1951 Truman confirmed that the policy towards Spain had been changed due to advice from the Department of Defense. He made it clear that he had done so reluctantly. "I don't like Franco and I never will, but I won't let my personal feelings override the convictions of our military men."¹¹²

110. PRO, FO371.96185, 9 July 1951, Mr D. Healey.

111. NA, Civil Branch, NSC 72 Background Information, Recommended Action by NSC.

112. Public Papers of the Presidents of the USA: Truman, 19 July 1951, Washington, 1961-1966.

Chapter Eight

1951

**The Sherman-
Franco Talks**

Chapter 8: 1951 The Sherman - Franco Talks

The US realized that Spain's Generals, such as Juan Vigón, were very optimistic about bilateral talks. A year earlier they could not have expected more than some aid in case of war between the US and the USSR, now they not only expected military aid but Spanish soldiers could go to the US for military training.¹

Washington knew that a bilateral agreement with Franco would stabilize his regime removing the army as a possible source of internal opposition to him and improving Spain's economic position and military strength.² For Washington, the time had come to consider Spain's military potential and find out how much aid was required.

Several studies were being made. The U.S. Navy considered the area between Cartagena and Valencia as well suited for its purposes. The USAF did not. For the Navy the area, compared to French Morocco, was 600 miles closer to the USSR and it was easy to protect. It was well suited for submarine warfare. The USAF rejected it on strategic grounds. Next, the triangle El Ferrol - Lugo - Vigo, in northwest Spain, was being considered. It had a good harbour in Vigo. Yet the port at Ferrol, Franco's birthplace, was obsolete and Lugo lacked a decent airport. The Cadiz - Huelva - Seville triangle, on the other hand, had great advantages. It was also along the Atlantic coast, helping transatlantic shipment. Thus it was considered by the Navy and the USAF as an attractive option. The USAF was also looking for air bases elsewhere. An USAF officer said:

"The Madrid airport is 230 miles from the sea over some of the damnedest country and the worst railways and roads in Europe. It is also 2,300 feet above sea level. And all the fuel-storage space you see here now wouldn't keep a squadron of B-47's in the air for a single day's operation. It's a fine field in the

1. NA, Military Branch, Army Chief of Staff Decimal File 091 Spain 1951-52, 13 July 1951, Department of Defense to Deputy Chief of Staff.

2. FRUS 1951, Vol.IV, 28 June 1951, Ambassador in Spain to the Department of State, p.822.

wrong place. We'd rather have a poor field in the right place."

The Air Force had considered 350 airfields and showed most interest in the area Cadiz - Huelva - Seville.³ This area was supposed to be the last to fall on the continent in case of a Russian invasion and it was still close enough to be within the bombing range of the industrial areas of the Soviet Union. Further studies would concentrate on this area.

In the meantime, on 5 July 1951, Secretary Louis Johnson sent a letter to the Executive Secretary of the NSC. He pointed out that US policy towards Germany and Spain, NSC 71 and 72 respectively, were to be acted upon by the National Security Council as a matter of urgency.⁴

Throughout the summer of '51, the Armed Forces fired at Congress argument after argument in favour of Spain's integration into Western defence policy. General George C. Marshall, then Secretary of Defense, argued that Spain, Turkey and Greece would increase the strength of the Mutual Security Program.⁵ Marshall repeated his argument before a Committee Hearing of the Senate.⁶ Before Congress Admiral Donald B. Duncan, the Deputy Chief Naval Operations, claimed that Spain was important for the defence of Europe and the Iberian Peninsula was an important factor in the anti-submarine warfare.⁷ Lieutenant-General Alfred M. Gruenther, Supreme Headquarters Allied Powers Europe, argued that Spain had considerable value for air

3. "Spain Dollar-Hungry Fortress", in US News and World Report, 31 August 1951, Vol.31.

4. NA, Civil Branch, NSC 72 Background Information, 5 July 1950, Louis Johnson to Executive Secretary, NSC.

5. Hearings before the Committee on Foreign Affairs House of Representatives: Mutual Security Program 1951, 29 June 1951, 2 July 1951, Washington.

6. Hearings before the Committee on Foreign Relations and Committee on Armed Services Senate: Mutual Security Act 1951, 27 July 1951, Washington.

7. Hearings before the Committee on Foreign Affairs House of Representatives: Mutual Security Program 1951, 21 July 1951, Washington.

Chapter 8: 1951 The Sherman - Franco Talks

and naval bases.⁸ It was also pointed out that Spain could mobilize two million men at a cost which was around 1/3 of the price of a US GI soldier.⁹

Yet not all officers were as eager as these. General Omar N. Bradley, Chairman of the Joint Chief of Staff, told the Foreign Committee that he would like to see Spain in NATO but that there were political implications.¹⁰ The Army Chief of Staff General J. Lawton Collins admitted that Spain was important from a military point of view but he believed that adequate defence could be upheld without her. He realized that Spain had a large standing army but it was obvious that this army was armed and trained for low technical wars.

In the House, two criticisms against closer relations with Spain, were constantly brought forward. Firstly, the political implications for other commitments such as NATO and secondly the usefulness of the bases themselves. More opposition came from civilian leaders. George W. Perkins, Assistant Secretary of State for European Affairs, claimed that bringing Spain into the European Cooperation Administration would agitate Europe against Spain and complicate America's military aims.¹¹ In Britain, the Foreign Secretary, Herbert S. Morrison, told the House of Commons, on 25 July 1951:

"we have expressed to them [Authorities in Washington] that the strategic advantages which might accrue from associating Spain with western defense would be outweighed by political damage which such an association might

8. Hearings before the Committee on Foreign Affairs House of Representatives: Mutual Security Program 1951, 31 July 1951, Washington.

9. FRUS 1951, Vol.IV, 13 July 1951, The Ambassador in Spain to the Secretary of State, p.830.

10. Hearings before the Committee on Foreign Affairs House of Representatives: Mutual Security Program 1951, Bradley 13 July 1951, Washington.

11. Hearings before the Committee on Foreign Affairs House of Representatives: Mutual Security Program, Perkins, 18 July 1951, Washington.

inflict on the western community of Nations."

Manuel Estrada, the former Chief of Staff of Spain's Republican Army, argued that because Spain was so far from enemy centers it was hard to be hit by air-strikes but also hard to hit the Soviet centers from Spain and that they were useless anyway due to Spain's infrastructure. Furthermore, Estrada said that an agreement with Spain would demoralize troops in France and Central Europe because of the fear that US troops would withdraw to the Iberian peninsula. He concluded that Britain and North Africa were easier to defend and better suited to recapture Europe.¹²

For the US military planners, the problem with bases in Spain concerned their use in case of conflict. Would Franco be willing to give away Spanish sovereign rights and would a post-Franco government revoke these rights? Could the Spanish airfields be used or was a major restructuring of the airport facilities and infrastructure necessary?

There were enough Congressmen and Officers who argued against these fears to allow support for negotiations. Senator Harry P. Cain from Washington said that Spain and NATO were impossible to separate. He saw Spain, similar to Britain, as an enormous airfield which could also provide vital naval port facilities.

Carlton Hayes, former ambassador to Spain, recommended strongly to include Spain in the Western defence, extend foreign aid and treat the Mediterranean nation similar to the Latin American countries. He predicted that "the force of circumstances in the world at large will make increasingly for betterment of relations between Spain and the United States."¹³

Other military considerations related to Spain's armed forces. Senator Tydings said Spain's great national army could be used for mutual security of Europe. In a cabinet meeting, 31 January 1951, General Eisenhower had told Truman that he could

12. Manuel Estrada, "Spain: Military Liability", in Nation, vol.169.

13. Hayes, Carlton J.H., The US and Spain: An Interpretation, New York, 1951, p.172.

use Franco's 20 Divisions or so for Europe's defence. Later the same year, July 1951, Colonel Shipp, Army attaché in Spain told a Senate Committee that a Spanish private received only \$5 and a colonel \$100 a month. Spanish soldiers were cheap compared to their American counterparts. Colonel Tower, Air Force attaché in Spain, praised Spanish pilots for their past achievements but pointed out that they lacked training with modern equipment. Furthermore, the attaché speculated that a Spanish pilot would cost only a fifth of an American pilot in Europe.¹⁴

In March 1951, the Senate Committee on Foreign Relations and Armed Services had concluded that Spain's potential would greatly add to Europe's defense. Thus on 4 April, the Senate asked for a revision of Europe's defence considering Spain's military and natural resources.

In order to gain military concessions from Spain, more financial resources had to be made available. McCarran claimed that loans under the Export - Import Bank were insufficient. This put considerable pressure on the State Department. He might have been a "little out of line", as he later admitted, nevertheless he wanted to go ahead without considering the rest of Europe.

In February 1951 NATO members had been informed about the new US approach to Spain and both France and Britain strongly disapproved of the new turn of things.

Apart from some extremists such as R.A. Butler, Britain rejected close links between NATO states and Spain. The Foreign Office feared for commercial interests and for the military value of Gibraltar. The French feared for their strategic position in French North Africa which would be threatened by US bases in Spain. Crucial for France was the possibility that the US would retreat behind the Pyrenees and across the Channel in case of a Russian attack, thus leaving France undefended. Furthermore, a treaty with Spain might withdraw American military aid from the rest of Europe, thus

14. Selected Hearings held in Executive Session before the Committee on Foreign Relations Senate, Vol: Foreign Economic Assistance Program, Col. Tower, 12 July 1951, Washington.

leaving it defenseless.

All these oppositions were to be intensified by meetings of Air Force Minister Gonzalea Gellarza with Thomas K. Finletter, USAF, and General Omar N. Bradley in Washington. Above all London and Paris disagreed with Admiral Forrest P. Sherman's visit to Spain. Admiral Sherman's analysis of Spain's strategic value and his tragic death are important to the understanding of the final arrangements between Madrid and Washington. It is with this in mind that one has to take a closer look at Admiral Sherman's past and at the events during his trip to Europe in 1951.

Sherman was not an unknown in Spain. His son-in-law Lieutenant-Commander John Fitzpatrick was appointed Assistant Naval Attaché to Madrid in 1947, shortly after military studies in Washington had highlighted Spain's strategic value. The very same year, Dolores Sherman, wife of the Admiral, visited Spain on a trip to see her daughter and son-in-law. She was not only introduced to Spain's hospitality but also to several Spanish high-ranking officials. In February 1948, Admiral Sherman, after having been appointed commander of the Sixth Fleet, visited Spain. He visited the Spanish Navy and several officials and took part in the training of the Sixth Fleet. The speed with which Sherman's wife and then Sherman himself visited Spain implies that John Fitzpatrick's appointment to the post in Spain was made in order to establish contacts in Spain and at the same time to avoid Sherman's visits being blown out of proportion by Spanish propaganda.

Forrest P. Sherman was born on 30 October 1896 in Merrimack/New Hampshire. He graduated second out of 199 of the class 1918 at Annapolis, the famous navy college. Upon graduation he was given an evaluation which ended "Above all, Sherman knows his job; when he is given a thing to do he finds out all there is to be found about it and the job is well done."

Francis P. Matthews, who succeeded John Sullivan as Secretary of Navy, described Sherman as shy in manner but driving himself very hard. Admiral Sherman was described by his own roommate and traveling companion Admiral Arleigh Burke as very open and talkative. He considered the Admiral to be a remarkable man with

extreme drive.

Early in his career, Forrest P. Sherman developed an interest in naval aviation. He became an aviator of the Navy in December 1922. Twenty years later, May 1942, he was given the command of the CV "Wasp" an aircraft carrier in the Pacific. On 15 September 1942 the Wasp was hit by three torpedoes and Sherman had to order the abandoning of the ship. Despite this setback, he became Deputy Chief of Staff to Admiral Nimitz. In 1946 Sherman outlined the threat of a Soviet advance on Europe and the Middle East. This analysis contributed to the Truman Doctrine and the program of aid to Turkey and Greece in early 1947. In December 1947, he was appointed to take charge of the US Naval Forces Mediterranean.

When Denfeld, then Chief of Naval Operations, spoke out against Truman over the cancellation of the US Navy super-carrier programme, the President forced him out. After Truman consulted with Nimitz, Sherman was appointed CNO on Nimitz's recommendation. He started the CV Forrestal, nuclear carrier, programme. Himself a student of naval history and believer in containment, Sherman realized that the US had to achieve control of the sea to allow forward deployment of the fleet. This, he asserted, was to be achieved through naval aid to allied nations. He also saw that it was necessary to make Britain realize that her Navy would only play a second role in policing the sea. Under Sherman, the Navy broke the USAF monopoly on nuclear capability when in February 1950 the AJ-1 Savage, a carrier based plane, was armed with nuclear bombs in the Atlantic.

In only two years as Chief of Naval Operations he had repaired relations between the Navy and other US military services, improved relations of NATO navies as well as their relations with Navies from non-NATO countries. He had also laid down a healthy ground for a shipbuilding program. Sherman also wanted to solve the command problems of NATO forces in Europe with Britain. He hoped that the army would be placed under General Eisenhower, the overall Navy under Admiral William M. Fechteler and the Mediterranean should be controlled by Admiral Robert B. Carney and a British Admiral.

In Europe, Sherman saw two strategic choices for the US: "to accept the necessity for deploying forces overseas - troops, ships and aircraft - and to fight overseas if necessary" - or alternatively "to withdraw, abandon our allies, and later to fight alone. I believe that the first course offers the greatest prospect for survival."

Sherman realized that NATO's southern flank would be vulnerable without friendly relations between Spain and NATO. He concluded that it was necessary to win Spain's support in case of war. In May Sherman had an excellent idea about how to improve Washington's bargaining position with Madrid. He wanted to start negotiations with Lisbon to obtain military bases on mainland Portugal. This would have put enormous pressure on Spain to conclude similar agreements with the US. When he asked the State Department if this was possible, George Perkins informed him that indeed it did not violate the Treaty of Friendship, nor the Non-Aggression Pact between Spain and Portugal but that due to the negotiations concerning the Azores bases, the suggestion was not practical.¹⁵

After the outbreak of the Korean war, Sherman and Admiral Carney, the Commander in Chief US Naval forces in North Europe and Mediterranean, were strengthened in their belief that the US needed bases in Spain, both for its Navy and Air Force. In order to avoid publicity, Sherman had toyed with the idea of sending Admiral Carney to Spain in civilian clothes to start the talks.¹⁶ Yet this idea was abandoned. Instead, Sherman pressured Truman to agree on a visit by himself to Spain in order to outline a proposal for US bases.¹⁷

One could expect that there would be little opposition from small minorities in Spain to Sherman's visit. In fact these remained without any influence on future

15. NA, Civil Branch, Lot Files 59D108, 18 May 1951, George Perkins to Admiral Sherman.

16. Welles, Benjamin, Spain: The Gentle Anarchy, New York, 1965, p.287.

17. Love, The CNO, p.209-231.

negotiations. This was no surprise as Spaniards had heard that the US helped anti-communist states and thus many hoped for economic help from the US.

US military requirements in Spain were spelled out again. The USAF was interested in peacetime air rights or bases to rotate air groups between Madrid, Barcelona and Seville. In the long run they hoped to gain bases at Cadiz, Cartagena and on Palma de Majorca. The Navy wanted port facilities near Valencia, Malaga and Alicante. Both branches also desired guaranteed use of bases in case of war.¹⁸

A Subcommittee of the Senate Committee on Foreign Relations visited Spain from 12 to 14 July. The Senators met with Ambassador Griffis, the Marques de Prat, Foreign Minister Martin Artajo and General Franco himself. The day this Subcommittee departed Spain, Admiral Sherman left Washington in a DC-6B together with his wife Dolores Sherman and his son-in-law.¹⁹

Upon arrival, on 16 July, Admiral Sherman and Ambassador Griffis talked to General Franco and the Marques de Prat from the Foreign Ministry. Sherman outlined the problems concerning the deployment of the air force for the defence of Europe and the vital control of the Mediterranean. He also mentioned the problem of evacuation of civilians in case of war with the Soviet Union, a problem which was to be handled outside the agreements due to diplomatic reasons. Overall the US required transit permits, air operating and naval anchorage rights. Sherman argued that military cooperation required surveys of installations, exchange of military information, mutual consultation, technical advice, use of air fields and assistance towards the training of Spanish soldiers. Franco in return showed more interest in material aid than in rights, permits or cooperation. He was concerned about the equipment of the Spanish army and saw the need to advance Spain militarily and economically. The Spanish dictator pointed out that there was the chance of a Portuguese - Spanish treaty, an obvious

18. NA, Civil Branch, Lot Files 59D108, 11 July 1951, US Military Requirements in Spain.

19. PRO, FO371.96190, 24 August 1951, Mr Steel, Washington; Love, The CNO, p.231.

attempt to put Washington under pressure. He even had the nerve to tell Sherman that France might join the USSR in an attack against Spain.²⁰ Naturally, the Spanish dictator was hoping to create an atmosphere of military urgency which would force the American Government to act.

Despite the usual Spanish hospitality extended towards diplomats and tourists alike, Sherman emerged from the talks with Franco pale and very tired. Maybe Sherman was tired from the eastward flight across the Atlantic and the insufficient rest before the meeting with the Spanish dictator; more likely he had simply become another victim of Franco's long and tiring monologues which, for the Spanish dictator, constituted his diplomatic skills. These presentations by the Spanish dictator were, according to Adolf Hitler, worse than a visit to the dentist. Despite this experience that evening the Admiral attended a reception and went to bed late.²¹

The next day, 17 July 1951, Forrest P. Sherman met General Vigón together with several military attachés. Initially, they talked about the similarities between the Joint Chiefs of Staff and the Spanish High General Staff. Then the topic was changed and Vigon said something along the following lines: "It is difficult for me to understand why the French oppose the arming of Germany and Spain, which is definitely in the interest of the common defense... Many of my friends in the French Armed Forces have indicated that they do not feel that way." Sherman pointed towards the historical experience of France with Germany and thus one had to assume that French people feared a rearmed Germany. The American continued:

"On the other hand, it is more difficult to understand, why they oppose the arming of Spain. I feel that two factors will tend to reduce this opposition in France, as its forces, and those of other Western European nations develop a strong military posture, (1) the confidence in the prospect of successful defense

20. FRUS 1951, Vol.IV, 16 July 1951, Memorandum of Conversation by the Chief of Naval Operations, p.832.

21. Love, The CNO, p.231.

will counteract panic and the desire for neutrality and (2) as French Armed Forces receive more arms, they will be more willing to see other countries receive some also."

The conversation between the two Generals moved towards the threat posed by the USSR. Sherman asked for an "indication of the needs of the Spanish Army" in case of war. Vigon pointed out that Spain needed artillery, and transportation for the army; guns, electronic equipment including radar and sonar for the Navy; and everything that is needed for an Air Force. Despite this confession on Spain's lack of modern Air Force, Juan Vigon claimed that Spain had good personnel in its Air Force. Sherman explained to Vigon that with every programme that would require an additional expenditure of funds, he had to go before the Congressional Committees to justify it in great detail. It was an obvious sign to Madrid that the US would not launch itself head first into relations with Spain. Vigon countered that discussions in Congress would stir considerable publicity which would develop further opposition in other European countries. The Spanish General obviously favoured a back door approach. Sherman replied:

"I have had many discussions on matter[s] of this nature, and I want to assure you that I am quite cognizant of the need to be discreet. I also want to assure you that I am a very discreet man, and you can talk to me freely and openly about any matters you desire, and I will not violate your confidence."

The conference ended with many warm and friendly adieux.²² For Sherman, the meeting with Vigon was more pleasant than the one with Franco. That same day, 17 July, Sherman had attended two other receptions. One of them was a relaxing Garden Party at La Granja Palace, the other was more formal.²³ After these two encounters

22. NA, Military Branch, Army Chief of Staff Decimal File 091 Spain 1951-52, 17 July 1951, Forrest P. Sherman to Vigon according to Military Attaché.

23. Welles, Spain Gentle Anarchy, p.287.

had concluded, he wrote to the Joint Chiefs of Staff to inform them about the talks with the Spaniards. Sherman believed that Franco had indicated an agreement in principle. He speculated: "It is my estimate that we can get the operating arrangements we desire but that we will be asked for considerable military and economic aid."²⁴ Sherman had finished his job in Spain within only a few hours. Over coffee he confessed to one of the American service attachés that he had to hang around Madrid so that the public would not get the wrong impression.²⁵

On 18 July, Sherman saw Franco again, this time briefly. Then the Admiral departed for Paris. During the two hour flight Sherman talked to the American Air Attaché in Madrid about Spain, the Mediterranean, NATO and the Middle East. Once in Paris he described the conversation with the Spanish dictator to General Eisenhower. The next day, Sherman left for London where he again outlined his talks to the American personnel. The Americans together with the British Chiefs of Staff supported the US base negotiations with Spain.

For a variety of reasons, Ambassador Griffis too left Spain for a fortnight after the talks between Sherman.²⁶ He was therefore able to inform others in the State Department personally about the talks and at the same time escape the criticism by France and Britain for initiating the talks with Spain.

On 21 July, shortly after midnight, Sherman flew from London to Naples for a round conference with Admiral Carney and other local officials. At around 7.30 am the plane together with Admiral Sherman, his wife, and four other passengers landed safely in Naples. The Shermans were rushed downtown to the Excelsior Hotel. There they occupied suite 123. After a short time refreshing himself, Sherman received some local

24. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 17 July 1951, Sherman, Spain to JCS Washington.

25. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 23 July 1951, Memo by Charles M. Spofford.

26. PRO, FO371.96186, 28 July 1951, J. Balfour, San Sebastian.

Italian dignitaries at 9.30 am. Half an hour later Sherman gave a press conference in the Hotel lobby. He was still tired from the plane flight to Naples. Shortly after one o'clock he lunched in the Hotel and spent the rest of the afternoon in his room relaxing. At 8.00 pm he and his wife left the hotel and took a car to Pompeii to see an opera. Sherman was in "good spirits, at ease and relaxed" but he left the opera rather tired looking. He and his wife returned to Naples where they had dinner at an open-air restaurant on the Bay of Naples. In the car on the way back to the Hotel he fell asleep. Slumberous and tired, the Admiral reached the Hotel at around 3.00 am. He went straight to bed.

Early the next morning, Sherman got up. At 10.00 am he told US Major Smith, in charge of his trip arrangements, that he had spent a good night and wanted to leave at 11.00 am to catch the plane half an hour later for Madrid. Then suddenly at 10.40 am Sherman was overcome by the stress of the previous week. He felt bad and lay down on the bed in his hotel room. Forty minutes later it was obvious that Sherman showed symptoms of heart difficulties and exhaustion. Nevertheless, Dr Burkhardt, a medic who was at hand, told Mrs Sherman not to worry, her husband was simply overworked and needed a little rest before leaving for the US. But Sherman did not recover. During October 1950, Sherman had had his annual physical examination and his doctor had already warned him that about his low blood pressure. At ten minutes to one an oxygen tent was required. Admiral Carney stepped out to the balcony and contemplated actions which had to be taken in case of Sherman's death and the possible consequences this might have in general. At 1.05 pm Admiral Sherman fell unconscious and suffered another two heart attacks before eventually dying. He was only 54 years old.

Major Smith accompanied the Admiral's corpse to the USS Mount Olympus where he was piped over side at 3.30 pm just as the plane carrying Mrs Sherman to Spain passed overhead. The plane stopped in Madrid where John Fitzpatrick boarded

Chapter 8: 1951 The Sherman - Franco Talks

it.²⁷

Sherman was praised by the Secretary of Defense, George C. Marshall: "The Department of Defense and the US Navy in particular, has lost an outstanding leader." The Chief of Staff of the USAF, General Hoyt S. Vandenberg added: "In Admiral Sherman the United States has lost one of its most brilliant military minds." The President claimed "He was one of this country's ablest officials, counting all those in the civilian, as well as military fields."²⁸ In a broadcast he was remembered as "a war casualty just as much as if he had been killed in battle. He worked himself to death."²⁹ The newspaper "Colombia Citizen" wrote on the 23 July: "Last week he concluded a successful mission to Spain which is expected to end that country's isolation from the western defense program."³⁰ Unfortunately Sherman's death meant that the friendly personal relations he had formed in Madrid were lost and future talks with Madrid were somewhat chillier than before. This would, as we shall see, lead to many complications during the negotiations.

Two days after Sherman's official talk with Franco, on 18 July, Acheson had declared in a press conference that the US guaranteed the defence of any NATO country and still saw NATO commitments as the most vital agreements for US defense policy. "There will be no change in this procedure. In other words the North Atlantic Treaty is fundamental to our policy in Europe, and the closest possible cooperation with our NATO allies will remain the keystone of this policy." Acheson continued by referring to the Sherman visit: "Any understanding which may ultimately be reached will supplement our basic policy of building the defensive strength of the West" and "if Western Europe is attacked it will be defended - and not liberated." His statement was a

27. Forrest P. Sherman Files, DoD, 27 July 1951, Sequence of his death.

28. Forrest P. Sherman Files, On his Death.

29. Love, The CNO, p.228-232.

30. Forrest P. Sherman Files, 23 July 1951, Colombia Citizen.

confirmation that he had acted against French and British opposition and now tried to reassure them.³¹

The British and French were informed three days after the talks about the meeting between Franco and Sherman. France only pointed out that an agreement dating back to 27 November 1912 provided for demilitarization of the Spanish zone in Morocco and French control over foreign relations of both the Spanish and the French zones, thus any base agreements between the US and Spain had to be limited to mainland Spain.³²

The Americans argued that a possible arrangement with Spain would not mean that the US had any plans to retreat behind the Pyrenees, nor that it would reduce American military aid to the rest of NATO.

General Omar H. Bradley, the Chairman of the Joint Chiefs of Staff, put it simply "the more of us we can put together to build up a collective defense the better off we are going to be." The Senate, strongly influenced by McCarthyism, had passed a proposal, 4 April 1951, supporting this view: "Consideration should be given to the revision of plans for the defense of Europe, as soon as possible, so as to provide for a utilization of the military and other resources of West Germany and Spain on a voluntary basis."

In the meantime the Spanish military was deeply impressed by Sherman's visit. General Muñoz Grandes confessed to a reporter that "Admiral Sherman came to Spain in 1951 and gave us his hand when the rest of the world had isolated us. It does not matter that this served America's convenience. What matters is that he extended his hand. We will never forget that... It is no matter whether you offer us \$400 million or

31. Secretary Acheson, "US begins Conversation on Spain's Role", in US Dept. State Bulletin, 30 July 1951, Vol.25, also in American Foreign Policy Basic Documents, p.1695, also in FRUS 1951, Vol.IV, 18 July 1951, N.387, also in, NSC 72/6 Progress Report, 7 September 1951.

32. NA, Civil Branch, NSC 72/6 Progress Report, 7 September 1951; PRO, FO371.96185, 19 July 1951, Mr Hayter.

\$40 million if the will to help us is there. With your good will we can solve our problems" and Muñoz Grandes continued "it is more a question of psychology than price."³³

Just before Sherman's visit to Spain, three credits under the \$62.5 million appropriation to the Export Import Bank were extended. This was timed to make Sherman's visit easier. In May 1951 Spain received \$5 million for wheat and, \$3.5 million for coal and another \$2.25 million for wheat. The latter two credits at 3% interest, had to be repaid over 20 years starting 5 years after being extended.³⁴ These were very generous terms.

Despite the success of the Sherman visit to Spain, complications remained in Washington. Even the military establishment was divided in its opinion on Spain. The Army tended to continue to doubt Spain's value due to her badly equipped army which, even if in numbers impressive, lacked modern equipment and training. The Navy and the USAF had split opinions on the usefulness of ports and airfields. So Admiral Norman Finletter reported, 27 March 1952, to Congress that bases in Spain were not essential for US defense plans. He argued that the possible three B-29 airfields were only good for letdown stops or when France had fallen and all three required extensive logistical improvements. As for the ports, the Admiral argued that Cadiz was too close to Gibraltar to add anything new, El Ferrol was too small and finally the ports at Cartagena and Mahon were not needed because of existing facilities on Malta and North Africa.³⁵

Francis T. Williams, the Deputy Director of the Office of Western European Affairs, told the House Committee on Foreign Affairs that the US was sitting between two chairs. On one side the opposition by European states on the other the fact that

33. Welles, Spain Gentle Anarchy, p.60.

34. Press Release "Spain Receives Credits" in US Dep State Bulletin, 30 July 1951, vol.25.

35. NY Times, 14 August 1951

Chapter 8: 1951 The Sherman - Franco Talks

there was no political alternative in Spain to Franco.³⁶

Just like the US press was still divided in 1951 over relations with Spain, so was most of Europe and its press, above all countries near the Iron Curtain. The Dutch press gives a good example. The *Het Vrije Volk*, a Socialist paper claimed "Spain's territory is indispensable to the defence of the West. The Spanish people should have their place in the community of nations. But this is not the same as dealing with Franco." The *de Tijd*, a left wing Catholic paper wrote that Western European nations willing to cooperate with Portugal should also cooperate with Spain. The *de Volkskrant*, a Catholic labour newspaper claimed that "It is... beyond dispute that Western Europe itself is becoming stronger through Spain's integration... The military motives must prevail." The *Algemeen Handelsblad* with its liberal tendency wrote that if the United States is determined to continue its policy towards Spain, Western Europe will only be able to ultimately reconcile itself to it on the basis of Spain's democratization. The right wing Catholic paper *de Maasbode* said that "the European nations of the Atlantic community should follow Washington's example and ameliorate their relations with Spain to such an extent that... they will be able all together... to save the civilization of the West."

Radically opposed to this was the independent socialist paper *Het Parool*. It claimed that "the idea that everyone who is an anti-communist should be greeted with open arms is only acceptable when there is a war on... As long as there is hope, however that war can be prevented (and that is the aim of the NAT) we can not be indifferent as to who are our allies." This argument could spiral off into questions whether the US and the USSR were at war already or not and if not whether an alliance with Spain would prevent a conflict through deterrence. The article continued "being an anti-communist is not sufficient reason to be admitted into the circle of those who have

36. FRUS 1951, Vol.IV, 18 October 1951, Francis T. Williamson in House Committee on Foreign Affairs, p.837.

Chapter 8: 1951 The Sherman - Franco Talks

chosen democratic freedom as their political principle.³⁷

Even the Canadian Ambassador in Washington, Mr Wrong, argued against Spain's integration into the Western defence system. He claimed that Spain's inclusion into NATO might lead to popular risings in Britain and France and weaken commitments by these two countries towards NATO.³⁸

Whatever the opinion in Europe, Canada or the American press, the talks between Franco and Sherman had been very successful for the American administration and made it possible to send two study missions to Spain in order to gather more information about the economic and military situation. These two studies were to form the basis for further talks and thus deserve detailed analysis.

37. Netherland Information Service, Edward M. Earle Papers, Box 26, 9 August 1951.

38. FRUS 1951, Vol. I, 27 July 1951, Memorandum of Conversation by Joseph Chase of the Office of the Special Assistant to the Secretary of State.

Chapter Nine

1951
The Study
Groups

Chapter 9: 1951 The Study Groups

In early August, as a direct result of the talks between Franco and Sherman, a Joint Military Survey Team (JMST) and an economic study group were authorized by the Joint Chiefs of Staff.¹ The Joint Chiefs of Staff suggested that JMST was to be made up of a team of 6 officers: two each from the Army, Air Force and Navy. The mission was to be headed by an Air Force officer and was to include around 30 supportive staff. The Secretary of Defense approved this plan. On 22 August, the military team arrived in Spain.² Air Force Major-General James W. Spry headed the Temporary Military Survey Team in Spain with instructions to survey Spanish air and maritime facilities which might meet U.S. requirements. It was pointed out that the primary interest of the US was to acquire air transits and anchorage rights. Nevertheless, under no circumstances was Spain to be encouraged to demand large military aid, as this would lead to complications with other NATO countries.

Spry pointed out in the New York Times, 31 August 1951, that any new credit or aid for the military or economy in Spain would be in addition to other aid. He obviously wanted to make clear that the talks with Spain in no way diminished the military assistance by the US to NATO countries which were getting nervous at the development of the relations between Spain and the US.

In London the Foreign Office feared that Washington was willing to grant economic as well as extensive military assistance which would alter the military picture in Europe.³ It was speculated that Madrid's demands for more aid were a direct result of Admiral Sherman's visit to Spain because he had handled Franco clumsily and given him reason to believe that more could be wrung out of Washington.⁴ London had good reason to feel betrayed. The American Ambassador in London and the State

1. Special Plan Division Records-(SPDR), 14 December 1951, Director Strategic Planning to Director CNO.

2. NA, Civil Branch, NSC 72/6 Progress Report, 7 Sep 1951.

3. PRO, FO371.96189, 11 August 1951, US policy towards Spain.

4. PRO, FO371.96189, 23 August 1951, FO Minute, Frank Roberts.

Department had told Westminster about a limited mission by Admiral Sherman to Spain when in reality they had known that Sherman had instructions to talk about military matters with Franco. The Foreign Office initially assumed that this had been a personal blunder by Sherman.⁵ As the Spanish authorities had great interest in keeping up the appearance of a rapprochement between Madrid and Washington, weakening French and British opposition, the Marques de Prat told Miss Ursula Branston, Head of Research at the British Embassy in Madrid, that agreements with the US could be signed within two to three months.⁶

In order to avoid being sidelined, the Foreign Office urged closer cooperation with the French Foreign Ministry which naturally was as alarmed about the new developments as London was.⁷ Yet the two European nations were unable to stop the two American study missions from initiating talks with Spanish authorities.

On 24 August, Spry visited Vigón to outline his mission. Following the meeting he sent Vigón two letters. The first summarized his mission to Spain, a written confirmation of the conversation held on 24 August. The second asked for commitment and contribution by Spain to the defence of Western Europe.⁸

In return, on 30 August, Spry received a letter by Vigón in which the Spanish General pointed out that bases in Spain would convert her into a belligerent nation therefore she needed logistical assistance to defend herself. He pointed out that the bases in peacetime would be under exclusive Spanish command and would only be of temporary nature until the USSR threat dissipated. Overall, the letter encouraged the establishment of Air and Navy bases and implied general cooperation but made no commitment to the overall defence of Western Europe and only mentioned Spain's

5. PRO, FO371.96189, 26 August 1951, FO Minute, Mr Young.

6. NA, Civil Branch, 12 September 1951, Memo of Conversation.

7. PRO, FO371.96189, 28 August 1951, FO Minute, Mr Butler.

8. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 17 September 1951 Report on the Activities of the JMST in Spain.

willingness to defend certain strategic islands in the Mediterranean.⁹

Parts of JMST had arrived in Spain on 22 August. The first week was spent in taking up contact with Spanish and American authorities in Spain. On 29 August the JMST was increased to its full strength by the arrival of officers from EUCOM, European Command. Further lunch meetings and written correspondence with the Spanish authorities followed. From 4 to 7 September, the JMST conducted a survey of potential air and naval base sites in the area of Valencia. The following week the team surveyed the area of Barcelona and Bilbao, including the Ebro valley. From 17 to 22 September the most important regions of all, Seville, Cadiz and Malaga were surveyed. Finally, the team looked at sites near Cartagena, Alicante and Almeria. The heads of the services would usually leave with the rest of the survey team for the studies in the different areas but would return to Madrid within a day or two. In Madrid they would communicate with the Spanish authorities while the survey team inspected the sites. During the first week in October the Navy, Air Force and Army conducted miscellaneous surveys for the development of an overall airfield complex in Spain. From 6 to 31 October the three parts of the JMST, still staying in Spain, combined their material and drafted the final report.¹⁰

The Air Force Group of JMST had shown a special interest in the Valencia - Huelva area, to locate strategic bombers, the Barcelona - Ebro area for fighter bombers, and in the Central Plateau for interceptors and long-range fighters.¹¹

The Navy Group of JMST had also worked out their requirements in Spain by early September. These were naval anchorage rights at Algeciras, Alicante, Malaga and Cartagena, escort facilities at Barcelona, Cadiz and El Ferrol and most importantly off-

9. NA, Military Branch, G-3 091, Spain, 1951, 30 August 1951, Letter Vigón to Spry; also in Army Intelligence, Project Decimal File, 1951, Spain, 17 September 1951, Report on the Activities of the JMST in Spain.

10. NA, Military Branch, G-3 091, Spain, 1951, 12 September 1951, Report on Activities of Army Group JMST Madrid, Spain.

11. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 17 September 1951, Report on Activities of the JMST in Spain

loading facilities for aircraft and an airstrip. These last facilities were likely to be situated at Cadiz but Cartagena and Valencia were by no means ruled out. Further studies had to be made.¹²

The Spanish High General Staff informed General Spry in September that he should also survey Spanish Morocco for possible bases. Nevertheless, the Navy had shown little interest in Morocco and it was decided that no such survey should be conducted in Morocco. The decision was influenced by complications over Morocco's position regarding foreign policy arising out of the Spanish - French agreement from 1912 under which foreign policy of Spanish Morocco was to be handled by France. The US was aware that the talks had not been welcomed in France and thus wanted to avoid further complications.

Brigadier-General Frank S. Besson, who had replaced General Conley of JMST Army in early September, sent a letter to General Barron, Spanish Central General Staff and stressed that before Spain was to receive aid, the armed forces had to draw up TO&Es (that is a "table of organization and equipment") to determine the exact needs of the Spanish forces. Initially the US wanted to sent military material for training purposes only. In the second phases US material was to be granted for defensive purposes. It was therefore vital to determine Spain's needs.¹³

This came up in a conversation between Colonel H.H. Fisher, member of JMST, and Lieutenant-Colonel Martin Alonso of the Spanish Army, on 5 September. Fisher avoided making any commitment on military aid to Spain because he knew that the Spanish forces had done little planning on the mobilization requirements and thus were themselves in the dark about their exact needs.¹⁴ The American knew that Spain's

12. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 17 September 1951, Report on Activities of the JMST in Spain.

13. NA, Military Branch, G-3 091, Spain, 1951, 3 September 1951, Frank S. Besson to General Barron, also WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 17 September 1951, Report on the Activities of the JMST in Spain.

14. NA, Military Branch, G-3 091, Spain, 1951, 5 September 1951, Memo for Record.

forces needed general training, heavy equipment, production guidance and technical advice to be converted into a modern force.¹⁵ To meet these requirements, specific demands had first to be made by Spain. An American study concluded on 1 September that Spain could not even survive a short defensive war due to its weak national economy. It was estimated that in order to fully mobilize her forces, Spain needed some 18,000 submachine guns, roughly 90% more than Spain currently possessed. Spain only had twenty-one 40mm anti-aircraft guns but required more than 450. The Spanish armed forces also needed lighter AA-guns and anti-tank guns. Furthermore, the army only possessed eight Italian 305/17 howitzers and thus lacked a serious heavy artillery. Finally, Spain needed huge deliveries of ammunition for rifles, for all types of mortars and for anti-aircraft guns.¹⁶ In the meeting between Martin-Alonso and Fisher, the Spaniard claimed that the army already possessed TO&Es but as only one copy existed it would take some time to prepare the necessary reproduction. Considering that Martin-Alonso did not even possess a firm figure for Spain's divisional strength, it is very likely that the Spaniard was bluffing. At the time, no TO&Es existed for Spain's armed forces.

The very next day, 6 September, Colonel H.H. Fisher met Lieutenant-Colonel Luis Garrera-Rollan. The Spaniard presented a TO&E for a single Spanish Infantry Division. The Americans believed that this had been drawn up after the meeting held the day before. It seemed that the Spanish Staff had worked furiously throughout the night to prepare the TO&E and it had copied the exact same structure as the U.S. TO&E presented as a sample the day before. The Spanish Staff clearly wanted to avoid any unnecessary delays.

On 7 September 1951, the senior navy member of the JMST, Campbell, had lunch with Admiral Estrada. Campbell outlined the port facilities required by the US in

15. NA, Military Branch, G-3 091, Spain, 1951, 21 September 1951, H.H. Fisher Memo to Deputy Assistant Chief of Staff.

16. NA, Military Branch, G-3 091, Spain, 1951, 1 September 1951, Intelligent Estimate of Spain's Existing Armed Forces.

Chapter 9: 1951 The Study Groups

Spain and in return offered training to Spanish officers. Estrada mentioned his worries about the dated equipment used aboard ships of Spain's navy.¹⁷

The very same day General Besson received a memorandum from the Spanish Brigadier-General de Soto. The Spaniard claimed that Spain's war production could produce most necessary war material if technical aid was given. Yet General de Soto admitted that Spain would nevertheless be unable to produce heavy artillery, tanks, radars, etc. despite modernization. He urged that training had to be given to two tank companies and to two tank troops. Spain also required recoilless guns, bazookas, anti-air batteries, artillery, radar, anti-tank mines, anti-personnel mines and clearing mine equipment. Furthermore, ammunition and equipment for airborne units was needed.¹⁸ The Americans offered technical aid and training, urgently required by Spanish soldiers but most Spanish officers seemed more interested in military end-items for prestige rather than for real military use.

After most of the initial study had taken place, General Spry met General Vigon at the end of September. Vigon assured the American that Spanish troops would fight in the Mediterranean area in case of war. This implied that Spain would occupy and defend islands in the Mediterranean but the Spaniard did not mention a commitment of Spanish troops north of the Pyrenees. Naturally Vigon demanded in return that Spain would receive the necessary military equipment to meet its military requirements in wartime.¹⁹

On 2 October, Spry had another meeting with General Vigon. The Spaniard accepted another US military mission which was to be established in Spain in return for military equipment. Furthermore, he was hoping that German radar equipment was sent. The General was concerned about US "offensive aviation near Madrid". These

17. NA, Civil Branch, Lot Files 64D563, 2 November 1951, AmEmbassy Madrid to Department of State.

18. NA, Military Branch, G-3 091, Spain, 1951, 7 September 1951, Aid required to modernize the armament of the Army.

19. NA, Military Branch, G-3 091, Spain, 1951, 29 September 1951, Memo from Spry to Griffis.

would undoubtedly be targeted by the USSR bombers. He however admitted that in case of war, the USSR would attack Madrid with or without airfields, thus making it clear that there was little hope for Spain to remain neutral.²⁰

After these meetings with Vigo, on 15 October, General Spry held a conversation with Franco. The meeting which lasted about 80 minutes was a friendly chat. They started talking about the internal situation in the Soviet Union. Franco mentioned the rumour that the French Ambassador to the USSR was cooperating with the USSR and could not be trusted. The Generalissimo also pointed out that Spain could not at the moment join NATO but that he would welcome bilateral agreements with the US. He asserted that Spain would require military assistance as well as help for her munition industry. He welcomed the interpretation by the US military which, according to him, looked towards the future while the State Department neglected long-term developments completely. Finally, Franco stressed Spain's geographical position and the strategic value Morocco would have for the West against the USSR.²¹

In order to assist JMST throughout its studies and inspections in Spain, several military training circulars had been released to Madrid during this period. These TCs not only covered such specific military information as "TC3 Organization and Employment of 280mm gun", "TC12 The Panoramic Telescope" and "TC13 The Fuze [Fuse] Mine" but also more important strategic studies such as "FM110-5 Joint Action Armed Forces" and "FM30-25 Counter Intelligence".²²

During Fall 1951 and while JMST was still in Spain, a group of five US Army officers visited Spain. The trip was designed to enhance bilateral goodwill and to assess Spain's army. The brief report read that the Spanish army was similarly structured as

20. NA, Military Branch, G-3 091, Spain, 1951, 3 October 1951, Memo from Spry to Griffis.

21. WNRC, Army Chief of Staff Decimal File 091 Spain 1951-52, 15 October 1951, General Spry Conversation with Franco.

22. WNRC, Army Intelligence, Project Decimal File, 1951, Spain, 17 September 1951, Report on the Activities of the JMST in Spain.

the US army but lacked the necessary equipment for a modern army.²³

The more extensive final report by the JMST was completed at 12:00 on 31 October and passed on to the Joint Chiefs of Staff by Colonel Tibetts, USAF. It was more than 350 pages long. Tibetts, with this report in hand, left Spain on 4 November for Washington where the study was to be scrutinized.²⁴

The JMST (Spain) report argued that Spain would welcome an early exploitation of facilities in Spain without joining NATO. It suggested obtaining facilities as "a quid pro quo before granting any military or economic assistance program for Spain." It also recommended that all future negotiations with Spain should be continued under considerations of NSC 72/6 and that a permanent Joint US military mission to Spain was to be established. The report also favoured a single US governmental agency to organize all US agreements with Spain.²⁵

The report consisted of one main conclusion and seven annexes (annex a to annex g). The reports of the Army (annex a), Navy (annex b) and Air Force (annex c) as well as Spain's request for military assistance (annex d) are still classified due to national security reasons. All other parts are declassified; ie. the main part, Spain's participation in the defense of Western Europe (annex e), means of accomplishing required developments in Spain (annex f) and the resume of conferences and letters between JMST and Spanish officials (annex g).²⁶ The team had surveyed Spain's air and naval facilities and talked to the Spanish Government about air operations, transit privileges, deployment of US aircraft and rights to overfly Spain. In the field of the Navy, they had discussed anchorage rights, the use and improvements for air and naval

23. NA, Military Branch, Army Chief of Staff Decimal File 091 Spain 1951-52, 9 October 1951, Report on Spanish Visit by 5 officers.

24. NA, Military Branch, G-3 091, Spain, 12 November 1951, S.G.Conley to Chief of Staff; further information in NA, Civil Branch, NSC 72/6 Progress Report, 15 February 1954.

25. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 31 October 1951, Report by the JMST (Spain).

26. NA, Civil Branch, Lot File 64D563, 2 November 1951, AmEmbassy Madrid to Department of State.

facilities and other army facilities.

Spanish requests from the US were divided into three categories according to their priority. The first group covered military material needed for immediate training. Spain asked for recoilless rifles, bazookas, mortars, tanks, 120mm AA-guns, 150mm artillery, radar, mines, rockets and ammunition. The total costs of for this was about \$10 million. The second group covered more weapons off all types ranging from 105mm artillery to fire control equipment enough to arm six division. In the final group, Spain asked for complete equipment for its forty divisions.

The report declared that Spain's position was not pro-NATO, rather she was inclined towards a bilateral agreement with the US or at least a continuous liaison with Washington. There seemed to have existed some complication concerning Spain's commitment to sending troops outside Spain in case of war. Vigon had claimed that Franco had agreed to defend Mediterranean islands. Nevertheless, Minister of Air Major-General Gallarza argued that Franco would not permit Spanish troops to fight on French soil. He was not happy about committing troops in the Mediterranean while Vigon preferred to send troops north of the Pyrenees.

The report by JMST concluded that the Spanish government was in favour of US military rights in Spain, and thus Madrid should be approached to obtain airfields, ports, petroleum storage and ammunition depots. In order to get these military rights US military assistance was to be given to Spain. It was already considered that such an approach might cause complications if Spain refused to be bought. The report by the JMST advised that the Department of the Army should supply a limited amount of training equipment to ease relations.

The study also outlined the requirements of the three services including construction of facilities and securing rights of way for pipelines, roads, bridges, etc. The costs were to be met in dollars, pesetas, pounds and lira.

It was argued that the conflict over logistic responsibilities between the three armed forces should be solved as quickly as possible and a single US agency should be established to conduct the negotiations. Finally the report read that any aid to Spain

should be based on a quid pro quo, even though this was not a very desirable situation.²⁷

Annex c of the JMST report, concerning the US Air Force, was partly repeated in a study titled "planning for the base development of Spain". In this study it was made clear that the USAF wanted to station six medium bomber wings at San Pablo, Moron de la Frontera, Los Palacios, Manijas and Los Llanos; three fighter wings at Getafe, San Jurjo and Muntadas; and one strategic reconnaissance wing at Torrejon. It was recommended that the administration for these bases should be organized at Barajas. Copero, near Seville, would hold an air depot. Initial studies had put more emphasis on fighter planes but later this had been changed in favour of bomber planes. The report confirmed that all air bases in Spain lacked adequate parking areas, taxiways, fuel storage, and distribution facilities. Nevertheless, most had adequate housing, hangers and administration buildings.

The survey team had estimated the base construction and improvement costs as follows:

Tablada \$60m; Copero \$60m; Moron \$44m; Jerez \$44m; San Pablo \$42m; Los Llanos \$40m; Torrejon \$37m; Tudela \$35m; San Jurjo \$27m; Alcala \$24m; Manises \$23m; Muntados \$23m; Getafe \$19m; Barajas \$5m. In comparison, the bases in Morocco constructed in 1951 had costed a total of \$200 million during the FY 1952 and required an annual expenditure of roughly \$45 million. During the construction phase 4,500 people had been employed.²⁸

It was expected that US personnel in Spain would number 16,100 near Seville, 9,200 in the Madrid area, 7,300 along the Ebro valley, 6,000 near Valencia and 4,700 in the rest of Spain (total: 43,300).

The report stressed the problems concerning transportation, distribution

27. WNRC, Army Chief of Staff Decimal File 091 Spain 1951-52, 20 November 1951, Analysis of the Joint Military Report on Spain.

28. NA, Civil Branch, Lot Files 59D108, 12 May 1953, Air Base Expenditure Abrouad.

facilities, lack of construction material, labour and locally produced items required for the construction of the bases. It is clear that these considerations ultimately decided the sites of the bases. The Deputy Assistant Secretary of State Bonbright stated this in a letter, 21 November 1951. He suggested that due to financial reasons the US was to avoid a major reconstruction of Spain's railroad, road and communication system by concentrating bases in two areas, Cadiz and Barcelona. He argued that bases close to ports and thus easy to supply, were cheaper than existing alternatives. Therefore it was better to construct new military facilities near the coast than to improve existing airfields in the inland.²⁹

Even so in peacetime the USAF requirements could only be met through a newly constructed pipeline, air transportation and additional vehicles for the squadrons in charge of transportation. It was known that in case of war the lines of communication would be over-saturated. In order to avoid jamming up the roads, depots should be created at the end of each line of communication reaching from Madrid to the coastline bases. These depots were to hold a 60-day supply level.

Seville, the main USAF base area, would hold an initial supply of 29,800 tons and 10,200 barrels of aviation fuel. During a military conflict Seville would be supplied with 5,150 tons of supplies, 443,939 barrels of fuel, 11,500 barrels of motor fuel and 1,300 barrels of diesel. These had to be delivered along roads from Cadiz (estimated supply capacity 4,000 tons/day), Cordoba (4,000 tons/day) and Huelva (2,000 tons/day). Madrid would store 2,400 tons of supplies and 51,200 barrels of aviation fuel. During a war, the capital would receive monthly 643 tons of supplies, 144,100 barrels of aviation fuel, 6,600 barrels of motor fuel and 700 barrels of diesel. These could be delivered from Albacete (4,000 tons/day), Valencia (3,000 tons/day), Granada (3,000 tons/day), Salamanca (3,000 tons/day), Burgos (3,000 tons/day), Oviedo/Coruña (3,000 tons/day) and Seville (2,500 tons/day). Valencia would need monthly war supplies of 500 tons, 63,000 barrels of aviation fuel and 1,900 barrels of

29. NA, Civil Branch, Lot Files 59D108, 21 November 1951, Bonbright to Williamson.

Chapter 9: 1951 The Study Groups

motor and diesel fuel. Similar figures applied to the supply requirements of Albacete and the bases in the Ebro valley. The logistic problem was considerable.

In order to deal with these wartime needs a system of pipelines and petrol distribution was recommended. A 280 mile long 6" pipeline was to connect Seville and Madrid and a 60 mile long 10" pipeline was to connect Cadiz with Seville. Furthermore, the pipeline system was to supply Getafe, Los Palacios, and Morón. The costs for this petrol storage and distribution system was estimated at \$27.75m; \$10m alone for the pipeline connecting Madrid to Seville.

Yet this was not enough. Major problems were foreseen with transportation by road and rail thus more transport by air was required. It became important to use the airports located near the seaports. The logistic problems were paramount in the selection of the base sites.

The report specifically claimed that there would be no problem in finding enough Spanish workers for construction work at the site of the bases as long as these were close to cities. It was considered that labour was in abundance in almost all areas where constructions were to take place. Spanish construction was considered good craftsmanship and very labour intensive, but lacked technology and materials such as steel, paints, lumber and electrical and plumbing materials. Despite lack of modern material, construction costs were only 10%-30% of the costs in the US. To lay one square yard of runway in Spain cost \$2.20, in the US it was \$12. One hospital bed in Spain could be created for \$1,221 compared to \$17,280 in the US. One gallon of fuel storage required \$0.076, in the US \$0.10. One square of concrete road in Spain was worth \$1.80 but \$6.70 in the US. One cubic yard of earth was moved in Spain for \$0.24 and for \$0.75 in the US.

One of the problems which the report outlined was the inefficiency of Spain's petrol industry. This industry was ruled by the monopoly of the "Compañía Arrendataria Monopolio Petroleos Sociedad Anonima" or CAMPSA. The only other institution to store petrol in Spain was the Spanish Navy. CAMPSA controlled a total of 18 tankers with an average capacity of 7,180 tons. 15 ports had facilities for these

tankers, the largest was Barcelona with 641,800 barrels storage capacity. In total Spain could store between three and nine million barrels. Furthermore, CAMPSA had 70 tank cars with an average capacity of 5,000 gallons but the majority of these had been on the road for twenty years or more. It was claimed that all of CAMPSA's trucks, storage capacities and distribution network were needed to meet Spain's requirements. Thus an increase of demand created by petrol consumption at the bases made it necessary to increase the number of vehicles and storage capacity in Spain. This implied the construction of the pipeline system.

Another consideration was Spain's lack of aircraft industry. The largest company, Construcciones Aeronáutica S.A. had only factories in Getafe, Madrid, Seville and Cadiz. It was capable of producing around 300 outdated transport and medium bomber planes. Aeronáutica Industrial S.A. based in Cuatro Vientos produced some 180 small trainer planes and the company Hispano Suiza based in Seville produced 200 Me109. The lack of critical materials, manufacturing licences, engines and modern tools meant that the planes still had design predating 1945.³⁰ This of course meant that Spain was not able at the moment to produce spare parts for modern fighter and bomber planes. Thus these would have to be imported from elsewhere.

Upon receiving the report, the Joint Chiefs of Staff swiftly commented on it. S.G. Conley, from the US Army, informed the Army Chief of Staff that he believed that Spain would fight in Europe if her armed forces received the necessary military equipment.³¹ It became clear during the discussions that the Joint Chiefs of Staff favoured most of the administrative recommendations made in the report. These referred to the creation of a Joint Military Liaison Group or JMLG Spain, later called JUSMIG, Joint US Military Group. It was recommended that JMLG was to be composed of 13 officers and eight other supporting staff. The new group was to provide

30. NA, Military Branch, G-3 091, Spain, 1951, 12 December 1951, USAF "Planning for the Base Development of Spain".

31. NA, Military Branch, G-3 091, Spain, 1951, S.G. Conley to Chief of Staff.

data to the Joint Chiefs of Staff just as JMST had done. Furthermore, it was to establish Spain's military needs and to evaluate US training, economic and military aid to Spain.³² Yet JMLT, or JUSMG, was not to be placed under JAMAG, the Joint American Military Assistant Group, based in London. JAMAG played a similar role in Western Europe as JUSMG was to play in Spain. It would have been only natural to combine the administration of the two to cut red tape. The reason why the Joint Chiefs of Staff decided against this, was because Spain had expressed little desire to join NATO and the Western European powers likewise had expressed little interest in Spain joining NATO. Thus to avoid political controversy with Europe JUSMG was to be fully independent, reporting to the American Embassy in Spain and then to Washington directly.³³ As had been recommended in the report, the Joint Chiefs of Staff agreed that further negotiations were to be conducted under NSC 72/6, restrictions governing JMST were to be lifted, a negotiation team under a USAF officer was to be set up and the Ambassador to Spain was to be placed in charge of the coordination of JUSMG. Yet the Joint Chiefs of Staff disagreed with some other points of the report. It argued that it was premature to send training equipment to Spain, it gave no comment on Spain's remark about a possible integration of Franco's nation into NATO, and the Joint Chiefs of Staff was unwilling to see the negotiations as a quid pro quo. The Joint Chiefs of Staff believed that negotiations were to be based on general reciprocity and trust, rather than on hard bargaining.³⁴

The Joint Chiefs of Staff also wanted to know how prices for improvements of inland bases compared to costs of newly constructed coastal bases. This had not been done directly by the JMST. Nevertheless, the JMST report, by favoring coastal bases, gave a clear priority to the geographical position over the convenience of established

32. NA, Military Branch, G-3 091, Spain, 1951, 24 November 1951, Proposed Military Liason Group to Spain.

33. NA, Military Branch, G-3 091, Spain, 1951, 14 December 1951, JCS on Report by JMST.

34. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, JCS: On report, 31 October 1951, Report by the JMST (Spain).

bases.³⁵

The Joint Chiefs of Staff argued that "the English Channel and the Pyrenees Mountains are both formidable terrain barriers and have similar importance as military obstacles to enemy attacks." Nevertheless the Spanish Ambassador in Washington was not in favour of withdrawing troops to the Pyrenees in case of conflict. On 1 October, Lequerica, Charles P. Clark, Colonel Andrew Samuels (Pentagon) and Frank C. Nash from the State Department held a conversation in which the Spaniard claimed that he would prefer to see a war fought on the Rhine or Elbe or even further East if possible and with Spanish troops included rather than one fought in Spain.³⁶

Apart from the geographical value of the Iberian peninsula, the Joint Chiefs of Staff claimed that Spain could also help "to fill the vital need for immediate augmentation of Europe's military manpower." At the same time the Joint Chiefs of Staff argued that "Spain's contribution of military power to the NATO cause might be sufficient to advance the defense of Western Europe east of the Rhine, thus insuring a more willing German participation in that defense."³⁷

Throughout the period of the survey, other NATO countries in Europe worried about the improvement of the military relations between Spain and the United States. This complicated matters. For example a planned trip by the team to the Pyrenees was canceled to avoid difficulties with France.³⁸ On similar grounds an offer to survey Morocco was waived.

During August five Spanish Army officers were flown to the US to attend

35. NA, Military Branch, G-3 091, Spain, 1951, 14 December 1951, Report of the JMST (Spain) by Deployment Branch.

36. NA, Military Branch, CD 092 Spain 1951, 1 October 1951, Memorandum of Conversation, Frank C. Nash, Lequerica, Charles P. Clark, Col. Andrew Samuels; also Civil Branch, Lot Files 59D108, 1 October 1951, Memo of Conversation.

37. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec. 1-8, 7 September 1951, JCS Memo to Secretary of Defense.

38. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec. 1-8, 10 September 1951, JCS to USARMA, Madrid.

military courses and another eight were expected during October.³⁹ On 26 September the Sunday Times claimed that "the first cadres from the Spanish Army and Air Force are expected in Germany before the autumn to be trained in the operation and maintenance of US military equipment" this "precedes the shipment of military supplies to General Franco".⁴⁰

On 27 September, it was confirmed to a British representative in a conversation with the State Department that 30 Spanish personnel were going to be trained in Germany. The American claimed that this was not special treatment for Spaniards but was part of an old program which was open to many nationalities.⁴¹

Despite this assurance, the incident caused outcry by the British Foreign Office. Shortly afterwards, General Omar N. Bradley informed the Secretary of Defense that "no plans exist for the training of Spanish military personnel in the American Zone of Germany. The Commander in Chief European Command has no knowledge of alleged statements."⁴² The project was canceled.

The UK was willing to accept the new US policy with Spain as long as no military end-items were sent to Spain.⁴³ France had similar concerns. The two countries hoped that they would be able to use other NATO countries as a leverage against Washington. But after a study of the position of other NATO members it became clear that only Norway and Denmark supported London and Paris. Italy and the Benelux countries fell in line with US policy due to economic reasons. Whitehall and Quai d'Orsay concluded that they could only oppose Washington in private

39. PRO, FO371.96188, Chancery, Madrid.

40. NA, Military Branch, CD 092 Spain, 26 August 1951, Sunday Times.

41. NA, Military Branch, CD 092 Spain 1951, 27 September 1951, Memorandum of Conversation, Mr Jamieson, Second Secretary to Mr Dunham, WE.

42. NA, Military Branch, CD 092 Spain 1951, 12 November 1951, Omar N. Bradley, Chairman JCS to Secretary of Defense.

43. PRO, FO371.96191, 3 September 1951, FO Minutes, Mr Dawbarn.

discussions.⁴⁴

Diplomatic pressure by London and Paris had forced Acheson in Washington to assure the British and French diplomatic missions that they would receive more information about US intentions in Spain and that the ensuing talks between the two countries would receive low publicity.⁴⁵

This did not reassure the British Foreign Office and it was suggested that the UK could take part in the negotiations with Spain if it was considered essential to assure the use of Spanish military facilities in case of war.⁴⁶ Sir John Balfour in Madrid opposed this suggestion as it might have led to demands by Madrid on Gibraltar. He feared that in return for base rights Spain would want to participate in the administration and political life of the colony.⁴⁷

British fears were confirmed after a conversation between Erice, Director-General of Foreign Policy, with a British official in Spain. The Spaniard claimed that he was confident about the progress in Anglo - Spanish relations over Gibraltar and over an agreement between the two nations.⁴⁸ Erice hoped that Spain could link the two issues. It was clear for the British Foreign Office that there could be no deal between Spain and the UK because there was no vital military advantage, there would be problems concerning Gibraltar, and Washington would not welcome Britain complicating their talks with the Spanish authorities. Thus the UK opposed Spain's integration into NATO, a bilateral military agreement between the US and Spain, or one with Britain.⁴⁹

Not even the Chiefs of Staff showed military interest in improved relations with

44. PRO, FO371.96191, 11 September 1951, Chancery Rome.

45. PRO, FO371.96191, 14 September 1951, O. Franks, Washington.

46. PRO, FO371.96192, 5 November 1951, O. Franks, Washington.

47. PRO, FO371.96192, 1 November 1951, Balfour, Madrid.

48. PRO, FO371.96192, 19 November 1951, O. Franks.

49. PRO, FO371.96192, 9 November 1951, FO Minute, G.P. Young.

Spain. The military planners feared that the American - Spanish agreement would lead to renewed demands by Madrid concerning Gibraltar. Extensive military assistance for Spain by the US would furthermore lead to diversion of weapons away from NATO countries. The Joint Planning Staff argued that any military agreement between Washington and Madrid should be limited to the use of ports, bases and overflight rights, exchange of military information and granting obsolete equipment. In the long term the military planners were not against Spain joining NATO as long as "no question of the rendition of Gibraltar to Spain can be discussed."⁵⁰

On the economic side political considerations could not be ignored. The other American study group to go to Spain was the Temporary Economic Survey Group under Dr. Sidney C. Sufrin. During a visit to Paris in September Sufrin realized that France had no interest in the American economic program for Spain. The French Government was itself concerned with economic difficulties due to US congressional reduction of the aid programme for Western Europe. It was feared in Paris that if Spain was to receive economic aid, even less dollars would remain available for France.⁵¹ Sufrin's mission too was to provoke international opposition.

Sufrin was an academic at Syracuse University in the state of New York. By 1951, he had published two books "Labor Policy and the Business Cycle" in 1943 and "Union Wages and Labor's Earnings" in 1950. In 1952 he would publish a 62 page study titled "The Economy of Spain". His mission was to lead a group which was to analyze the projects financed under the \$62.5 million loan, to look for future projects and possible applications and finally to study Spain's economy and requirements for possible future economic aid.⁵²

He was not well suited for this assignment as he lacked leadership as well as diplomatic skills. He had a conflict with the American diplomatic mission itself when

50. PRO, DEFE6.19, 26 November 1951, Report by JPS.

51. NA, Civil Branch, Lot Files 59D108, 25 September 1951, Dunham to John W. Jones.

52. FRUS 1951, Vol.IV, 2 August 1951, The Secretary of State to the Embassy in Spain.

he got in contact with two diplomats of the Embassy concerning certain questions about the Congressional debates on the Mutual Security Act. The Embassy sent a cable to Washington which Sufrin thought appeared to portray him as the only one who had failed to grasp the technicalities of the debate and which furthermore had mistakes in the technical language. Sufrin was outraged with the two diplomats. Ambassador Griffis had to settle the dispute between the two sides.

Next Sufrin made a blunder out of a meeting with the Duke of Alba. The Spanish Ambassador had returned from London and Sufrin invited him to a buffet. The American expected the Duke to arrive with four or five members of the Foreign Ministry but was horrified when he turned up with more than 25. Naturally food and drinks had not been prepared for so many and consequently ran out. Upon arrival the Duke de Alba greeted Sufrin with a handshake and a slap on the back. When Sufrin wanted to return the friendly slap on the back his hand got caught in his pocket and, as he forced it out, he lost control and hit the Duke, who had in the meantime turned away, on his backside. During another meeting with Spanish authorities one of the economists working with Sufrin lectured the Spaniards on the Marshall Plan despite having received instructions not to mention it at all.⁵³

The State Department worried about Sufrin's ability when the Spanish authorities appointed nine subcommittees to assist him during his research and he remained unable to free himself from their influence. This despite the fact that he had been instructed that the study "should be prepared on a confidential basis in view of its relationship to and effect on negotiations for military facilities."⁵⁴

Sufrin failed to free himself and his team from the influence of the men from INI who, during several trips, stuck to the American team like "leeches". This failure meant that he could not gather the necessary material he wanted and was unable to produce a new and interesting analysis of Spain's economic situation and prospects. In

53. NA, Civil Branch, Lot Files 59D108, 25 October 1951, Sufrin Diary, Part 6.

54. NA, Civil Branch, Lot Files 59D108, 1 November 1951, Policy.

the end he relied heavily on an earlier study by the State Department. Furthermore his inability to keep information away from the Spanish authorities meant that once the negotiations started Madrid knew more about the American interests than Washington had desired.

The final report, passed to the European Cooperation Administration on 20 December, consisted of thirteen chapters analyzing among others: national accounts, foreign trade, industrial sectors and infrastructure.

Despite these setbacks, Dr Sidney Sufrin realized that the Spanish economy was "being held together by bailing wire and hope."

In a lecture to the Law Faculty of Madrid University in December he was more specific. He feared that foreign currency investments in Spain would overdevelop industry compared to agriculture. Spain lacked general machinery, a modern electric power grid and a healthy infrastructure. Before these were improved, substantial new industrial investments would increase the strain on Spain's economy and would create an even more unbalanced economy. In the long term this capital rush, if not properly channeled, would hurt Spain's economy and would lead to inflation. On the other hand investments in the form of raw materials were good. Sufrin pointed out that Spain had to reorientate her trade in order to prosper. Spain was selling products for sterling while it was importing in dollars. The American suggested that Spain should increase her mineral exports to the US to decrease this balance of trade deficit with the US.⁵⁵

In the report by Sufrin to the Mutual Security Agency, he asked for at least \$150 million a year for raw materials, transport and power supply to Spain. The report estimated that Spain's GNP could be increased by 3-4% during the first year alone. He estimated that aid for irrigation and fertilizers would increase agricultural output by 20% alone.⁵⁶

Sufrin pointed to Spain's backwardness in agriculture. Only 0.5% of farms used

55. PRO, FO371.102022, 29 December 1951, Murray, Madrid.

56. NY Times, 4 January 1952.

tractors, 90% of the grain was still sown by hand. Out of 13,500 tractors registered in Spain some were 30 years and older. He estimated that Spain needed at least 40,000 imported tractors to make up for this.⁵⁷

He asserted that the industrial production could be increased in Spain by 10-15% with US technical aid and advice.⁵⁸ Further problems came from the electricity industry. Spain, claimed Sufrin, had enough electricity but lacked the power net to transport it from areas of supply to areas of demand. There was no national power grid. He believed that technical assistance would solve the electricity problem, by allowing the distribution of electricity.⁵⁹ Sufrin described the railroads as "terrible". Spain's infrastructure was hopeless. She lacked rails, roads or airport facilities to overcome the mountainous transport routes through her interior, only the port areas were acceptable.

RENFE, the Spanish railways, was a disaster. Before the Civil War, Spain had 3,000 steam locomotives. By the end of the internal conflict, Spain only had 2,000 left. Over the next years Spain was slowly building up the number of locomotives. In 1941 there were 2,400⁶⁰ and by 1950 there were about 3,400. Nevertheless old trains were not being replaced. Out of the 3,400, roughly 500 were in repair and some were almost 100 years old.⁶¹ A very similar development can be observed for railways wagons.⁶² Only 400 were for heavy freight and merely 700 for petrol. Trains were getting obsolete and this had created in 1950 a total of 471 reported derailments. A high 26.5 cars per train ratio meant that the average speed was only just above 10 km/h, about 6 mph. Yet on average a locomotive traveled 104 km per day thus was on average more than 10 hours in service. The conclusion was that Spain's trains were stretched to the

57. Sufrin, Sidney, Economy, NY, 1952, p.18f.

58. Sufrin, Economy, p.22.

59. Sufrin, Economy, p.25.

60. NA, Civil Branch, R&A Report 532, Notes on Spanish Railways Rolling Stock.

61. Sufrin, Economy, p.36.

62. NA, Civil Branch, R&A Report 532, Notes on Spanish Railways Rolling Stock.

limit.⁶³ A traveler through Spain reported on one of his train journeys that when the cars went off the rails his Spanish neighbour groaned resignedly without paying too much attention - "What? - Again?"

Spain's banking system was also in disarray. Finance was done nationwide on tacit and unofficial agreements - often handshakes rather than official contracts - sealed business decisions. Banks required no legal minimum reserves and there was no fixed debt for the government. Informal governmental pressure required banks to hold 40% of their securities in government bonds thus providing the government with cheap loans by creating artificial demand for bonds in excess of the market. The banks naturally passed the extra costs of these bonds down to the people, borrowers as well as savers.⁶⁴ Sufrin believed that these practices had come about due to the uneven industrial developments over the past.

The only favorable point was that Spain slowly developed into the sunny tourist coast of Europe. In 1950 a total of 38,000 tourists came to Spain; one year later 750,000 and for the year 1952 a total of 1.5 million were expected.⁶⁵ Naturally these tourists brought foreign currency with them and helped develop commercial areas along the coast.

Sufrin strongly argued against the damaging interference of the government in the economy. Iron ore is a good example to show how this affected the economy as a whole. The fixing of the multiple exchange rates in December 1948, discouraged exports of iron ore and artificially stimulated trade of particular commodities. This was done by paying exporters less in pesetas for dollar valued exports than they would receive for other exports; a dollar worth of iron ore did not have the same value in pesetas as a dollar worth of olive oil. Spain had only a small internal consumption of iron ore and with the introduction of multiple exchange rates, which discouraged iron

63. Sufrin, Economy, p.36.

64. Sufrin, Sidney, "Outlook in Spain", in Foreign Policy Bulletin, 1 Mar 1952, Vol.31.

65. Sufrin, Economy, p.58.

ore exports, naturally production of iron ore fell. Yet it fell to such a large extent that it created a domestic lack of iron ore because of the loss of economies of scale. Thus prices of iron ore increased. Other industries in Spain were now faced with high iron ore prices. A liberalization of the exchange rate would have increased exports, recovered economies of scale and thus increased production as well as productivity of related industries. This would have created more foreign currencies for imports as well as removed iron ore scarcity in Spain.

Sufrin saw the problem in over-regulation. INI believed that a move from an agricultural to an industrial state could not be achieved by private enterprise, thus the government had to engineer it. In the light of this interpretation, Spain's economic and trade policy had been determined by one man, Juan Antonio Suanzes, the head of the INI. Sufrin expected foreign investment to flow to Spain once the maze of regulations had been removed.⁶⁶ Yet even Suanzes' removal in 1951 as Minister of Trade and Industry, and a split of the ministry between Manuel Arburúa and Joaquin Planell did not improve the situation. Sufrin dismissed the possibility of INI solving the economic problem.⁶⁷

Liberalization of production, of ownership, of exports and imports would have encouraged foreign investments. As long as these were limited to 25-40% and as long as cases like the Barcelona Traction bankruptcy were possible, foreigners stayed away.

Barcelona Traction, partly a Canadian company, was declared bankrupt despite bringing in profits in 1948. This had been due to the strange exchange rates which distorted foreign capital gains and foreign capital investments.⁶⁸ The fact that the case was not referred to arbitration, but the assets were transferred directly to the industrial group of Juan March, complicated the matter.

According to Sufrin, trade could start paying off Spain's debt but only if the

66. "Spain: A military partner ?" in Business Week, 14 July 1951.

67. Sufrin, Sidney, "Outlook in Spain", in Foreign Policy Bulletin, 1 March 1952, Vol.31.

68. Sufrin, Economy, p.43.

peseta was freed. Otherwise aid granted by the US would have deteriorated into meaningless gifts.⁶⁹

He also warned that Spain would be unable to digest large foreign investment without counterproductive inflation. If a deal was struck with Spain, the US had to improve railroads, roads and the electricity network as well as military facilities. Therefore great sums of foreign capital had to be spent. This in turn would lead to inflation of prices for basic goods, such as food, clothing and housing, unless aid would also increase the supply of consumer goods. Sufrin recommended that imports of goods were necessary to offset inflation.

Spain's economic situation was still desperate. Low rainfall over three years 1948-1950 meant that the reservoirs were at less than 10% of their full capacity. A lack of water meant lack of electricity and lack of irrigation.

In Catalonia, factories had to close due to lack of electricity. In order to avoid social disorder, the Falangist syndicates forced employers to pay workers whether they worked or not. This created financial losses for many companies. Despite this policy, unemployment rose from 1947 to 1950 by 43%. The state had to enlarge its welfare expenditure to create a social net for the poor. This in turn lead to an increase of inflation. In 1949, inflation was under control at 6.5%; in 1950 it rose to 18% and in 1951 it had increased to 30%.

The agricultural output index for 1948-1950 was 78.4 compared to 1953-55. During February/March 1950, the US sold 85 million pounds surplus stocks of potatoes at 1 cent per 100 pounds. At the beginning of 1951 Spain was still on the verge of economic collapse. It needed a long term economic solution.

1951 brought some improvements. In February 1951, the first \$12.5 million credit under the McCarran credit was granted. Rain in Autumn 1951 filled the reservoirs to 2/3 of their capacity and solved the electricity and irrigation problems. The potato production doubled, dried fruits and olives harvests tripled. Tomatoes,

69. Sufrin, Sidney, "Outlook in Spain", in Foreign Policy Bulletin, 1 March 1952, Vol.31.

cotton and tobacco increased between 12% and 40%.

Due to the conflict in Korea, tungsten and mercury prices advanced. One ton of tungsten was sold at \$2,300 in 1950, one year later it was purchased at \$4,740. Now Spanish producers demanded a minimum price of \$4,970. Mercury rose from \$55 per flask to \$200. This led to frustration and anger in the US Congress. For Spain it meant the first trade surplus in the postwar period. Only due to monetary growth of 12.6% in Spain, creating inflation, and an increase of expenditure abroad by the Franco regime on military equipment did Spain's balance of trade deteriorate during 1952. The economic prospect improved. A \$50 million long term debt to ITT for the 1945 nationalization of Telefónica could be paid back 8 1/2 years before schedule in 1952.

In 1951 real national income increased by 17.6% and throughout the year Spanish industry was helped by US credits. In August/September 1951 the Export Import Bank had granted \$18 million for an electric power station, steel and fertilizer plants and for RENFE. Furthermore a good harvest in 1951 combined with better trade and diplomatic relations with Portugal, Latin America and Arab Nations were good news for Spain.

However problems remained. Francis Williamson, Deputy Director of the Office for Western European Affairs, informed the House of Representatives on 18 October 1951 about the situation Spain. He saw two complications. Firstly the opposition by European states and secondly the fact that there was no alternative to Franco. He argued that NATO countries opposed the American rapprochement to Spain because the Spanish army could not fight efficiently without substantial military aid which would have meant less military aid for NATO. France was afraid that a military arrangement between Spain and the US would imply a withdrawal of US troops to Spain in case of war. At the time of Williamson's appearance before the House, General Spry was still in Spain and therefore the Deputy Director of the Western European Office of the State Department could claim that currently the US was not

interested in acquiring bases but in simple usage of bases.⁷⁰

The Assistant Director of the Mutual Security Agency, John H. Ohly told other State Department employees that the negotiations with Spain were going to be closely linked with the \$100 million aid which already had been appropriated for Spain. On 21 November, he requested the State Department to send him information about the loans.⁷¹

The very same day, Mr Bonbright, Deputy Assistant Secretary of State for European Affairs, informed Ohly that NSC 72/6 essentially provided guidance for the \$100 million aid. Under NSC 72/6 the money was to develop the military potentialities in Spain for Europe's defence, assist Spain in improving relations with NATO countries and obtain early participation of Spain in NATO or help conclude mutual security arrangements between the two countries. He also confirmed that all military aid to Spain was still under political consideration. Bonbright also informed Ohly that US officials should stress that Spain's role was to defend not liberate Europe. It was clear that NATO countries were still given priority under NATO, the Mutual Defense Assistance Program and the European Recovery Program. Bonbright claimed that one should avoid base agreements in exchange for aid without Spain's commitment to Europe's defence. This policy was to be discussed with France and Britain to inform them and hopefully reach a common policy. In the meantime the US would approach Spain for long-range bomber and naval operation bases and facilities in return for economic and military aid as long as this did not conflict with other restrictions. In the meantime, the US was to release air navigational aids and other electronic equipment to Spain.

Finally, Bonbright made it clear that the negotiations with Spain would determine what facilities the US would seek in Spain, what aid would be given and

70. LOC, (82) HFO-3 Selected, 18 October 1951, The Situation in Yugoslavia, Italy, and Spain.

71. NA, Military Branch, CD 091.3 Spain 1951, 21 November 1951, John H. Ohly to State Department Member of MAAC.

Chapter 9: 1951 The Study Groups

what tactics were to be employed. "Economic aid... is one of the most important means available to us... and... is essential to the success of our military program in Spain including the ultimate use of Spanish forces in the common defense." He agreed with the JMST report and favoured a single group composed by representatives from the Departments of State, Defense and the European Cooperation Administration which would control all aspects of the negotiations. He believed that the first action to be taken was to define US requirements in Spain and to establish the negotiations group.⁷²

While discussions in the State Department continued, the Joint Chiefs of Staff came under time pressure to include Spain into the Mutual Security Act of 1951. Before negotiations or economic aid was to be granted to Spain, the Joint Chiefs of Staff had to decide on the volume and composition of military aid.⁷³ Freeman Matthews, the Deputy Under-Secretary, raised this problem on 7 December 1951 at the State Department while a Joint Chiefs of Staff representative was present. The Joint Chiefs of Staff representative pointed out that the Joint Chiefs of Staff were still considering the report by the JMST which had been handed in on 2 November. Bonbright called attention to the January deadline when a new Mutual Security Agency plan had to be sent to Congress.

The Mutual Security Act of 1951 could allow this as it was to "promote the foreign policy of the United States by authorizing military, economic and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world." The President had a maximum of \$5,028 million for the FY 1952 for European "countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title in this act) which the President determines to be of direct importance to the defense of the North

72. NA, Military Branch, CD 091.3 Spain 1951, 21 November 1951, Mr Bonbright, EUR to Mr Ohly.

73. FRUS 1951, Vol.IV, 27 November 1951, Memorandum by the Deputy Assistant Secretary of State for European Affairs to the Deputy Under Secretary of State.

Atlantic area".⁷⁴

In order to administer the fund, the Mutual Security Agency had been set up. It replaced the Economic Cooperation Administration and was "designed to sustain and increase military effort, including production, construction, equipment and matériel."

As had been requested by the International Security Affairs Committee, the Mutual Security Act included a \$100 million assistance approved by Congress for Spain. Nevertheless there was no compulsion to use this fund and it had not been requested, sought or favoured by the President.⁷⁵ There used to be a clause in the Mutual Security Act which called for an approval by NATO countries when credits were to be extended to non-NATO countries. This would certainly have meant that Britain and France could have blocked any credits to Spain. This clause had been eliminated during Fall 1951 and shortly afterwards Congress appropriated the first \$100 million in aid for Spain.

It was necessary above all to get Truman to approve the idea of loans for Franco. Ambassador Griffis continued to support Spain wholeheartedly during his last weeks in office. His biased support for Franco during his short stay in Madrid as Ambassador and his advanced age (65 years) made him take retirement in early 1952.⁷⁶ When President Truman said that he was not very fond of Spain, Griffis went as far as to explain away the comment by his head of state, claiming that Truman had based it only on the unfortunate delay of the talks between Spain and the US.⁷⁷

The policy he represented in Spain had not been uncontroversial. Many liberals expressed their disapproval with the new US turn. The *New York Times* wrote, 30

74. BFSP 1951, Vol.158, p.961, 10 October 1951, "Mutual Security Act of 1951".

75. FRUS 1951, Vol.IV, 21 November 1951, Memorandum by the Deputy Director of Mutual Defense Assistance, Department of State to the State Department Member of the Military Assistance Advisory Committee.

76. NA, Civil Branch, Lot Files 59D108, 17 December 1951, Griffis to President; 28 December 1951, Dorsey G. Fisher to William B. Dunham; 2 January 1952, Griffis to William B. Dunham.

77. PRO, FO371.102017, 19 February 1952, Mr Burrows, Washington.

Chapter 9: 1951 The Study Groups

August 1951, that: "Once upon the time there were three big, bad fascists- Mussolini, Hitler and Franco. We fought a World War to kill two of them and destroy all they stood for, now we have made an ally of the third." Statements like these made it difficult for Truman to lend Spain a hand.

In light of the new developments, on 18 July 1951 Franco reformed his government to gain international approval. A shuffle of the cabinet favoured the monarchist supporters. The Industry and Trade Minister Juan Antonio Suanzes, who was greatly disliked by the American authorities, was replaced by Joaquin Planell and Arburúa. At the same time Franco released 250 imprisoned demonstrators. He was using the interest of the US in Spain for propaganda reasons. In this he was helped by several political blunders by the Americans.

Paul A. Porter, the Director of the Mutual Security Agency, publicly announced the beginning of talks for an economic aid agreement with Madrid. Spain claimed that an agreement would be "a pact of mutual aid based on equality of rights" and "the objective of alliance is to insert the strength and resources of Spain within the anti-communist system of defense for which aim the United States will aid our [Spain's] economy, industry and army."⁷⁸

Congress too came to Franco's help. A Special Subcommittee of the House Committee on Foreign Affairs composed by Clement Zablocki, Edna Kelly and Chester Merrow toured Germany, Austria, Yugoslavia, Italy and Spain from November to December 1951.

In its report the Representatives wrote that "Congress has demonstrated foresight by recognizing that Spain belongs in the western community of nations and by providing appropriations for aid to Spain." The Subcommittee believed that "the United States must use its influence in uniting the efforts of all nations whose objectives are mutual security and the establishment of a just and lasting peace."⁷⁹

78. NY Times, 4 January 1952

79. LOC, H2641, No.6, also 11576 H.rp. 1834, also included in LOC, H2287, Report 7 April 1952.

Chapter 9: 1951 The Study Groups

In the meantime, the military and economic surveys by Sufrin and Spry were being used by the agencies concerned in making detailed preparations for negotiations with the Spanish Government to conclude bilateral arrangements.

The Joint Logistics Plans Committee constructed an extensive study on American expenditure covering Spain's necessities. The railways were to receive \$15.2 million, mainly to repair the tracks and for 200 locomotives and 10,000 cars. It was estimated that the demands by the US Navy would cost \$12 million for the off-loading dock and facilities near Cadiz, \$46 million for the naval air base at Rota and \$1.1 million to modify liquid fuel storages. The total cost for the Navy requirements added up to almost \$60 million. The Committee worked out that the US Air Force demands were expected to cost roughly \$330 million.⁸⁰

Apart from its own economic and military considerations, the US had to think about Spain and Spaniards' loyalty in a world crises. Washington would have been humiliated if another Civil War would have broken out against Franco after granting his government aid or after having established bases in Spain. If Franco was about to fall from power, would the US wait and hope for the best or would she actively support him? Fortunately for the US, this scenario was unlikely to happen in a country which still remembered a bloody civil war. Yet even if a conflict in Spain was out of the question, a conflict in Europe was not. How would the Spanish population react when bloodshed was unavoidable? Would they turn against Franco and support Soviet troops as liberators or would they fight on Franco's side? These questions had to be given serious considerations in Washington. At the same time the US had to ask herself, how much power Franco would be willing to give up. His regime was based on nationalism and Franco's propaganda had for years hailed Spain's independent past. Above all it had created the Franco myth which claimed that the Generalissimo had cunningly avoided any commitment to Hitler. Would he suddenly change and submit to the

80. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 29 December 1951, Joint Logistics Plans Committee.

Chapter 9: 1951 The Study Groups

foreign policy of another regime?

Chapter Ten

1952

Analysis of the

Reports

Sufrin's report on the economy asked for aid to Spain over a five year period. He recommended that aid should be \$130 million during the first year and then \$79, \$66, \$37 and \$13 million in the following years. The report estimated that the initial aid would increase Spain's industrial product by 6-8% and the agricultural by 12-20%. Sufrin wanted a split of the aid into economic aid around \$70-\$80 million and the rest \$50-\$60 million as military aid. He suggested that out of the \$130 million, some \$20 million should go towards military-related industries like a power grid in Seville, steam generating stations, and highway repairs. \$15 million would be spent on the railroads. \$95 million should be granted to other industries. Sufrin claimed that the aid was required "to put the Spanish economy on a firm enough basis so that it will be able to support a growing US and Spanish military machine with all the incidental positive adjustments to the civilian economy."¹

Sufrin also recommended certain limitations on the Spanish Government to prevent inflationary effects. "To protect against [inflation] it is suggested that arrangements be made with the Spanish Government... to... restrict the money supply,... the building of unnecessary structures and the production of luxury goods." In addition he wanted a package of \$4 million worth of essential goods to be sent to Spain as soon as possible after military agreements had been reached. The American academic hoped that this would provide for the needs of the poor and help control prices. He also favoured a restrain on money supply on the banks and the government and a control of mortgages in order to come to grips with possible inflationary effects.

Sufrin's report was similar to a report by the Western European Affairs branch of the Department of State from March 1951. Sufrin did have a look at this report before he departed for Spain and must have found inspiration in it.²

On 7 April 1952, the House of Representatives was presented with another

1. NA, Civil Branch, Lot Files 59D108, 17 December 1951, Griffis to President, Summary and Comments on the Sufrin Report.

2. FRUS, 1952-54, Vol. VI, Part 2, 2 January 1952, Memorandum by Edgar J. Beigel of the Office of Western European Affairs, p.1778.

report on Spain prepared by a Congressional subcommittee. It outlined Spain's economic situation. It stressed the different rates of exchange of the peseta and claimed that Spain's purchasing power was still only about 50% of its pre - Civil War level. Inflationary financing of public spending had resulted in a spiraling of prices and in a shortage of food and consumer goods. Furthermore, the vertical syndicates were controlled by the Government. This prevented the development of a free market.

In October 1951, Spain's total national debt stood at 63 billion pts or roughly a third of GNP. On top of that came foreign credits in dollars of around \$145.5 million (Export Import Bank: \$62.5; Chase: \$30; City Bank: \$30; ITT: \$14; Société de Banque Suisse: \$9 million), in Italian lira equivalent to roughly \$5 million, pesetas 3.6 billion from Argentina and \$76 million from other nations.

Annual spending of the government was financed roughly 84% through receipts and 16% through borrowing. The unadjusted (for receipts in pts) government deficit had increased from 320 million pts in 1948, to 893 million in 1949, to 1,364 million in 1950, to 1,655 million in 1951 and was almost 2 billion in 1952. Spain faced liquidity problems.

The Subcommittee, which drafted the report, recommended tax reforms for Spain. It was asserted that luxuries had to be taxed more, some of the many loopholes had to be closed and the regressive tax system was no longer to rely mainly on property tax but more on income tax.

It was considered that disturbances in Spain were no longer political or Communist inspired but were mainly economic and social riots. Compared to other dictatorships, Spaniards enjoyed little restraint on their freedom of speech and often expressed criticism towards the government. Yet freedom of worship was another matter. At one point in Barcelona, Protestants were not allowed to bury the dead and had to seal the bodies in vaults in a wall and, as we have seen before, foreign churches were not sufficiently protected against vandalism.

Shortly after the Subcommittee had presented its report, the House of Representatives was told through the State Department that Franco was willing to fight

north of the Spanish border and would welcome the use by US troops of Spanish ports and air fields.³ The Spanish General Barrón had only expressed his concern about the possibilities of US troops permanently based in Spain. Communist propaganda wanted to make an issue out of this concern, claiming that Barron was concerned about Negro soldiers in Spain when in fact concern was generally towards any foreign troops in Spain.⁴ It was argued in Congress that despite the opposition by France and Britain, the US should not waste the advantages Spain had to offer. Thus the report concluded that in order to oppose the communist threat Spain and the US should join forces in the form of a mutual security pact as soon as possible.⁵

On the other side of the Atlantic relations between Spain and the European NATO members had not improved. No European representative at the Ninth North Atlantic Council apart from Dr Paulo Cunha, the Portuguese Foreign Minister, argued in favour of Spain's inclusion into NATO.⁶ Britain was still concerned about Gibraltar which was still "of great strategic value to the United Kingdom." In November 1951 Franco had made some comments to *The Sunday Times* which were as absurd as they were offensive. He basically wanted to lease out Gibraltar to Britain in return for Spain's sovereignty over the colony - not an attractive bargain for London.⁷ The religious problem in Spain continued to unsettle Britain. In March fifteen young men stormed a religious service in Seville and injured the pastor and two ladies while burning some bibles and prayer books.⁸ Protestants were still banned from importing foreign bibles and prayer books. They were denied the right to contract civil marriages

3. LOC, H2287, Report, 7 April 1952, No.1.

4. NA, Military Branch, G-3 091 Spain, 1952, 18 January 1952, Garrison B. Coverdale, Negro Troop Unit in Spain.

5. LOC, H2287, Report 7 April 1952, No.1.

6. PRO, FO371.102017, 3 March 1952, Nigel Ronald, Lisbon.

7. PRO, FO371.102017, 19 March 1952, Mr T. Smith, Colonial Office.

8. PRO, FO371.102060, 20 March 1952, Balfour, Madrid.

in foreign owned churches and the Spanish authorities were obstructive to Protestant worship in general.⁹ Westminster was also worried about the diversion of military aid by the US from NATO countries to Spain. On political grounds the British Government was opposed to Spain's inclusion in NATO but it did not oppose granting military advice, training equipment and obsolete equipment as long as this did not decrease the amount of military material available for NATO countries and for Germany's remilitarization.¹⁰

France had similar concerns.¹¹ Both nations feared that the American Defense Department had increased its interest in Spain and was now willing to grant Spain military end-items as well as dollars in return for a base agreement. London, and Paris even more, feared that this would mean less military help for NATO and a possible withdrawal of troops stationed in Central Europe.¹² Washington realized this diplomatic concern and, when the time came, secretly instructed the head of JUSMG, the military team conducting the military talks with Spain, to "insure that in any discussion there will be no indication of a possible course of action to withdraw United States forces from Germany and France to Spain in the event of war."¹³ These international issues were further complicated when the Mutual Security Agency stressed the necessity for free trade unions and free enterprise in Spain. These considerations could not be ignored in Washington.

Given the difficulties of the job and the diplomatic complications, the head of the negotiations team for Spain under the Mutual Security Agency was to be a person with exceptional diplomatic skills, business experience and prior European Cooperation

9. PRO, FO371.102060, 12 February 1952, Balfour, Madrid.

10. PRO, FO371.102017, 18 February 1952, FO Minute, Mr Cheetham.

11. PRO, FO371.102011, 9 January 1952, Balfour, Madrid; 2 October 1952, Madrid, Chancery; FO371.102014, 3 April 1952, FO Minute.

12. PRO, FO371.102022, 1 February 1952, Sir Christopher Steel, Washington.

13. NA, Military branch, CD 091.3 Spain 1952, 22 March 1952, Term of Reference for the Joint U.S. Military Group (Spain).

Administration background. On top of these professional skills, he should have been almost unknown to the public in order to avoid publicity.¹⁴ If the State Department wanted to avoid losing the initiative to the Pentagon it had to come up with a suitable candidate and this was obviously not easy.

After the Sufrin report, the State Department also worried that it might lose control over its policy towards Spain for other reasons. If limited economic aid for Spain was the result of "a concession to the achievement of specific military objectives" then the State Department could see itself easily sidelined. Clearly it was considered important, even by the State Department, to link military and economic aid, just like Sufrin had recommended. Spry had reported that it was better and probably also easier to get Spain to grant bases and overflight rights under bilateral agreements rather than through NATO.¹⁵ Nevertheless, this carried the risk that the State Department would be swept aside by military considerations during these talks.

Military cooperation between the two countries increased. From 4 to 9 January 1952, 16 Spanish Naval Officers embarked on two American ships, the Tarawa and the carrier F.D. Roosevelt, to observe the Sixth Fleet exercise in the Mediterranean.¹⁶ 31 ships of the US Fleet including the carrier FDR visited several ports in Spain. This was the largest naval visit to Spain since the end of the Spanish Civil War.¹⁷

On 14 January 1952, Secretary Acheson told Congress in a report that what "Admiral Sherman took up with Franco was our desire to have anchorage rights in Spanish harbours, landing rights on Spanish airfields and over-flight rights". It was clear that some of the airfields in Spain required extensive work before they could be

14. FRUS, 1952-1954, Vol.VI, Part 2, 7 January 1952, Acting Special Representative in Europe to the MSA, p.1781.

15. FRUS, 1952-1954, Vol.VI, Part 2, 9 January 1952, Counselor of Embassy in Spain to William B. Dunham, p.1782.

16. Strategic Plan Division Records, US Navy, Annual Report 6th Fleet, 14 June 1952, C-in-C 6th Fleet to CNO.

17. PRO, ADM223.297, February 1952, Monthly Intelligence Report, Naval Intelligence Division; also in FO371.102047, 17 January 1952, Balfour, Madrid.

used by large USAF bombers. Acheson outlined that in return Spain "would like equipment which is very hard to come by at this time. They would like things of that sort. This is a matter of working out an arrangement and I think that can be done. We will go ahead with it." The Secretary agreed that Spain would add to the depth of the defence of the Atlantic area but made it clear that this was not the central issue at stake with Spain.¹⁸

Shortly afterwards, on 16 January 1952, the Joint Chiefs of Staff instructed Secretary of Defense Robert A. Lovett to establish a Joint US Military Group Spain (JUSMG). JUSMG was to start military negotiations and decide how to use the \$100 million appropriated for Spain. The Joint Chiefs of Staff wanted to split the available \$100 million for Spain as follows, 15% for the US Army, 13% for the Navy and 72% for the Air Force.¹⁹ During the first year of the construction programme in Spain, the USAF hoped to station three medium Bomber Wings and one Reconnaissance Wing in Spain. Construction of Air Force bases at Torrejon, San Pablo, Moron, El Copero and Matagorda would be initiated. At the same time, new air depots and POL storage facilities near Matagorda, Seville would have to be constructed. During the same period the Navy hoped to build the off-loading dock and fly-away strip near Matagorda as well as add to the existing storage facilities. The army hoped to improve roads and railroads near the area of Matagorda and Seville.²⁰

The Joint Chiefs of Staff outlined long term US military requirements in Spain. These were based on a note by the Secretaries of the Services, dated 7 January 1952. The requirements included air bases for peacetime rotation and a wartime ten wing detachment. In order to do this the following airfields had to be improved: Tablada

18. Executive Sessions of the Senate Foreign Relations Committee Vol.2, 82nd Congress, 1952, 14 January 1952, Report by Secretary of State, Washington, 1976/77.

19. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 23 January 1952, JCS 1821/63; also in Condit, Doris M., The Test of War, Washington, 1988, p. 355.

20. NA, Civil Branch, Lot Files 59D108, 9 June 1952, Notes on first year construction program in Spain.

Chapter 10: 1952 Analysis of the Reports

(costs to improve facilities in millions: \$54), Muntados (\$41 for one facility and \$13.5 for a smaller field), Los Llanos (\$38), San Pablo (\$38), Moron de la Frontera (\$30), Torrejon (\$24.5), San Jurjo (\$21), Getafe (\$13), and Barajas (\$2.5). Furthermore a HQ near Madrid was to be built (\$9.5). The total costs of these USAF projects came to \$285 million. The US Navy wanted an aircraft support dock near Cadiz for \$11.8 million and a logistics base near Rota. The costs of the latter was expected to be \$45.8 million, plus the costs for the connection between Rota and Cadiz \$0.8 million. The Navy also wanted anchorage rights and port repair facilities, subterranean storage facilities (mostly fuel storage at El Ferrol \$1.1 million and munition storage at Cartagena \$0.3 million). As a bonus the US hoped to gain access to an amphibious training area. More importantly the US Army wanted all facilities required to make full use of the military bases. This included improvement in rolling stock worth \$7 million and POL terminals and a pipeline system worth \$20 million. On top of that the US Army required additional facilities to secure US operations. Therefore air defence installations had to be bought, worth \$25 million, and the necessary improvements to Spain's facilities for all of the above had to be authorized. Generally speaking, the US wanted to develop Spain's military potentials at a total cost of around \$400 million.²¹ To assure flexibility, the Joint Chiefs of Staff wanted to include a statement that the US also had the right to demand additional facilities as might be considered necessary in the future. In the short term, the Joint Chiefs of Staff recommended to enter forthwith negotiations with Spain on the military aspect and to lift previous restrictions, as under the limited approach agreed by Truman, Acheson, Marshall and Sherman. In order to conduct negotiations at the military level and to coordinate them with the Mutual Security Agency, the Joint Chiefs of Staff wanted to dispatch a Joint US Military Group (JUSMG) under an Air Force officer. This military team was to operate under the US

21. NA, Military Branch, G-3 091 Spain, 1952, 7 January, Note by the Secretaries.

Ambassador in Spain.²²

In return, the State Department agreed that combined economic and military negotiations should start as soon as possible. It wanted to seize the initiative over the negotiations by agreeing prior to the departure of the negotiations team on the topics which were to be covered during the talks.²³ It therefore stressed that military plans had to be defined before they could be endorsed.

The State Department also wanted to avoid any complications with NATO countries arising out of the negotiations with Spain. Acheson argued that it was "the best way to leave the Spanish matter... the way it is now, by having military cooperation worked out between the United States and Spain, rather than trying to bring it into the whole organization [NATO]."²⁴

Economic aid was to be the carrot for military negotiations. As for the exact use of the \$100 million aid, it had not yet been determined but the Mutual Security Agency and the State Department were convinced that the loan would be a benefactor to the Spanish economy. It was feared that Spain might come to see the \$100 million already appropriated as a minimum rather than a maximum of aid. The State Department argued that the US should not hesitate in disappointing the Spaniards over their false assumption.²⁵

Theoretically, the \$100 million appropriated for the Mutual Security Agency fund could not be used directly for the construction of military facilities in Spain as this would have been against the purpose of the Mutual Security Agency. Nevertheless, the chairman of the Mutual Assistance Advisory Committee mentioned that counterpart

22. FRUS, 1952-1954, Vol. VI, Part 2, 24 January 1952, Memorandum by the Assistant Secretary of State for European Affairs to the Deputy Under Secretary of State, p.1785.

23. FRUS, 1952-1954, Vol. VI, Part 2, 28 January 1952, Memorandum by the Assistant Secretary of State for European Affairs to the Deputy Under Secretary of State, p.1788.

24. Executive Sessions of the Senate Foreign Relations Committee, 82nd Congress, 1952, 15 January 1952, Greek - Turkish Protocol, Washington, 1976/77.

25. FRUS, 1952-1954, Vol. VI, Part 2, William B. Dunham, Office Western European Affairs to Counselor of Embassy in Spain, p.1793.

Chapter 10: 1952 Analysis of the Reports

funds, created through the purchase of dollar commodities for the Spanish economy, could be used for these military constructions. The system with the counterpart funds worked as follows. The Spanish Government would deposit pesetas into an account, some in advance, as a counterpart for American economic and technical assistance. The American government would be able to draw money on this account to pay for peseta expenditures in Spain and could thus use them for the planned military constructions. This meant that the currency generated through Spain's purchase of goods in the US could be indirectly used for military purposes. The Mutual Assistance Advisory Committee approved the military aid to Spain and on 2 February it gave a rough estimate on how to break down the \$100 million aid: \$40 for commodity purchases which would generate counterpart funds; \$25 for the purchase of military training equipment; \$15 for materials for the railroads; \$20 million for the munitions industry and strategic materials.²⁶

By now, January 1952, it was clear that the initially planned \$57 million of military end-items for Spain, as perceived in 1951, were not available for quick delivery due to the great demand created worldwide by the Korean conflict.²⁷

This was the reason why the Joint Chiefs of Staff was informed by the Mutual Assistance Advisory Committee, on 4 February 1952, that the \$100 million for Spain should be divided as the Mutual Security Agency had suggested.²⁸

It was clear that Spain would receive military aid. Yet as for military end-items, hardware deliveries to NATO were given priority. Spain would only receive modern military equipment once it made a commitment to support NATO.²⁹

26. FRUS, 1952-1954, Vol. VI, Part 2, 2 February 1952, Memorandum of the Mutual Assistance Advisory Committee to all Members of the MAAC, p.1797.

27. NA, Military Branch, G-3 091 Spain, 1952, 8 January 1952, Spanish Military Defense Assistance Programs.

28. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 4 February 1952, to JCS by MAAC.

29. FRUS, 1952-1954, Vol. VI, Part 2, 6 February 1952, Memorandum by the Deputy Director of Office of European Regional Affairs to Assistant Secretary of State for European Affairs, p.1798.

Chapter 10: 1952 Analysis of the Reports

The State Department wanted to reconsider aid plans for military end-items and minimum training equipment. The Department feared that if the current plans for the negotiations were not reconsidered, Spain's hopes would be raised and Madrid would ask for more military items and thus complicate negotiations even further. This could also delay and decrease aid to NATO countries. The Department would not have objected if military end-items granted to Spain were insignificant. The State Department asserted that if Spain received large amounts of military aid political complications with NATO would come about and military end-items delivery to Spain would have to be delayed until Spain was committed to the defence of the West. In general, the State Department was not opposed to the delivery of military end-items to Spain for training but wanted to make sure that the amount of aid granted was clear from the beginning of the negotiations.

Fearing European opposition the Secretary of State, Acheson, informed the Secretary of Defense, Lovett, that his Department was not in agreement with the Department of Defense on entering negotiations with Spain under the current plan outlined by the Joint Chiefs of Staff. Acheson asked for a decrease of minimum base requirements and US personnel stationed in Spain. He asserted that if this was not possible, two problems would arise. The gradual increase of the implementation of a programme of the considered size would dislocate Spain socially and economically. High inflation and conflict between natives and US personnel would create difficulties in the country. Acheson argued that a second problem would arise due to the lack of military information passed on to the American Ambassador in Spain concerning the required military facilities in Spain. It had been agreed that the ambassador was to conduct the later stages of the negotiations and therefore, argued the Secretary of State, had to be kept informed about the earlier developments. However, the Department of Defense, concerned about the national security of this large military project, wanted to keep US military demands out of the reach of the State Department and thus the American Embassy in Madrid. By scaling down the project, Acheson hoped that the

Chapter 10: 1952 Analysis of the Reports

Pentagon would make more information available. Seeking this information, the Secretary argued that the ambassador should be informed on all military requirements before talks could go ahead, so as to coordinate them properly during the later stage.

Acheson agreed with Lovett that the negotiations should get underway as soon as possible after Lincoln MacVeagh, future ambassador to Spain, had presented his credentials to Franco, presumably around the middle of March. Until then, he deemed it necessary to reach an agreement between the two Departments. This he considered of utmost importance.³⁰

Included in his letter, Acheson sent Lovett a proposal by his Department on US military requirements in Spain. This proposal agreed with the Joint Chiefs of Staff demands in almost all respects apart from the size and composition of deployment of air wings in Spain and the demand of concessions from Spain for the US Army to secure future US operations. Nor did Acheson favour the possibility of asking Spain in the future for additional facilities not outlined in the military report. Most importantly though, the Secretary was not interested in developing Spain's military potential to the maximum, like the Joint Chiefs of Staff had demanded.³¹

The State Department knew that Spain had carefully studied bilateral agreements and US aid programmes to other European countries. Spain was fully aware of the kind of assistance which was going to Spain's neighbours. The Counselor of the American Embassy in Spain believed that given this fact, military talks were not going to be easy unless the US was willing to spend more than just \$100million in Spain. The Counselor, John W. Jones, hoped that if this money was not going to be enough to provide facilities in Spain, the US could always use the \$5 billion base construction funds of the Department of Defense. The Counselor also recommended that technical assistance should only be granted in fields which were covered by economic assistance.

30. FRUS, 1952-1954, Vol.VI, Part 2, 11 February 1952, Secretary of State to Secretary of Defense, p.1800.

31. FRUS, 1952-1954, Vol.VI, Part 2, 11 February 1952, US Military Requirements in Spain, included in N.840, p.1804.

Chapter 10: 1952 Analysis of the Reports

That meant that advice on the textile industry in Catalonia and Mutual Security Agency funds for cotton, as well as insecticides and advice on how to combat the olive fruit fly, should be locked together. Jones claimed that the delay of talks was due to the failure by the military to adhere to NSC 72/8. According to Jones, NSC 72/8 had opened the question of US military policy towards Spain and had led to a split of the economic and military talks which in turn was exploited by Franco and had delayed the negotiations by a year. Jones also believed that the State Department should not tell the Department of Defense nor the Joint Chiefs of Staff how much defence support was to be demanded from Spain.³²

In the meantime two new reports by the Joint Logistics Committee to the Joint Chiefs of Staff recommended spending the \$100 million differently. They wanted to spend \$50 million, rather than \$40 million, for commodities and \$18 million, rather than \$20 million for technical advice, military investments and the Spanish ammunitions industry. The \$15 million for the Spanish railways remained unchanged. This would have created a total of \$83 million, instead of only \$75 million, of counterpart funds. The rest of the money would go towards military end-items, \$12 million, and for strategic material \$5 million. These \$17 million were scaled down from \$25 million. The military end-item aid to Spain was to be split up: 55% for the Army, 25% for the Air Force and 20% for the Navy. The suggested changes meant that an extra \$8 million were available in counterpart funds, which could be spent on the construction of military facilities. The \$83 million in counterpart funds were to be spent as follows: \$78 million for base constructions and \$5 for the Mutual Security allocations. The base constructions costs, adding up to \$390 million over three years (annual costs of \$130 million), were to be covered during the first year by the counterpart funds of \$78

32. FRUS 1952-1954, Vol. VI, Part 2, 14 February 1952, Counselor of Embassy in Spain to William B. Dunham, p.1804.

Chapter 10: 1952 Analysis of the Reports

million and \$52 million by the Department of Defense.³³ The reason for these new proposals was to create enough counterpart funds to finance the base construction programmes during the first year.

Hoyt S. Vandenberg, the USAF member of the Joint Chiefs of Staff, informed the Secretary of Defense that the Joint Chiefs of Staff favoured the above given distribution of military end-items to Spain. He also informed him about the newly suggested breakdown of the \$100 million into \$83 million for counterpart funds, of which \$78 million would be used for base construction. As advised, the rest of the counterpart fund would be spent for strategic materials production, the munitions industry and general economic developments. This was exactly what the Joint Committee had recommended to the Joint Chiefs of Staff some days earlier. Nevertheless, Vandenberg also suggested that if Spain disagreed with the arrangements concerning counterpart funds, the Department of Defense would have to bring up more than the \$52 million for the base construction as the projected \$72 million created through the counterpart funds would no longer be available.³⁴

The same day, 15 February 1952, the Department of Defense under the Mutual Defense Assistance Program started planning how to spend the possible \$55 million military end-item program during FY 1953. This study was based on the assumption that the Joint Chiefs of Staff's proposal on how to split the \$100 million aid would be rejected. It suggested that \$0.7 million would go into electronics and communications aid, \$3.4 million would be spent for artillery and fire control, \$15.2 million for artillery ammunition and the remaining \$35.8 million would purchase tanks and combat vehicles. As a result Spain was to receive 155 tanks, 54 howitzers and 157 mortars

33. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec. 1-8, 12 February 1952, JLPC to JCS, JCS 1821/70, and, 14 February 1952, Report Joint Logistics Plans Committee to JCS, JCS 1821/71.

34. NA, Military Branch, CD 091.3 February 1952, Hoyt S. Vandenberg, CoStaff USAF to Secretary of Defense.

Chapter 10: 1952 Analysis of the Reports

among others.³⁵

On 26 February 1952, the Interdepartmental (Defense - State) Working Group sent a report to the Chairman of the Mutual Assistance Advisory Committee. It supported the Joint Chiefs of Staff's earlier suggestion by stressing that the \$100 million should be used in such a way as to create enough counterpart funds to meet the construction costs for the bases. In the FY 1953 alone about \$78 million had to be covered in this way. Should Spain be unwilling to accept a proposal which might channel \$88 million into pesetas for construction and \$12 million into military training then the Mutual Assistance Advisory Committee should decide not to use the money at all for the construction of bases, but to try to finance them completely through the Department of Defense. It was expected that Spain would complain about the counterpart arrangement as no other country received aid through counterpart funds for the construction of military facilities. Other nations used the money created out of the counterpart funds for their economy, while base construction was paid for exclusively by the US. At the same time it took away the dollar exchange into pesetas by channeling the dollars directly into the base construction. The report speculated that Spain might agree to the military proposal but it was not expected that Madrid would be satisfied with the economic method, nor with the amount of aid granted.

The report claimed that the fundamental problem was the financial shortcomings of the Department of Defense to pay for the base construction plan during the first year. In fact it seemed as if the US was trying to make use of the \$100 million appropriated for Spain twice, once by creating counterpart funds and then by paying for the construction of their own bases. If, as had been expected, Spain found out that this had not been done elsewhere, it would have complicated the negotiations considerably.

In Washington one of three scenarios were feared to arise. First, the Spanish Government would be unwilling to grant all bases, which would reduce the total costs

35. NA, Military Branch, CD 091.3 Spain 1952, 15 February 1952, FY 1953, Department of Defense MDAP, Military end-item grant program.

Chapter 10: 1952 Analysis of the Reports

to merely \$152 million, a sum small enough to be financed without counterpart funds. Second, the US could simply slow down the construction during the first year to an investment of \$52 million, which the Department might be able to finance. Lastly, the Department could provide funds, which were not specifically earmarked for Spain, to pay for the costs during the first year, thus leaving the overall base construction costs at \$230 million for coming years. The choice between these alternatives by the Mutual Assistance Advisory Committee would depend on the willingness of the Defense Department to spend money.

As the issue stood at the moment, the \$100 million would have to create \$78 million in counterpart funds. The Mutual Assistance Advisory Committee would have to balance these aims while taking into consideration that any action taken should not inflate or deflate the Spanish economy. The Committee was also to give priority to US military requirements and avoid pesetas expenditure on the railways, labour, and facilities in Spain for which enough local currency existed in Spain. Nor was money to be spent in pesetas for military end-items or for training purposes. This left investment in pesetas for Spain's industry, military as well as private industries. The Interdepartmental Working Group on Spain endorsed a program which provided \$88 million for counterpart funds rather than \$78 million. It considered that roughly \$50 million would be spent to offset inflation. It was estimated that to finance the base construction the Navy and Air Force required an additional \$52 million for the FY 1953 on top of the \$78 million in Spanish pesetas, created through counterpart funds. Over three years the two armed services, USAF and Navy, were expected to require \$389 million, or \$130 million annually, of which the Navy would spent \$59 million and the USAF \$330 million. These costs would be financed to 40% in dollars and to 60% in pesetas.

The report gave an initial proposal on how to spend the \$100 million similar to the Joint Logistics Committee. However, \$17 million would be made available for the Spanish private military industry, rather than \$12 million. The extra \$5 million came from planned strategic materials, which were slashed completely. A total of \$22

Chapter 10: 1952 Analysis of the Reports

million, was to be spent in pesetas and would create counterpart funds. Altogether, \$88 million in counterpart funds would be created, compared to the suggested \$78 million by the Mutual Security Agency and the \$83 million suggested by the Joint Chiefs of Staff. This amount, which was mainly to be spent in the construction of the bases, was enough to cover the estimated \$78 million costs during the first year.³⁶

After the Joint Chiefs of Staff had reconsidered the early suggestions by the State Department, Lovett was informed that the Chiefs basically agreed with the State Department.³⁷ The Memo was simply a repeat of the Joint Chiefs of Staff position. It did not mention the disagreement over the improvement of Spain's military potential, nor the other differences between the Joint Chiefs of Staff and the State Department.

On 4 March 1952, the USAF spelled out what the Mutual Defense Agreement Program's objectives should be in Spain. It was to "provide a broad base and well-trained nucleus for future expansion of the Spanish Air Force." This meant that the programme had to improve the training of Spanish pilots, equip the air training installations and provide modern training equipment. It also had to increase the Air-Sea rescue capabilities of the Spanish Air Force. In order to achieve this, the USAF estimated that a total of \$27.6 million, spread over three years, was required. The money was to be spent as follows: \$15 million for aircraft; \$6 million for electronics and communication and \$4 million for general equipment. The rest of the \$27.6 million, ie. \$2.6 million would go towards related costs. The total aid would be delivered to Spain between 1953 and 1955, with the bulk 64% arriving in 1954. It was estimated that a total of 93 planes could be purchased for Spain, mostly T-6J and T-33, both training planes.³⁸

36. FRUS, 1952-1954, Vol. VI, Part 2, 26 February 1952, Report by Interdepartmental Working Group on Spain to Chairman of MAAC, p.1809.

37. NA, Military Branch, CD 091.3 Spain 1953, 3 March 1952, Hoyt S. Vandenberg to Secretary of Defense, also in, FRUS 1952-1954, Vol. VI, Part 2, 3 March 1952, Memorandum by JCS to the Secretary of Defense.

38. NA, Military Branch, CD 091.3 Spain 1952, 4 Mar 1952, FY 1953, AF MDAP Objectives in Spain

Chapter 10: 1952 Analysis of the Reports

On the same day, 4 March, the Mutual Assistance Advisory Committee realized that the report by the Interdepartmental Working Group on Spain from February, had little chance of being accepted by Madrid, mainly because of the idea of counterpart funds. This lead to new discussions and to a new proposal on 20 March 1952.³⁹

On 20 March 1952, the Interdepartmental Working Group issued its new statement of policy. This document was to serve as instruction to the Mutual Security Agency negotiations team during the first several months. This policy paper became known as DMS D-7. It argued that the aid program was based on the assumptions that there was only \$100 million available for the FY 1953 and that no new funds would be made available. Furthermore it saw as the US primary objective to obtain base rights in Spain. Furthermore, it considered that the \$100 million had to cover the base construction costs as well as economic, technical, and military aid. The report estimated base costs at \$390 million plus \$15 million for the rails, spread over three years. The costs could be covered 40% in US dollars and 60% pesetas, that meant annual costs of \$52 million in dollars and \$78 million in pesetas. There was still hope that during the first year the Department of Defense would cover the \$52 million costs. The alternative, using the Mutual Security Program funds, was far more complicated.

The report read that:

"It will not be appropriate for MSP funds to be used to finance directly dollar expenditures for the construction of military facilities to meet US requirements in Spain. This is based on the view that expenditures of MSP appropriated funds for this purpose do not appear to constitute assistance to Spain within the terms of the Mutual Security Appropriation Act."

This was taken from the Mutual Assistance Advisory Committee's decision on 2 February 1952. The \$100 million could create enough counterpart funds to cover the peseta costs. The report read "it would be appropriate for counterpart funds, generated

39. FRUS, 1952-1954, Vol. VI, Part 2, 4 Mar 1952, Editorial Note, N.843, p.1848.

Chapter 10: 1952 Analysis of the Reports

through the purchase of dollar commodities for the Spanish economy, to be used for the construction of military facilities in Spain, even if for exclusive use by US forces." This too had been part of the Mutual Assistance Advisory Committee's decision on 2 February. The \$100 million were broken down along similar lines as before.

It was expected that the assistance for Spanish private industry and the munitions industry would create a total of \$22 million in counterpart funds, as would the \$50 million spent for consumer goods to offset the inflationary effect of the total aid. Thus the assistance would place "no additional burden on the Spanish economy as a result of US military objectives." After further studies, it was decided that the money flowing into the railways and the technical assistance would not create counterpart funds because it became obvious that most of the railroad stock had to be purchased in the US. The exchange rate for these counterpart funds was not going to be determined under the complicated Spanish multiple exchange rates system but by a previously fixed exchange rate. Washington suggested that the \$50 million consumer goods, the \$17 million industrial aid and the \$5 million aid for railways would be granted in return for a deposit of \$78 million in pesetas. Naturally it was expected that the Spanish authorities would not be thrilled by this idea.

The US Embassy in Madrid had expressed their belief that Spain would not accept the method of counterpart funds because this system had not been applied to other countries. In case Spain should object to the use of the counterpart funds, the negotiation team was instructed to point out to the Spanish authorities that Spain was not a member of NATO and thus bilateral agreements would be based on a quid pro quo. Should Spain continue to oppose, then the negotiation team was allowed to go down to a \$50 million deposit in pesetas by the Spanish government. If this concession was necessary, constructions would have had to be slowed down by lowering expenditure and thus spreading costs over a longer period.⁴⁰

40. FRUS, 1952-1954, Vol. VI, Part 2, 20 March 1952, Interdepartmental Policy Statement on Spanish Aid Negotiations, p.1824.

Chapter 10: 1952 Analysis of the Reports

In the meantime in Spain, on 12 March, Artajo and Marqués de Prat had a conversation with the Chargé in Spain, Jones, and others from the American Embassy. The Spanish Foreign Minister outlined Spain's struggle against communism as well as Spain's vital strategic location in the Mediterranean. He claimed that Spanish soldiers were brave but lacked modern equipment. In order to strengthen Spain militarily, Spain needed a healthy industry as well as arms and munitions. The Spanish Minister also expressed that his country had no immediate interest in joining NATO. The American Embassy Representative Perkins pointed out that 1952 was an election year in the US and would therefore cause delay in the negotiations. Furthermore he outlined the economic situation in Britain and France, especially French Indochina. London and Paris would obviously wonder about Washington's commitment to NATO countries if a bilateral deal with Spain, despite NATO opposition, was struck. These were important factors to be taken into consideration. Despite problems between Britain and Spain, which would further complicate matters, Perkins told Artajo that MacVeagh's team might have instructions to start negotiations.⁴¹

As the date of Lincoln MacVeagh's departure drew closer, discussions in Washington became more heated. Due to the possibility that Spain might reject the idea of counterpart funds, Lovett tried to take all necessary steps to at least insure the \$52 million from the Department of Defense funds for the construction of the bases in Spain.⁴²

The Secretary argued that as the Department of the Air Force was the main benefactor, it would carry the burden of the costs. The Air Force Department was expected to pay \$44 million out of the \$52 million for the first year. Nevertheless, when the Department of the Air Force was informed about the possibility of financing Spain's bases through its defence funds, it told the Secretary of Defense that neither the

41. FRUS 1952-1954, Vol. VI, Part 2, 12 March 1952, First Secretary of Embassy in Spain to State Department, p.1819.

42. NA, Military Branch, CD 091.3 Spain 1952, 4 March 1952, Robert A. Lovett to Secretary [of State].

Chapter 10: 1952 Analysis of the Reports

allocated \$44 million to the Air Force Department nor the subsequent annual \$110 million had been included in any funds appropriated for the Air Force. Nor had the Air Force Department contemplated reprogramming its funds for FY 1953 for such a program. Straightforwardly, the Air Force Department was not willing to bear the costs required to finance the base construction through the Department of Defense now or in the future without further appropriation or reallocation of funds.⁴³

The Air Force had received \$82 million for base construction in Europe during the FY 1953 and was currently requesting \$120 million for military bases in Portugal and Northern Ireland. The Department of the Air Force argued that if the Department of Defense had to finance the costs of construction in Spain, then the European base construction fund would have to be split between Spain, Portugal and Northern Ireland. As far as the "Air Force is concerned, Spain is of no greater interest as a location for air bases than other areas of corresponding distance of possible targets." The USAF made it clear that it only wanted to invest in Spain after full political agreements assured access to the military bases in times of difficulty.⁴⁴

The base project was in serious difficulties if the USAF refused to bear its costs. The Joint Chiefs of Staff had recommended economic and military assistance to Spain on the assumption that the Department of Defense could partly finance the base constructions. William C. Foster, member of the Joint Chiefs of Staff, now put pressure on the Chief of Air Staff to get the Air Force Department to approve the necessary costs. He wrote to the Secretary "if the Department of the Air Force desires the development of the bases in Spain, it should make the necessary budgetary provisions therefore."⁴⁵

43. NA, Military Branch, CD 091.3 Spain 1952, 11 March 1952, Department of Air Force to Secretary of Defense

44. NA, Military Branch, CD 091.3 Spain 1952, 2 April 1952, E. V. Huggins, Assistant Secretary of Air Force to Deputy Secretary of Defense Foster.

45. NA, Military Branch, CD 091.3 Spain 1952, 29 March 1952, William C. Foster to Secretary of Air Force.

Chapter 10: 1952 Analysis of the Reports

The Secretary of Defense took note, and his office informed the Air Force that he would be pleased if "in order to assist the negotiators and to initiate construction without undue delay in the event of successful conclusion of the negotiations, reconsideration of the reply by the Secretary of the Air Force is requested."⁴⁶

Similar problems arose with the Navy. On 11 April 1952, the US Navy reviewed the Public Works Authorization and the Appropriation Acts. The Chief of Naval Operations concluded that the Navy would be unable to recommend a reprogramming of costs to cover either the initial \$8 million, which was the US Navy share of the construction cost during the first year or the \$20 million, the US Navy share of the subsequent annual construction costs.⁴⁷ Neither the Navy nor the Air Force Department were willing to cover their share of the costs. Thus the Department of Defense was hard pressed to finance the construction themselves.

The Army too became involved in this conflict. Overall the problem within the Department of Defense was one of avoiding responsibilities. None of the three military services wanted the job and thus coordination between the three even within the Pentagon remained a disaster.⁴⁸

The Defense Department was denied the cooperation of its Air Force and Navy Departments and thus it became clear that the availability of funds for the construction depended solely on the progress of the negotiations. If Spain refused to go along with the idea of counterpart funds, the Defense Department would not be able to finance the construction alone.⁴⁹

This led to the Joint Chiefs of Staff considering the possible alternatives of

46. NA, Military Branch, CD 091.3 Spain 1953, No Date, Memorandum for Secretary of Defense from Office Secretary of Defense.

47. NA, Military Branch, CD 091.3 Spain 1952, 11 April 1952, Secretary of Navy to Secretary of Defense.

48. NA, Civil Branch, Lot Files 59D108, 10 June 1952, William Dunham to MacVeagh.

49. NA, Military Branch, CD 091.3 1952 Spain, 18 April 1952, Memorandum, Clark L. Ruffner Maj.-General, Deputy Assistant to the Secretary for International Security Affairs to Mr Lincoln Gordon.

Chapter 10: 1952 Analysis of the Reports

Spain rejecting the idea of using counterpart funds. In such a case, the \$100 million aid for Spain would have had to be spent differently. A total of \$35 million would have gone to military end-items, Spain's munitions industry and strategic material would receive \$12 million, transport and rails would get \$25 million, \$10 million would be spent in economic investment and \$1 million in technical advise while only \$15 million would have been spent to offset inflation.⁵⁰

As these financial considerations in the Pentagon were being discussed, other important developments had taken place. On 12 March 1952, Acheson declared in a press statement that the official beginning of negotiations between Spain and the US had started. Britain was pleased that he did not mention possible military aid for Spain.⁵¹ In fact the State Department had assured the Foreign Office only days before that "if any military equipment is provided it will not be such as to affect existing NATO priorities. Some training may also be provided" and the "basic concept of the negotiations remains unchanged, ie. a bases for dollars agreement."⁵²

In his press release he claimed that negotiations had to wait until the two reports, economic and military, were received and analyzed. The talks would now go ahead under the newly created JUSMG Spain. During the talks Major-General Garvin Crump would represent the Army, Captain H.G. Sanchez the Navy and Colonel Jack Roberts the Air Force. Major-General A.W. Kissner, USAF, was to head the overall American military group.⁵³ Kissner, an old friend of William Dunham, had gained important practical negotiations skills when he assisted the Azores negotiations with Portugal. He was a quiet-spoken and very cooperative man who got on well with the

50. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 23 May 1952, Memo JCS to Secretary of Defense.

51. PRO, FO371.102022, 14 March 1947, Chancery, Washington.

52. PRO, FO371.102022, 10 March 1952, Sir O'Franks, Washington.

53. Secretary Acheson, "Negotiations with Spain", in "US Dep State Bulletin", 24 March 1952, Vol.26, also in American Foreign Policy Basic Documents, p.1696; for JUSMG Spain officers see, NA, military Branch, G-3 091 Spain, 1951, 4 March 1952.

Chapter 10: 1952 Analysis of the Reports

American Ambassador in Spain.⁵⁴

This was important as JUSMG worked under the Ambassador in Madrid and reports were sent through him to Washington. Later, it was expected that the Ambassador would personally assist the negotiations. It was notable that by 19 March, JUSMG still did not have any final instructions from the State Department on the use of the \$100 million, despite their planned departure six days later. Finally on 20 March, DMS D-7 was issued, which was to serve as rough instructions for the negotiation team while interdepartmental discussions in Washington continued.⁵⁵

The Department of Defense claimed that the "one major point of disagreement left with State [Department] is their belief that the limitations on the scope of negotiations with Spain which were agreed to on 11 July 1951 are still applicable."⁵⁶ This meant that the State Department was still operating under the limitations agreed upon by the President, the two Secretaries for Defense and State and Admiral Sherman prior to the Admiral's visit to Spain.⁵⁷ If the US wanted to avoid unnecessary delays, they had to sort out the differences between the two Departments.

Nevertheless, it was clear from the start that negotiations would take a while due to Spain's peculiar position. Already before any delays became apparent, the press speculated about such problems as Franco's strong negotiation position.⁵⁸

Franco was obviously not a bad tactician. In order to strengthen his position, he preempted any criticism by Truman of the lack of Spanish religious tolerance. In a letter to President Truman he wrote:

"I hope that negotiations which are about to start shall attain happy ending and

54. NA, Civil Branch, Lot Files 59D108, 30 January 1952, William Dunham to MacVeagh.

55. NA, Military Branch, CD 091.3 Spain 1952, 22 March 1952, Term of Reference for the Joint U.S. Military Group (Spain).

56. NA, Military Branch, CD 091.3 Spain 1952, 7 April 1952, Memorandum Frank C. Nash for Secretary [of Defense].

57. FRUS 1952-1954, Vol. VI, Part 2, Editorial Note, N.848, p.1832.

58. Freda Kirchway, "Bargaining with Franco" in Nation, 9 August 1952, Vol.175.

Chapter 10: 1952 Analysis of the Reports

will draw our two peoples nearer each other... I do not believe there is any essential matter between our two nations which can estrange us since friendship and understanding between countries have always been above peculiarities of each people. These differences of a religious nature which enemies of our understanding seek to exaggerate respond to a natural difference in feelings and traditions of a country fully united in its Catholicism and where dissident confessions do not amount to one per thousand of its population, and of those other countries which, due to their diverse and numerically important confessions, are compelled to live under a system of mutual concessions and balances... Our system does not interfere with the private practice of other cults, which are guaranteed in our nation by its basic laws.⁵⁹

Franco also asked for a \$750 million credit in order to improve Spanish industry. Delegations of the Export Import Bank estimated that \$400 million would be more than enough and recommended this sum to the Senate. These amounts of money threw the Armed Forces back to almost the beginning of the rapprochement period. Spain seemed to cost too much money and only the Navy continued supportive unabatedly. Through General James V. Spry it became known that parts of the USAF had become indifferent towards the possibility of obtaining bases in Spain.⁶⁰ Nevertheless in practice the Department of the Air Force was expected to bear most of the base construction costs. No wonder they did not show enthusiasm towards the coming negotiations under the new ambassador.

In February 1952, Lincoln MacVeagh officially replaced Griffis, who had resigned on 21 January 1952. For Britain as well as many Spaniards, Griffis had not been a popular Ambassador due to his strong support for Franco's cause. During his last months in Spain, Griffis received so many threats against his life that the Spanish

59. FRUS 1952-1954, Vol. VI, Part 2, 7 May 1952, Letter Franco-Truman, dated 17 March 1952, p.1799.

60. NY Times, 4 January 1952

Chapter 10: 1952 Analysis of the Reports

authorities had to provide him with a permanent security escort.⁶¹ Ambassador Balfour was pleased when he was replaced and wrote about the new American Ambassador: "Unlike his predecessor... McVeagh [sic.]... appears to assess matters in a realistic light and to be confining himself to securing the limited objectives which the United States Government have come to set themselves [in Spain]."⁶² The new ambassador arrived in Madrid on 23 March and presented his credentials on 27 March. As he was being driven in the ambassadorial convoy to meet Franco for the first time, his limousine was being followed by a lorry picking up garbage. Even if unintentional, this was a nice touch by the Spanish authorities to signal the beginning of new relations. Lincoln MacVeagh approached the Spanish Foreign Minister, Martin Artajo, soon after his meeting with Franco. Spaniards joked that this Lincoln undoubtedly was unrelated to the Lincoln who had freed the slaves. As for Griffis, there was a rumour that he did not resign out of personal or health reasons but that his resignation had been due to his handling of the post in Spain.

When MacVeagh arrived in Madrid, Artajo went to visit the Middle East, to express his gratitude to the Arab nations for their support in the UN.⁶³ This encouraged scaremongers to speculate that Artajo wanted to found a third world power, a combination of Arab, Latin American countries and Spain. The Spanish diplomatic corps did not discourage these wild rumours as they gave the appearance of strong Arab support. This in turn increased the importance of Spain in the coming talks.⁶⁴ But the Americans were not impressed. Indeed the American Ambassador to Turkey stated that good relations between Spain and the Arab states was desirable.⁶⁵

Artajo not only failed in his intentions concerning the US but Spain's image with

61. PRO, FO371.102064, 24 January 1952, Balfour, Madrid.

62. PRO, FO371.102014, 22 November 1952, Balfour, Spain.

63. PRO, FO371.102009, 6 March 1952, Balfour, Madrid.

64. PRO, FO371.102009, 23 April 1952, FO Minute Mr Wardrop.

65. NA, Civil Branch, Lot Files 64D563, 10 April 1952, AmEmbassy Ankara to MacArthur.

Chapter 10: 1952 Analysis of the Reports

the Arab nations actually worsened because of the bad publicity which the Arab - Spanish problem concerning Spanish Morocco received during his visit.⁶⁶

Shortly afterwards in Madrid, during the annual military parades, the Army once again ceremoniously revealed its obsolete war material. Each year this ceremony was getting more and more embarrassing for Spain.⁶⁷ That very same day, Artajo and MacVeagh held a conversation at the Ministry in French at 7.30 pm. Artajo believed that MacVeagh was ready to start negotiations and had brought with him the proposed plans, as the American Chargé had told him. In the conversation he made clear that Spain would never be willing to lease or sell bases to the US; military facilities would only be used jointly. The Spaniard said in French "We are proud, perhaps too proud, but that is the way we are." As had been feared by Washington, the Spanish Minister saw the \$100 million as a drop in the ocean. "The soil of the Spanish economy is so dry that it would take torrents of financial assistance to wet it." Nevertheless, he agreed wholeheartedly to the idea that the two special US military and economic groups should come to Spain as early as possible to start detailed talks.⁶⁸

The military group JUSMG under General Kissner from the USAF arrived on 4 April and an economic group, MSAEG, under George Train from the Mutual Security Agency arrived on 13 April in Spain for talks. JUSMG included Captain H.B. Sanchez from the US Navy and Colonel Jack Roberts from the USAF and Major General Garvin Crump from the Army. The MSAEG included Hubert Curry, Rifat Tirana, N. Carter de Paul and Ivan B. White. JUSMG started talks on the 7 April and MSAEG followed on 17 April.

66. PRO, FO371.102009, 6 May 1952, A. Rumbold.

67. Roland Dennis Hasser, "Spain Revisited", in Nation, 9 August 1952, Vol. 175.

68. FRUS 1952-1954, Vol. VI, Part 2, 1 April 1952, Ambassador in Spain to the State Department, p.1828.

Chapter Eleven

1952
The Negotiations

The arrival of JUSMG and MSAEG was followed by several meetings between General Kissner and Lieutenant-General Vigón. On 7 April, the first conference between the two took place. The following day, General Kissner presented Vigón with an outline of the proposed contents of a base agreement. This and other questions were subsequently discussed. In one of the early sessions, the Spaniards asked for grants to train pilots before any agreements were signed due to the urgency of the situation. The Americans refused to grant this aid in advance of concrete bilateral agreements.¹ America had not come to Madrid to make easy concessions. Over the next 18 months the two sides would be engaged in hard bargaining.

On 16 April, during the third meeting between the two, Vigón expressed that he was satisfied with the military aspects and accepted the fact that the appropriation of money was a congressional not a military matter. He also urged that the improved installations be under a joint agreement. Kissner still did not mention any particular installations. He affirmed that end-item equipment was being considered by the US for all three military branches of the Spanish armed forces. At that moment, Washington planned to extend an aid program to Spain lasting three years. Vigón claimed that three years might be too long a period, should an earlier emergency arise. He also feared Spanish public opinion if bombers were stationed in Spain. Kissner assured him that U.S. requirements did not include peace time stationing of full capacity. The American General estimated that if the US wished to rotate planes, an approximate detachment of 500 soldiers per base was required. Vigón seemed happy with this but insisted on Spanish control over these bases. The Spanish negotiator, due to the forthcoming National Defence Council meeting, the top military policymaking body, asked for a delay of the negotiations by one week.²

The same day as their meeting, Kissner wrote a letter to the Spanish

1. NA, Military Branch, CD 091.3 Spain 1952, 11 April 1952, Edward L. Waddell Jr. for OSD Files.

2. FRUS, 1952-1954, Vol. VI, Part 2, 18 April 1952, Ambassador in Spain to the State Department, p. 1833.

negotiations team. The American stated that he could not answer the question which role Spain was going to play in the western defence in the future. Furthermore, Kissner claimed that military aid was to be discussed by the economic teams but he could guarantee that funds would be allocated for military training equipment. He explained that if base agreements were reached, and American bases were to be situated in Spain, then Congress would naturally want to see the appropriate defence of these bases. Unfortunately for the American negotiations team, Kissner's letter, trying to create a friendly atmosphere, followed the wording of discussions by the Joint Chiefs of Staff closer than it did his official instructions from the State Department. In his letter despite having been instructed not to do so, he gave away the list of eleven items, agreed upon by the Joint Chiefs of Staff and the Departments of State and Defense, which outlined US requirements.³

After seeing these demands, the Spanish negotiations teams had been assured of strong and long term US interests in Spain. Thus they had no problem accepting the idea of counterpart funds to finance the base construction.⁴ This was an important step forward for the agreements as it solved one of Washington's main concerns. Funds were now available for the first year construction plans. However this was only solved by creating another problem; Spain was now certain that they could increase their demands without Washington pulling out.

On 26 April, Vigón had a fourth meeting with Kissner. This time they talked about Kissner's letter. Vigón exposed Spain's position towards this document. He assured Kissner that Spanish forces could be mobilized in a short period and even before the full mobilization of NATO Divisions. This was important because, according to Vigón, the American demands meant that Spain could no longer remain passive in a European conflict. This situation, Vigón continued, would naturally result in air strikes

3. FRUS, 1952-1954, Vol. VI, Part 2, 16 April 1952, Kissner to Chief of Spanish Military Negotiating Team, p.1835.

4. NA, Military Branch, CD 091.3 Spain, 1952, 23 May 1953, Memorandum for Secretary of Defense from Omar N. Bradley, Chairman JCS.

Chapter 11: 1952 The Negotiations

and might induce a possible large-scale operation by the enemy against Spain. This line of thought developed into one fundamental tenet of the Spanish position throughout the talks. Granting of bases to the US would make Spain a belligerent and thus increased her vulnerability. The Spanish Government therefore considered it essential that the US accepted the principle that there had to be a considerable amount of military equipment available for Spain's national defence. Such defensive equipment and the granting of bases were regarded as an indivisible whole.

Eventually, Spain would contribute to Western Defence, but due to the urgency of the military requirements, Vigón argued that his country should get war material from the existing NATO stocks. He claimed that the delay of the creation of NATO Divisions made the material unusable for the time being anyway. Analyzing Kissner's specific requests, he seemed willing to grant the USAF and Navy airbase installations as long as they would remain under Spanish control. Both nations would use them simultaneously. However, Vigón wanted more details on the American demand to develop, equip, man and use facilities as required by any projected US Army operation and furthermore the Spanish General demanded that the Americans should be more precise about their demands for "additional facilities as may be necessitated because of developments in negotiations with other countries." He strongly objected to the demand for an amphibious training area because there did not seem to be a suitable area. He claimed that Spain's coast was either too rugged or too densely populated. He also demanded that US airplanes in Spain should rotate from base to base and only a minimum of US personnel should be stationed at these bases. As for the duration of the treaties or agreements, he proposed to have them run for five years with a possible prolongation at the end of this period.⁵

Once Vigón's reply was received in Washington, the State Department realized that Kissner had made a blunder in his negotiations. Instead of presenting the point of view of Acheson's letter to Lovett, dated 11 February 1952, he had exposed the point

5. FRUS 1952-1954, Vol. VI, Part 2, 29 April 1952, MacVeagh to the State Department, p. 1842.

Chapter 11: 1952 The Negotiations

of view of the Joint Chiefs of Staff. An Official of the State Department wrote: "The Spanish negotiation [was] nicely off the rails." Kissner also admitted that the US wanted to develop Spain's military potential to the maximum degree possible within existing limitations. The State Department feared that "the trap that we sought to avoid - asking the Spaniards for rights in the Army area, which will invoke requests for army equipment" had been sprung. The State Department knew that "we cannot meet our NATO equipment needs, it would be murder to engage in a major end-item program for Spain."⁶ How could they put the negotiations back onto track and how could they avoid a similar blunder in the future?

Most of the blame must go to General Kissner himself. However his blunder was made possible by the discussions between the State Department and the Joint Chiefs of Staff. These had been unclear, uncoordinated and uncooperative. The fact that Kissner was an officer and not a diplomat meant that he was personally more inclined to follow instructions from the Department of Defense than from the State Department.

Nevertheless, part of the blame for the overall confusion has to go to Congress. Senator Brewster, among others, had put pressure on the talks between the Departments of State and Defense as well as between Vigón and Kissner. During April 1952, he compared the slowness of the talks between Spain and the US with the Chinese - American talks which, according to the Senator, contributed to the eventual fall of China to communism. The Senator also encouraged the President to grant Spain more than the already appropriated \$100 million. This was possible even without Congressional appropriations, according to Truman's legal advisors Mr Wood and Dr Wilcoy, under title I of the Mutual Defense Bill. The only limitation to the President was the amount, 10% of the total funds of the Mutual Defense Act, and his personal opinion on the importance of the contribution to the defence of the North Atlantic

6. FRUS 1952-1954, Vol. VI, Part 2, 30 April 1952, Memorandum by Acting Officer in Charge of Political-Military Affairs of the Office of European Regional Affairs to Deputy Director of Office of European Regional Affairs, p.1846.

Chapter 11: 1952 The Negotiations

area.⁷

At the same time discussions took place in the Senate concerning an increase of aid. Senators Fulbright and Tobey wanted to kill the discussions, concerning this additional \$25 million aid package for Spain, entirely and thus stall the talks. On 9 June 1952, Senators Green and George found it strange that the US had to pay Spain in order to protect Spain. Tobey and Fulbright seized the chance to table a motion to eliminate the \$25 million. However others on the Committee opposed this drastic move. Senator Knowland claimed that if aid to Spain was slashed then aid to Yugoslavia would be in doubt. By increasing the ante, Senator Knowland forced the others to back down and Fulbright's motion was voted down.⁸

In the meantime, the Secretary of State responded to the developments in the negotiations in Spain. On 2 May, Acheson fired off a complaint claiming that Madrid failed to see the difference between the European Cooperation Administration and the Mutual Security Act 1951. The difference was crucial as it determined the way and areas for which money was going to be spent. He also pointed towards Spain's multiple exchange systems, which would have an inflationary impact during the construction phase and which blocked an increase of trade.⁹

These multiple exchange rates were inhibiting free trade with Spain. Britain was also in favour of putting pressure on Madrid to abolish these. The IMF or the IBRD were considered the appropriate institutions to do so. The Bank of England suggested that if the US only extended aid to Spain under the condition that Spain joined the IMF, the Fund could in turn pressure Spain into a review of the exchange rates. The British Treasury supported this suggestion but it was doubtful if Washington would go along

7. Executive Sessions of the Senate Foreign Relations Committee, 82nd Congress, 1952, Mutual Security Act, 28 Apr 1952, 30 April 1952, Washington, 1976/77.

8. LOC, (83) SFo-T.4, 10.35 am, No.11, 9 June 1952.

9. FRUS 1952-1954, Vol.VI, Part 2, 2 May 1952, Secretary of State to the Spanish Embassy, p.1847.

with it.¹⁰

On the surface the State Department was in favour of getting the multiple exchange rates straightened out through the IMF.¹¹ However for Washington, the essential problem of the talks concerned military, not economic issues. Train had confirmed this to the UK Commercial Counselor in Madrid admitting that Washington subordinated economic aid to US military requirements.¹² On top of that the timing was inopportune. After Kissner's initial blunder, Washington was more interested in stalling the talks. In fact, with his note to the Spanish Embassy, the Secretary of State wanted to delay and complicate the talks and throw the Spanish side off balance in order to put Kissner's mistake straight.

Acheson was more successful in achieving this in a note to the US Ambassador in Spain four days later. In it, he claimed that Spain was trying to offer a quid pro quo for the bases but that the Spanish negotiation team was asking for too much aid in return for the bases. Countering Spain's argument of being converted to a belligerent nation, the American hypothesis emerged that Spain would inevitably be involved in hostilities, even in the absence of US bases in Spain. He concluded that from a military point of view, Spain's best defence was north and east of the Pyrenees and thus should welcome the chance to contribute to this defence line. At the same time, if a quid pro quo was reached, Spain should not forget the value of the economic and technical aid she was going to receive. Acheson believed that the discussions with Spain were concerned with the amount of aid and the control of the equipment. It was only natural for the US to claim that as Spain had less military value than NATO, military supplies should go first to the NATO countries. Before any new training material could be allocated to Spain, the \$100 million had to be used. Finally, Acheson tried to avoid further discussion on Kissner's mistake. He ordered that the two demands concerning

10. PRO, FO371.102018, 9 April 1952, O. Franks.

11. PRO, FO371.102018, 1 May 1952, O. Franks, Washington.

12. PRO, FO371.102022, 6 May 1952, Balfour, Madrid.

requirements of the Army for projected operations and additional facilities were scrapped altogether from the negotiations. Acheson claimed that they were no longer needed. More important though was Acheson's instruction not to discuss any further the US proposal to develop Spain's military potential to a maximum to aid the defence of Western Europe.¹³ Spain was of course unwilling to forget these important demands and concessions by the US team.

With these two front lines drawn the talks became more concrete. On 9 May 1952, Kissner handed General Vigón a draft of the proposed base agreement. Without delay, Madrid started its analysis.

On 15 May 1952, John Wesley Jones, Counselor of the US Embassy, had an informal conversation after dinner at the French Embassy in Madrid with Manuel Arburua, the Spanish Minister of Commerce. Arburua told the American that Spain needed urgent equipment for "no more" than 20 Divisions. The Spanish minister pointed out that France and Italy did not have the will to fight because of the large Communist groups within their countries. He also felt that Spain was unwilling to defend areas like Cádiz while leaving Barcelona unprotected. Thus he implied that a commitment to the defence of all of Spain was America's best choice. Arburua supported the military point of view wholeheartedly while not even bothering to mention the economic talks. One can only conclude that Spain too was generally more interested in the military than in the economic aspects.¹⁴

The economic negotiations had started on 17 April when Mr Train held a first meeting with Mr Argüelles, Under Secretary of Commerce. The Train - Argüelles talks were usually held at the Ministry of Commerce in Don Jaime's green-walled office.¹⁵ In this first meeting, Train expressed that the US Government intended to request the reappropriation in FY 1953 of the \$100 million appropriated by Congress for aid to

13. FRUS 1952-1954, Vol. VI, Part 2, 6 May 1952, Secretary of State to the Spanish Embassy, p.1849.

14. FRUS 1952-1954, Vol. VI, Part 2, 16 May 1952, Memorandum by Counselor of Embassy, p.1850.

15. E. Hauser, "What a bargain Franco drove", in Saturday Evening Post, 21 February 1953, vol.225.

Spain in FY 1952. His Spanish counterpart made it apparent that they had hoped for an appropriation in FY 1953 in addition to the \$100 million. In fact, Spain wanted the immediate payment of the \$100 million without any conditions. Argüelles considered that sum of money as rightly Spain's.

Shortly after their first informal discussion, Train, head of the MSAEG, sent an aide-memoire to the Spanish Economic Aid Negotiating Group, 19 April 1952. He described the legal authority under which US assistance was provided and outlined the view of the US Government concerning the proposed use of that assistance in Spain. He made clear that aid to Spain so far was limited to the Mutual Security Act 1951, which granted Spain a maximum of \$100 million, split into 88% economic aid and 12% military aid. In order to receive the \$12 million for military aid a separate "Mutual Defense Assistance Agreement" had to be signed. This agreement was separate from any agreements concerning construction and the use of bases or the other agreement covering economic and technical assistance. From April 1952 onwards, one could already see the structure of the final agreements, ie. three separate contracts. It was expected that the money from the FY 1951 would be split 84% in grants and 16% in loans. Train hoped that the aid would be issued to the most profitable short term investments and would counter possible inflation. As for technical assistance, the US negotiations team asserted that aid could only cover the dollar costs. The costs in pesetas had to be borne by Spain itself. Train also expressed that the US believed that a \$15 million loan to the railways was required, as well as some aid for the Spanish munitions industry. The head of MSAEG also told the Spanish team that all economic assistance, which was made on grants, required counterpart funds at an exchange rate to be agreed upon. It was expected that the counterpart funds would finance all military construction costs for 1952/1953. A "very substantial portion" of the total aid was seen as "a contribution by the Government of Spain to its own military potential."¹⁶

16. FRUS 1952-1954, Vol. VI, Part 2, 19 April 1952, Train to Spanish Economic Aid Negotiating Team, p.1837.

Chapter 11: 1952 The Negotiations

In response, the Spanish formally requested that the \$100 million should be extended completely during FY 1952 and that the Executive Branch should request Congress for an additional appropriation for FY 1953. They argued that this should be done as recognition in principle of the change in mutual relationships resulting from the opening of the negotiations. It is clear that Madrid considered the proposed amount as only an initial aid package, soon to be followed by more substantial aid.

The US economic negotiation team advised their counterparts that this was not possible. They argued that the availability of further funds provided during FY 1953 and additional funds for FY 1954 could only be determined after a specific economic program had been worked out and agreed.

On 3 May, six days before Kissner handed in the military proposal, Train provided the Spanish representatives with a written draft for the economic assistance agreement. These two drafts were discussed extensively over the next few weeks.

In a statement, 16 May 1952, Franco said that he was aiming at a Spanish - American agreement "in the general area of mutual security" and "corresponding military and economic assistance without any infringement of mutual sovereignty". He was asking for a friendly relationship with Washington, as well as for substantial aid without granting anything in return. Was Franco overplaying his hand?¹⁷ Certainly Kissner's initial blunder had encouraged further demands by Spain, but Franco's statement was intended for domestic propaganda consumption. For him it was important to maintain the appearance of full sovereignty so that his power remained unchallenged.

After these initial two months of negotiations in Spain, the US informed Britain about the progress of the economic and military talks and about the position the US was to take in the future. This was done during a meeting of Foreign Ministers in Paris on

17. K.M.Smogoreewski, "Spain and the Defence of the West", in Contemporary Review, December 1952, Vol.152

Chapter 11: 1952 The Negotiations

26 May, attended by Acheson and Anthony Eden.¹⁸ Major problems remained for the American negotiation teams in the two parallel talks. On the economic side Madrid asked for more money. On the military side the most pressing problem concerned the duration of the bases. Kissner demanded twenty years while General Vigón only offered five with a possible extension of another five years.¹⁹

Soon after the talks in Paris, further complications arose in the military negotiations. All had gone relatively well until a meeting between Kissner and Vigón on 1 June 1952. During this meeting the Spanish General raised the question of US continuity of military assistance after the successful conclusion of the agreements. Kissner naturally could not guarantee this as ultimately the decision had to be made in accordance with the corresponding Committees in Congress or by the President. As it was clear that Truman would not continue in power beyond January 1953, Kissner was unable to reassure Vigón. The Spaniard kept pressing for an answer and Kissner refused to give it. Naturally the Spanish team concluded that once the agreements were signed without such an assurance Washington would not grant more than the \$125 million. During the next meetings and in order to get this assurance for long term military aid, the Spanish team decided to go back on concessions made earlier, such as peace-time usage of the bases. It was unfortunate that the legal position simply did not allow Kissner to make these concessions.²⁰

The Ambassador to Spain confirmed part of Acheson's previous argument in a letter on 3 June 1952. The US agreed to Vigón's statement that US bases meant an automatic belligerency for Spain in case of war. Washington also realized that it was politically impossible to include Spain in NATO or to sign a tripartite pact with Portugal and Spain. MSAEG was only slightly more successful in their talks. MacVeagh believed that the complications which arose had to be ironed out by force

18. PRO, FO371.102022, 26 May 1952, FO Minute.

19. NA, Civil Branch, Lot Files 59D108, 22 May 1952, Dunham, US Negotiations with Spain.

20. NA, Civil Branch, Lot Files 59D108, 29 August 1952, Mr Millar to Lincoln MacVeagh.

Chapter 11: 1952 The Negotiations

majeure. However, he suggested that pressure should be kept to a minimum so that the talks, concerning military bases, remained friendly. The American ambassador made it clear that Spain considered the \$100 million to be very little but they would take anything they got and only hoped for the additional \$25 million. The Ambassador realized that a lot of time had been consumed but he deemed this better than to pressure the Spaniards and thus lose what had been gained so far. MacVeagh also confirmed that the US team had to reconsider proposals several times and communicate with Washington, which had caused delays.²¹

In their seventh meeting on 5 June, General Vigón handed Kissner a note. In it Vigón pointed out that Spain had already revealed the weaknesses and deficiencies of the Spanish army to Sherman and Spry and thus further studies were unnecessary. The Spanish General repeated the argument that a war with the USSR would start eventually and if US bases were located in Spain then the Red Air Force would attack these. He asserted that the numerical advantage of the USSR would mean that the US aviation stationed at the Elbe/Rhine area would not stop attacks on Spain by Soviet planes from the Balkans and across the Mediterranean. Thus from the Spanish military point of view, Spain needed to be able to defend herself. To do so, she needed a radar net not later than during the first year after the completion of the agreements. Vigón also argued that as the USAF would be required elsewhere, Spain needed her own national Airforce. He asserted that this was indispensable and that collaboration for production of jet engines and accessories as well as training material were crucial. The US had agreed to send more training aid for AA-artillery. Vigón argued that this only made sense if Spain also received more material for real defence purposes in the future. The Spanish General continued to argue that arming Spain's divisions to the standard of other nations would not place a burden on NATO stocks because most war material could be produced in Spain, given adequate financial and technical aid. The \$12 million for military end-

21. FRUS 1952-1954, Vol. VI, Part 2, 3 June 1952, Ambassador MacVeagh to William B. Dunham, p.1852.

Chapter 11: 1952 The Negotiations

items was expected to cover only the training period, more material was to follow later. The Spanish team also claimed that the \$100 million aid only covered the first year. They were obviously interested in working out a full assistance plan for the coming three years. Vigón even proposed that the Mutual Aid Agreement should be five to nine years long with a possible expansion. He also wanted to reduce the amount of US soldiers stationed in Spain. He argued that it was natural for other European countries to see permanent US soldiers stationed on their territory as they had been exposed to years of struggle and occupation, while Spain had remained under a national regime. In Spain, the note claimed, US soldiers would be welcomed by the communist propaganda machinery. The Air bases, he claimed, did not need a permanent presence of wings anyway, their operation could be verified by frequent visits of less than a wing of planes.²²

The Spanish negotiation team had so far only expressed in vague and general terms their military needs. In view of the importance of Spanish interest in such aid, and after General Vigón had pushed for long term US commitment, General Kissner suggested to the Spanish General in their eighth official encounter, on 9 June, that it would be helpful to have more specific information regarding Spain's material requirements. The Washington agencies had agreed to this suggestion and had informally informed Kissner that they were considering an increase in the amount of military aid for Spain by \$25 million.

After Congress had approved the extra \$25 million, the State Department wanted the President to issue a statement relating to this money. It was felt that such a statement would help the negotiations by providing a link between the economic and the military talks. Otherwise the Spanish authorities would assume that they did not have to give military concessions in order to obtain the \$125million assistance. This would undoubtedly weaken the position of the Ambassador and was thus against the interests

22. FRUS 1952-1954, Vol. VI, Part 2, 7 June 1952, Ambassador MacVeagh to the Department of State, p.1854.

Chapter 11: 1952 The Negotiations

of the State Department.²³

Secretary Acheson told the American Embassy in Spain that it was now possible to give more military aid out of the newly appropriated total of \$125 million. Therefore, he suggested that Vigón should submit a detailed plan for Spain's military requirements. It was possible that Spain was going to receive \$25 to \$30 million annually for military aid. The Secretary of State claimed that anything greater was out of question. It was also possible that Spain's munitions industry would receive more than \$5 million. Nevertheless, Acheson made it clear that none of this should be mentioned to Vigón.²⁴

In June, Vigón submitted his estimate for Spain's military requirements. Naturally, the Spanish requirements took advantage of Kissner's earlier blunder and were above anything Washington was willing to accept. Vigón claimed that the Spanish armed forces required 120 howitzers (costs \$95 million), 366 AA-guns and equipment (\$415 million), 360 antitank-guns (\$50 million), 270 light and medium tanks (61 million) and 4,500 trucks (\$27 million). The total costs during the first year alone were almost \$650 million.²⁵ In the long term the Spaniards were talking about a total assistance of \$2 billion.

The amount was far above anything Washington had contemplated. It was time to consider how to decrease this astronomical figure. Kissner had indicated after talks with Vigón that Spain was not only after military end items but had also decided to gain full international recognition with NATO members. Kissner argued that if the US expressed the intent to develop a programme of military assistance for Spain, which would continue over a period of years, then this would "materially assist in the ad-

23. NA, Civil Branch, Lot Files 59D108, 11 June 1952, Mr Byington Secret Security Information.

24. FRUS 1952-1954, Vol. VI, Part 2, 14 June 1952, Secretary of State Acheson to the Spanish Embassy, p.1859.

25. NA, Military Branch, G-3 091 Spain, 1952, 25 June 1952, JUSMG to General Reuben E. Jenkins.

Chapter 11: 1952 The Negotiations

vancement of an early conclusion of a satisfactory base rights agreement with Spain.²⁶

Above all it had become important to outline to the Spanish authorities that their country had important differences compared to NATO member states and thus could not expected to be treated like them.²⁷

The survey team had previously looked into US construction programs in Spain. The Torrejon airbase, 15 miles east of Madrid, had a runway of 8,500 by 197 feet, four hangers and a gas storage capacity of 52,000 gallons. Torrejon was chosen above Barajas to avoid "confusion with heavy civil air operations and to eliminate duplication of aircraft and maintenance facilities" in the Madrid area. It was considered a good site because it was near Madrid and thus was linked with the rest of Spain for communication and transportation. Madrid was fairly easy to reach from the rest of Spain because of Spain's road network reaching out from Madrid towards the coastal centres. At the same time, the survey team wanted the military headquarters to be situated in Madrid to provide easier communication and cooperation with the US Embassy.

Another site considered for a base was San Pablo, 5 miles east of Seville which was considered an excellent site because it was connected with good rails and roads. At the same time it could be logically supported through the ports of Cadiz and Seville. Moron de la Frontera, 34 miles Southeast of Seville, had the advantage of being easily extendible because land was available. It only had three hangers and a gas storage capacity of 30,000 gallons but it was accessible by rail and road. El Copero, 5 miles south of Seville, was also considered a good site because it lay on a ship channel to Seville and thus unloading could take place directly at the base itself. Shipping along this channel was limited to 21-feet maximum-draft but considering Spain's infrastructure, the sea and rivers were still transportation highways. Furthermore, El

26. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 19 June 1952, Memo C. Staff, Army to JCS.

27. NA, Civil Branch, Lot Files 59D108, Byington to Cleveland, MSA.

Chapter 11: 1952 The Negotiations

Copero was not subjected to flooding like nearby Tablada. These were the chosen sites for airbases near Seville.

Matagorda, across the harbour of Cadiz, was chosen because it had access to the protected deep water harbour on the Atlantic coast. Furthermore, it was accessible to the mainland by good roads and rails and the acquisition of land did not cause too severe civil hardship because land was available. The existing Spanish naval facilities were also usable and thus made Matagorda an interesting site. The dock would be expanded to 600 by 60 feet large and 40 feet deep. The Navy also required an 8,000 by 200 feet airstrip and storage facilities for 54,000 barrels of gas. Rota was the closest deep water harbour to the naval air station and thus chosen as a very suitable site.²⁸

Thus most of the bases were chosen due to their connections by rail, road and sea. In the long term, this was a wise economic choice because expensive construction costs for Spain's infrastructure and long term projects were thus avoided.

However it was long term commitment by the US that Vigón was seeking. The Joint Chiefs of Staff would not decide on this suggestion with the Department of Defense alone and urged the Secretary of Defense to pass on Vigón's demand to the Secretary of State. The Joint Chiefs of Staff recommended that a note should be sent to Vigón along the following lines: "The Government of the United States considers that military relations between the United States and Spain should be on a continuing friendly basis in support of the policy of strengthening the defense of the West". The Joint Chiefs of Staff realized that this policy would be limited by annual congressional appropriations, existing priorities, Korea, the status of supply and the overall international situation.²⁹

Out of the three armed services, the US Navy was most likely to welcome a long term commitment to Spain. On 1 July 1952, the Chief of Naval Operation outlined

28. NA, Military Branch, G-3 091 Spain, 1952, 13 June 1952, US Construction Program in Spain.

29. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 2 July 1952, JCS to Secretary of Defense.

the aims of the US Navy to the Commander in Chief of the US Navy in the East Atlantic and Mediterranean. The Navy wanted facilities in Spain and suggested that, even before an outbreak of a conflict with the USSR, storage facilities at El Ferrol, Tarifa, Cadiz, Cartagena, Soller and Port Mahon should be obtained. He also wanted anchorage rights almost everywhere in Spain. Furthermore, the Navy required an amphibious training area, possibly on the Balearic Islands. At the same time, the Naval Chief wanted to improve Spain's logistics. On top of that the Navy wanted an air base near Cadiz.

In the case of an outbreak of war with the Soviet Union, the Navy would require more facilities and bases at Barcelona, Almeria and on Lanzarote. In addition, the Plans Division wanted a ship repair area and air bases near Cartagena or Albacete and Majorca.³⁰

As a result of the Spanish Cabinet meeting on 4 July 1952, the US and Spanish representatives had another meeting in Madrid. Argüelles told Train that Vigón and Arburúa had held lengthy discussions all week long and Vigón believed that the \$12 million plus the entire new \$25 million aid were still inadequate for national defence purposes. Both Spanish negotiation teams, as well as the cabinet, agreed to the idea of having four different agreements: an economic aid agreement, a Mutual Defense Assistance Program agreement, an air base construction agreement and an agreement covering the utilization of the bases (the last two would be combined into one agreement). Argüelles continued in an open manner to point out that there existed no public opinion on the subject and the position of the Spanish government depended mainly on the position of the Army. The Spaniard made it clear that the Army would be unsatisfied with bases unless it received enough modern material in return. Argüelles mentioned that some people in the government did not want to see any agreements at all with the Americans. In return, Train pointed towards NATO's priority and the scarcity of equipment. One had to conclude that at the moment the talks had almost come to a

30. Strategic Plan Division Records, US Navy, 1 July 1952, Letter Chief Naval Operations.

standstill because Spain was fearing that the \$125 million was all the US was willing to give and under these circumstances Spain was not going to grant the bases. It would have been possible to start constructions of the bases if a MDAP or an economic aid agreement, assuring financial aid for some years, had been signed. Nevertheless, even if this had been the case, the use of the bases was still unsettled. The US believed that it was possible to get the bases on their terms for a military annual aid of \$50 million over three years.³¹ Spain in return was not willing to sell out for so little.

At that meeting between Train and Argüelles, on 5 July 1952, the American position had changed slightly. The total aid had been increased from \$100 to \$125 million. For military end-items this meant a possible increase from \$12 to a total of \$37 million. The rest, \$88 million, would still be economic aid. In return, Train now proposed to sign three agreements; an economic cooperation, mutual defense and a base agreement.

For Spain the \$125 million was still not enough. It did not even cover their economic demands. Likewise, the total of \$37 million for military aid was inadequate. Spain sought an assurance of continued military aid for several years. A comprehensive outline of Spain's position was sent to the United States team on 9 July 1952. This was the first time that the Spanish Government had coordinated its position regarding military and economic discussions. Parts of this memorandum had been drafted by Franco himself and deserve a closer look.

Franco believed that difficulties

"encountered in negot[iation]s arise from disproportion which exists between the am[oun]t of \$125 million... and the obligation which w[ou]ld arise for Spain from an eventual agr[ee]ment... that am[oun]t is not by any means sufficient to cover requirements proceeding from a later agr[ee]ment under the act cited which... w[ou]ld require investments of greater magnitude."

31. FRUS 1952-1954, Vol. VI, Part 2, 5 July 1952, Record of Meeting US-Spanish Representatives, p.1860.

Chapter 11: 1952 The Negotiations

Franco also claimed that "if application of aid already granted [the \$125 million] had had to be subordinated to prior existence of an agr[ee]ment under [the] Mutual Security Act cited, such aid should have been negotiated previously and... should [also] have been increased in am[ou]nt, form, and for [the] period demanded by requirements derived from new obligations contracted."

It was obvious that Franco believed that the amount of \$125 million was already rightly his because they had been appropriated specifically for Spain.

Franco said that "compare[ing] form and am[oun]t of aid granted to the other nations with that which is offered to Spain, it is evident that there exists a difference in treatment." He pointed out that more money was given to less anti-communist nations like Yugoslavia. Franco was hurt in his national pride. He claimed that an "assurance of continued aid for a period of several years would be indispensable."

The Caudillo also argued that if the external or internal threat to Spain increased further due to the new base agreements, then his General Staff and the public would be no longer interested in any agreements. He wanted sufficient military aid to equip all 22 Spanish Army Divisions, to equip the Air Force with enough aircraft and anti-aircraft materiel to protect Spain and to modernize the Navy and the coastal defenses. If this aid was forthcoming: "Spain would be willing to conclude an agreement for the construction and organization of wholly Spanish bases whose eventual utilization by American forces in the event of emergency would have to be the subject of a later agreement. The use of Spanish bases in time of peace by a foreign power, inasmuch as it is not indispensable, conflicts with national feelings and dignity and is considered harmful to harmony and understanding between our countries."

Chapter 11: 1952 The Negotiations

Franco saw the difficulties in the negotiations in the "inability to advance in detailed negot[iation]s if a base agr[ee]ment has not been reached previously" and the fact that the proposed assistance was in no case sufficient to satisfy the obligations of an agreement such as the one suggested. The negotiations were also delayed due to the "inescapable necessity for our nation that her security in the face of danger be guaranteed with am[oun]t of assist[ance] indispensable to strengthen her economic and military preparedness."

The Spanish dictator argued that the talks should continue and if a fundamental agreement was not reached, the negotiations should be based upon the "concession by US of [the] am[oun]t voted in Congress", ie. the US should grant the full \$125 million to advance the negotiations. Furthermore, he suggested that Spain should study the texts for the economic cooperation agreement and the Mutual Security Agreement presented by the US delegation "to effect their modification on those points where it may be considered necessary." He hoped that the execution of the draft base agreement should be postponed until adequate aid had been provided by the Americans. He nevertheless confirmed that Spain was willing to use the counterpart funds for the construction costs of the military facilities to increase Spain's defence strength. Finally, he argued for a "postponement of [the] execution of [the] gen[eral] base agr[ee]ment until obligations derived from such an agr[ee]ment are available but [he was] allowing [the] necessary study to complete [the] text thereof to proceed." In the meantime, he suggested that a "fundamental agreement" or "little agreement" should be signed to show goodwill between the two countries.³²

In the light of these arguments made by the Spanish dictator in a communique, MacVeagh's earlier suggestion to increase the newly appropriated aid for Spain from \$25 to \$30 million lost its importance. Under the circumstances, the viewpoints of the two negotiation teams were so different that in the absence of further instructions from

32. FRUS 1952-1954, Vol. VI, Part 2, 12 July 1952, Ambassador MacVeagh to State Department, p.1862; Summary from US point of view NA, Civil Branch, Lot Files 59D108, 29 August 1952, Millar to MacVeagh.

Chapter 11: 1952 The Negotiations

Washington, the US negotiation team was unable to act. Spain clearly demanded financial and military concessions by the US which were outside the instructions of the negotiation teams. The talks were dangerously close to breaking off.

However, MacVeagh, after a meeting with Argüelles, assured Washington that Spain had shown no intention to terminate the conversations with the American negotiations team but in fact wanted to sign agreements. The problem was that the American experts in Madrid could not act beyond their competence and instructions. Thus, MacVeagh believed that it might be time to hold official governmental talks with the Spanish Foreign Minister Artajo. In a private meeting, 17 July, Artajo argued that the negotiators seemed to confuse two issues: on one side Spain as a factor in the defence of the West; on the other Spain granting bases to the US. For the Spanish Minister granting bases would convert Spain's position from "neutrality" to "pre-belligerence" and this could not be undertaken without assured defensive commitments by the US similar to those made to NATO countries. A Mutual Security Agreement could be worked out, according to Artajo, which would add Spain's industry to the western defence. In the short term, Spaniards not only required an increase of military aid but also desired the conclusion of a "little agreement" which would give Spain some advanced assurance of US support in case of war. MacVeagh inquired if Spain expected to remain neutral in case of war. Artajo answered that it was very likely that Spain would be attacked by parachute regiments in case of a conflict but bases in Spain would be more threatening and might lead to aerial bombardment of Spain's cities.

After the conversation, MacVeagh concluded that Spain was not asking for too much but that the US was. He claimed that Madrid was not anxious to receive foreign military detachments on their soil. Spain argued that bases posed an external threat in wartime and an internal threat in peacetime to the survival of their regime. The Ambassador believed that US failure to treat Spain on the same basis as other NATO countries would be seen as a continuation of the diplomatic boycott of the late 1940's. Thus an overt reversal of this policy was desired. Spain was to be considered as a partner in the common defence effort rather than an unacceptable dealer possessing

vital facilities for sale. In order to conclude the negotiations, it was vital to find a formula which met American requirements and provided Spain with her essential needs. This had been the mission of the JUSMG. MacVeagh concluded that the US should give Spain the defence guarantees they were asking for and in the meantime the "little agreement" should be signed to reassure the Spanish negotiation teams about America's long term commitment.³³

As MacVeagh was forming his opinion, a draft reply to the Spanish memorandum was being prepared in Washington. It came under consideration by the agencies and subsequently with the negotiators in Madrid. It was decided not to broaden the policy on which the negotiations had been based. The idea of a "little agreement" was rejected. This was done to avoid committing a future President who was to replace Truman soon after the November elections. Nevertheless, it was considered to be advantageous to reply to the Spanish memorandum by giving notice of the plans for continuous aid programs over a period of time and placing Spain on the same or similar level as other nations. Hopefully this would reassure Spain of US long term commitment. This was a very delicate matter as it clashed with usual procedures towards other countries. It was thus unclear how much assurance could be given without conflicting with US laws and policies.

Much earlier in the year Franco had written to Truman concerning Spain's religious freedom. Now, two months later Truman sent his reply. Though this letter was similar to one drafted by Truman and Acheson on 14 May 1952, a week after Franco's letter was received, it had been kept in Washington for two months. The letter was only sent when the American Embassy in Spain requested it. It read:

"In this country the tradition of civil liberties, particularly freedom of speech, of assembly, of the press and of worship, is deeply ingrained, not by compulsion of circumstances but by the choice and conviction of the American

33. FRUS 1952-1954, Vol. VI, Part 2, 17 July 1952, Ambassador MacVeagh to State Department, N. 863, p.1866.

people... I share your hope that they [negotiations] will come to a successful conclusion."³⁴

The letter exchange is most interesting because it reflects the eagerness of the two countries to conclude the talks. In March, when Franco's letter was drafted, Spain wanted to push through the agreements. Then came the complications with Kissner's statements and the US wanted to put the negotiations back on track and did not dare to go further without making their position clear. Spain in the meantime wanted to take advantage of Kissner's blunder and sent off the letter drafted two months earlier. Washington did not respond immediately. When the American response was at last sent in July, the Spaniards wanted to stall over the little money, \$125 million, they would have received for granting base facilities while the Americans were interested in finishing the talks on the negotiated grounds. This coincided with the sending of Truman's reply to Franco.

On 30 July, in their eleventh meeting, Vigón handed Kissner lists of Spain's requirements for the Navy and Air Force. These lists supplemented the Army list previously submitted. The total cost of needed aid was \$1,360,952,000. In return, Spain was willing to give the Navy and USAF the facilities demanded. MacVeagh suggested to Washington that the US should reverse its policy of buying the facilities to a policy of treating Spain as an equal partner in defence, saying that "nothing less than injured national dignity is involved." Should the US do this, MacVeagh was certain, then the negotiations could be successfully concluded.³⁵

Soon thereafter, journalists, including Cianfarra of the *New York Times*, speculated that the US and Spain were drifting apart because Washington asked for too much and was unwilling to pay the price. Cianfarra hypothesized that under these circumstances a deal would only be possible if Britain was included and thus bore some

34. FRUS 1952-1954, Vol. VI, Part 2, 23 July 1952, Truman to Franco, p.1865.

35. FRUS 1952-1954, Vol. VI, Part 2, 2 August 1952, Ambassador Macveagh to State Department, p.1869.

Chapter 11: 1952 The Negotiations

of the costs.³⁶ As it turned out, he underestimated Washington's willingness to pay and overestimated London's desire to be part of a deal.

In response to Spain's outrageous military demands, Acting Secretary of State Bruce summarised Madrid's position. Spain, in return for aid was willing to conclude an agreement for the construction of bases whose eventual utilization by American "forces in the event of an emergency w[ou]ld have to be subject of a later agr[ee]ment." The Spanish government rejected the right of US use of these bases in peacetime and made wartime use subject to a later agreement. Madrid further proposed an immediate extension of the \$125 million of aid, already appropriated by Congress, without giving any commitment in return. The Secretary stressed that under these circumstances an increase of the \$125 million would not be enough to bridge the gap between the two countries. A new approach was required.

Bruce argued that Spain's defence started further east than her border and military bases in Spain would eventually add to this defence. He claimed that the bases would not increase Spain's involvement in a war because of Spain's strategic importance in the Mediterranean. The Acting Secretary also asserted that war material and aid would go to the front line countries first, Korea and Indochina in particular, and this was not a discrimination against Spain but simply a policy based on necessity. Obviously Spain's pride would be hurt and thus had to be mended. The Ambassador was encouraged not to mention Italy, France or Britain as having priority over Spain so that Madrid would not feel further sidelined. Bruce continued arguing that due to the current world situation there could not be extensive grants of military aid to Spain. It was difficult for Washington to understand why Spain refused to grant bases for the defence of the West. As for the \$125 million, Washington had made up its mind that it could not be granted without guarantees in return because, under the Mutual Security Act, its appropriation was based on the advance of the security of the free world.

36. NA, Civil Branch, Lot Files 59D108, 4 August 1952, USARMA, Lisbon to Deptar Washington.

Chapter 11: 1952 The Negotiations

Extending it without guarantees would violate this Act.³⁷

These reconsiderations resulted in a reversal of the US approach to Spain. The paper DMS D-7, which had formed the body of the instruction to the negotiations team was de facto dead. Secretary of State Acheson had ruled on 31 July, that DMS D-7 was obsolete after the \$25 million increase of aid to Spain. He then had instructed the State Department not to decrease dramatically in any studies the \$50 million allocated to offset inflation in Spain. DMS D-7, a hastily drawn up instruction document, had until August set the requirements and the scope of the negotiations. Now it had ceased to function even as such.

After receiving the memorandum from Bruce, MacVeagh told Washington that something had gone wrong in the negotiations with Spain. He argued that Spain did not need vast military aid but simply adequate aid to organize a national defence. If this aid was phased over five years then it could be acceptable to both Spain and the US. The Ambassador also believed that Spain did not really require, nor expected a military alliance. Madrid simply sought a statement for the consumption of public opinion. Like in other fascist regimes appearances were vital. Linked to this was the fact that Spain did not reject US usage of the bases but simply pointed towards a possible internal conflict which might be caused by US soldiers stationed in Spain. Furthermore, MacVeagh argued that Spain did not propose to get the \$125 million without commitment but was willing to sign a modified economic aid agreement and a Mutual Defence Act Agreement, which would be followed by certain obligations for the two countries. The Ambassador asked the Secretary of State whether the US wanted to change policy in the light of the new interpretation or if Washington wanted to stick to the policy expressed in the letter by Bruce.³⁸

On the 22 August, Bruce decided that a new reply should be drafted to replace

37. FRUS 1952-1954, Vol.VI, Part 2, 13 August 1952, Acting Secretary of State to the Embassy in Spain, p.1871.

38. FRUS 1952-1954, Vol.VI, Part 2, 16 August 1952, Ambassador MacVeagh to the State Department, p.1876.

Chapter 11: 1952 The Negotiations

his letter. Almost a month had passed and Washington had still not decided on new instructions for their teams in Spain. A rift seemed to have opened between the State Department in Washington and its Ambassador in Madrid.

Train supported McVeagh's interpretation in a memorandum to the Deputy Director of the Mutual Security Administration, Kenney, who had been in Madrid on 14 August 1952. Train wrote that Spain was right to demand to be treated like other nations. The head of the economic negotiations team asserted that the \$125 million was of little importance and bases in Spain were not an asset for the Mediterranean country because Spain would not have, in the foreseeable future, any heavy bombers to fully make use of these facilities. Train knew that Franco had realized that Spain could not be part of NATO, but, nevertheless, the Spanish dictator wanted at least to be associated with the NATO security concept. So far, the American approach had been unacceptable to Spain.³⁹

A new US policy had to be found and it was important to fully understand Spain's demands and objectives. In the meantime the Air Section of JUSMG in Spain came to the first conclusions with the Spanish Air Force. The military end-item aid which was to go to the Spanish Air Force (35% of the total of \$37 million as agreed in the meeting 5 July 1952, ie. \$13 million) was to be used for the purchase of four jet engines, to equip three flying and two technical training schools and to initiate limited base construction. These were small sums compared to Spain's expectations.

JUSMG sent a report on Spain's position and a proposal of policy to Washington. It told the State Department that Spain asked for \$349 for the Army, \$302 for the Navy and \$710 million for the Air Force, resulting in a total of \$1,361 million. JUSMG had studied these requests and recommended to the Joint Chiefs of Staff that a counterproposal should be submitted. General Kissner recommended granting \$214 million to the Army, \$100 million to the Navy and \$127 million to the Air Force,

39. FRUS 1952-1954, Vol. VI, Part 2, 19 August 1952, Memorandum Chief Mutual Security Agency Economic Group Spain to Deputy Director MSA, p.1878.

resulting in a total of \$441 million. He suggested that this aid, to increase the capability of the Spanish armed forces to defend Spain, should be phased over four years. It was less than a third of the aid the Spanish had demanded as "indispensable", yet Kissner claimed that what Spain had called "indispensable" was not their lowest bid. He was convinced that Spain would be willing to sign even if they were offered less than the "indispensable". Kissner suggested that the US should find certain tasks and obligations in the Western defence for Spain such as an assignment for two Spanish military corps to operate outside the Peninsula. General Vigón had indicated that the Divisions in the Pyrenees could be used North of Spain. Now Washington was to take up this offer. Ultimately, the Joint Chiefs of Staff had to decide how badly they needed military bases and how high a price they were willing to pay for them.⁴⁰

This report by JUSMG on the list of Spanish military aid requirements reflected a new concept of strengthening Spain's armed forces. Rather than placing emphasis on the concept of military aid for the development and protection of the desired facilities and training purposes, JUSMG advised to strengthen all Spanish armed forces for military use outside Spain. A careful study and review of this report had to be conducted. It was clear that a reversal of policy would have to be discussed with Britain and France before it could be implemented. It was likely that the two European nations would not be pleased. While the Foreign Office feared for British trade with Spain, the British Chiefs of Staff had concerns about Gibraltar. The Chiefs opposed the creation of a single Iberian Atlantic Command as this would lead to further influence for the Americans. They also opposed the proposals made earlier by the American Admirals Sherman, Fechteler and McCormick, creating a joint command, as this would have had similar results. The British Chiefs still hoped to create an independent British command with headquarters in Gibraltar for operations in the Mediterranean.⁴¹

40. FRUS 1952-1954, Vol. VI, Part 2, 5 September 1953, Memorandum Deputy Assistant Secretary of State for European Affairs to Deputy Under Secretary of State, p.1879.

41. PRO, DEFE4.56, 5 September 1952, Chiefs of Staff Committee Minutes.

Washington realized that the international climate in Europe still did not favour Spain's integration. Nevertheless, the negotiation teams were instructed to proceed with the talks without awaiting the review and final decision on the JUSMG report.

The Regional Affairs Section of the State Department argued in favour of JUSMG's position, that is to seek Spain's commitment outside its own territories. NATO policy had always been to defend as far North and East as possible. If Spanish troops remained behind the Pyrenees, Spain's role would be negligible, and money spent would be going to troops which would not act as a deterrent. Naturally, this would create a problem with NATO partners and with Germany's defence plans. If the policy of the State Department towards Spain had been implemented before 1952, it would have made sense because a fallback towards Spain would have been necessary in case of a Soviet attack. However, after 1953 this made little sense anymore because NATO had by then a reasonable amount of units which guaranteed a defence of Europe. No military retreat to Spain or the UK were necessary. Thus if money went to Spain then the country would also need to have an allocated role in the western defence. Otherwise, the negotiations would lead to no advantages for US defence plans.⁴²

The Ambassador in Madrid urged Washington again to commence talks at the highest level. MacVeagh informed the Office of Western European Affairs that Argüelles was already talking above the informal level in his conversation on 5 July 1952. It seemed to the Ambassador that the fundamental conflicts of the negotiations were unsolvable by the informal talks between the teams in Spain. Therefore, he suggested that the parties should take a step towards governmental negotiations. He hoped that this would settle the exact relations between Spain and the US and positively influence the negotiations. It would also answer the question whether military end-items were to be included in an aid package for Spain. MacVeagh pointed out that Spain

42. FRUS 1952-1954, Vol. VI, Part 2, 8 September 1952, Memorandum Director Office European Regional Affairs to Deputy Assistant Secretary of State for European Affairs, p.1881.

would be more flexible during governmental talks than during the current talks.⁴³

Given the advice of its Ambassador, the State Department had to determine its commitments to Spain in the future. In early August 1952, Nash (Pentagon) advised Lovett (State Department) that assurance should be given for long term credits but in return the US had to gain control over the use of bases in peacetime and Spain should not expect more than \$125 million during the FY 1953. The Spanish General Alonso Vega, who was touring the Caribbean and the US in August, strengthened Nash's advice. On 28 August, in a lunch meeting with General Omar Bradley, member of the Joint Chiefs of Staff, Alonso Vega told the American that Spain did not really need the amount of assistance they had been asking for but simply wanted a reassurance of Washington's long term commitment and moral obligation towards Spain. The Spanish General seemed to indicate that Franco needed this assurance of long term US intentions in order to hail the agreements as a diplomatic coup in front of Spanish public opinion.⁴⁴ If this was so, the proposal suggested by Nash, to grant long term credits in return for the bases, was very sensible.

In order to clarify US policy, Perkins, Draper, Anderson, MacVeagh, Kissner, Garvin and Train; that is, representatives from Washington and the negotiators in Spain, had a meeting in Paris on 29 September. They drafted a response to Argüelles' July letter. It had taken from 9 July, when MacVeagh's report was received, until the 7 October to draft a reply. Full three months had been spent in consultation between several governmental agencies and interdepartmental discussions. As MacVeagh had suggested, it was decided that the negotiations should move one step up. It was also decided that from then on, US policy would

"include support of Spanish defense efforts for agreed purposes by the provision of assistance to Spain over a period of several years, subject... to

43. FRUS 1952-1954, Vol. VI, Part 2, 26 September 1952, Ambassador MacVeagh to John Y. Millar, Office of Western European Affairs, p.1883.

44. NA, Civil Branch, Lot Files 59D108, 5 September 1952, Joyn Y. Millar to MacVeagh.

limitations imposed by congressional appropriations, existing priorities and commitments, the exigencies of the Korean situation, the status of supply and the international situation."

It was clear that military aid would go first to countries participating in the common defence of Western Europe. During the meeting in Paris, the two sides, State Department and negotiation team, came to an agreement and were able to decide on their response to Artajo's letter. Back in Madrid, the Ambassador sent this response directly to Artajo, who received it on 8 October. The US answer did not mention specific military supply to Spain, the only limits being available funds and supplies. All the other limitations had been omitted in this note for Madrid. It was clear that Spain had already been a part of the US security policy plan, which was to aid all those countries which could defend themselves if attacked. "Actually, our intention in principle is to give Spain, along with others, whatever we can which will help contribute to that general picture". Clearly the Ambassador hoped that Artajo would agree that Spain should not be given the same aid as front line countries due to strategic and not political reasons. This formed the informal part of the letter to Artajo.⁴⁵ Included was an official memorandum to the Spanish Minister for Foreign Affairs, Martin Artajo.

The formal reply was divided into nine points. It stated that America's policy towards Spain "would include support of Spanish defense efforts for agreed purposes by the provision of assistance to Spain over a period of several years." Spain was to be treated as other countries under the same restrictions because:

"if war with the USSR should come, Spain due to its strategic location, would not be able to escape Soviet aggressive action... Spain's determined anti-Communist position would be at least as suitable a pretext for eventual attack on Spain... as would the use of Spanish military facilities by the United States Forces."

45. FRUS 1952-1954, Vol. VI, Part 2, 7 October 1952, Ambassador MacVeagh to Martin Artajo, p.1887.

Aid to Spain would be administered by the Mutual Security Program. "The basis for United States aid is mutuality of efforts." This meant by implication that if resources were required elsewhere more urgently, then Spain had to join the queue and wait for her turn. Western defence was deemed to be Spain's defence and "under this concept Spain can make a valuable contribution at this time to its own defense as well as that of Western Europe by granting to the United States the use of military facilities in Spain intended to further the common defense capabilities." The letter argued that in case of invasion of Western Europe, Spain too would be attacked due to its geographical position and strong anti-communist stance. This was simply diplomatic, to increase Spain's belief that the US was taking her seriously. The note continued, pointing out that the possibility of a sudden attack made peace time preparations necessary. Then in point eight came the ultimate bait. If the agreements were signed, the Executive Branch "is prepared to include suitable provisions for assistance to Spain in its presentation to the Congress." To smoothen the hard road ahead, the note finally asked for an official statement of friendship between the two countries.⁴⁶ Now it was Washington's time to wait for a reply by the Spanish negotiations team.⁴⁷

On 24 October 1952, Kissner and Vigón had another meeting. They discussed the letter from the American Ambassador to the Spanish Foreign Minister. Vigón seemed to be pleased with the reply. After being briefed by Kissner, MacVeagh wrote a report on the conversation which he sent off to Washington. The ambassador claimed that if Spain received "US assistance over a period of years on an equal basis with other nations" then Spain would not be unreasonable about base rights and military aid. MacVeagh speculated that the best way to achieve the agreements was by seeing them as on an equal basis and not just as buying rights. "Hence not haggling over 'price', but convincing Spaniards that we seriously intend and are actually planning [to] do all we

46. FRUS 1952-1954, Vol. VI, Part 2, 6 October 1952, Memorandum Ambassador MacVeagh to Spanish Minister Foreign Affairs, Martin Artajo, included in 7 October 1952, Ambassador MacVeagh to Martin Artajo, p.1889.

47. NA, Civil Branch, Lot Files 59D108, 27 October 1952, J.Y. Miliar "Secret Security Information".

can to render joint enterprise viable." MacVeagh continued: "It is principally in connection with above picture that we feel failure to provide... reasonable aid to Spain in the FY 1954 foreign aid budget at present under consideration might prove disastrous." So far, Spain had not acted without understanding US limitations. It seemed that time and political acceptance would reflect the seriousness of America's commitment towards Spain. This perception would have been disastrous if Spain was really after money rather than recognition of status because it would offer Spain the possibility to get more aid then needed. As this was not supposedly the case, MacVeagh pointed out that aid should "be sufficient to show we regard giving aid to Spain in a serious light." MacVeagh argued in the military sector that aid should be based on Kissner's recommendation of not less than \$80 million in new funds over several years. He also suggested that economic aid was to be based on Train's estimation of not less than \$57 million in new funds. Both should be in addition to the already appropriated \$125 million.

The US negotiators also commented on the military aid program during FY 1954 for Spain. Originally, it had been designed to build up the Spanish military potential for territorial defence. Under the revised programme the primary purpose recommended assistance to develop and protect the bases and to develop military conditions in Spain for a future associations under the programme of US - Spanish negotiations with NATO.⁴⁸

In less then one month, on 31 October, Madrid officially replied to the American note. Spain was pleased with the general cordial tone of the letter and underlined again that there was no distinction between Spain and other countries and that she agreed to establish a friendship which included assistance over several years. The Spanish armed forces were willing to contribute to Western defence through the defence of the Peninsula which could only be guaranteed through US aid. Therefore,

48. FRUS 1952-1954, Vol. VI, Part 2, 30 October 1952, Ambassador MacVeagh to the State Department, p.1892.

Chapter 11: 1952 The Negotiations

Spain should "receive complementary military means sufficient to assure the defence of the peninsula territory." Artajo argued that the communist threat, the oscillation by various countries, Soviet affiliation and other factors made the strengthening of Spain "the most essential factor for restraining and lessening the dangers thereof." The Spanish Government also claimed that: "because of [Spain's] strategic position and her anti-Communist posture, Spain might constitute an objective of Sov[iet] aggressive action, in the event of war the pressure on Spanish territory of joint bases and mil[itary] personnel of the US w[ou]ld necessarily aggravate and accelerate the aggression. The Spa[nish] people, to whom it c[ou]ld not be explained that they do not themselves posses adequate defenses, w[ou]ld doubtless consider it thus."

This was a rebuff to the American argument that Spain's anti-communism was enough for a conflict with the USSR. Madrid considered air defence as vital for all Western European countries, yet above all for ports, industry and populations in strong anti-Communist areas. Thus the argument continued, Spain should receive aid for its Air Force and air defence. The Foreign Minister stressed the urgency of the situation which called for immediate military aid. It was suggested that only later should the two countries work out texts for the military base agreements. On the other hand, the economic aid and Mutual Defense Agreements should be signed soon, according to Artajo. Spain also hoped for an increase of annual aid from \$25 million to at least \$100 million of the previous year as well as a quick investments of the previous \$125 million credit from 1952. It was unclear from the letter whether US use of Spanish military facilities in peacetime and in wartime would be allowed. Nevertheless, oral assurance concerning the use of bases in Spain was given on 3 November "except for details regarding construction and personnel utilization".⁴⁹

On 4 November 1952, MacVeagh passed on Spain's reply from 31 October to Washington. In the light of this reply, MacVeagh expected that, due to Spain's urgency

49. FRUS 1952-1954, Vol. VI, Part 2, 4 November 1952, MacVeagh to Department of State, p.1895.

for the two agreements concerning economic and military aspects, it would not take long before the US was able to get the third, the base agreement. Vigón had told Kissner, 24 October, that he was confident that the disagreement over the usage of bases in peacetime could be resolved soon. On 3 November, Vigón had gone even further and claimed that the US had usage in principle of bases in peacetime as well as during a war. However, he had excluded the construction and personnel questions at these bases. Spain was giving way towards the American demands concerning the military bases. Vigón, Argüelles and Arburua all expressed their willingness to sign all three agreements but preferred to delay the base agreement for political reasons. Clearly Spain's propaganda would hail the success of these two agreements as another diplomatic coup by Franco. Weeks later, when the base agreement would have been signed, publicity would undoubtedly have been silenced. As for the Americans in Spain, Kissner and Train agreed that all three agreements had to be signed at the same time because they feared that their negotiation teams would have no bargain power once it had committed itself in the agreements concerning economic and military aid.

MacVeagh agreed with this in principle but also urged flexibility. One also has to consider the impact on NATO countries. Signing the agreement separately would not have enhanced the US image with these countries. By signing them together, Washington could at least claim this was done for security reasons. Nevertheless, the mood was optimistic. Train indicated that January 1953 could be a possible date to conclude the agreements. The go ahead with the base agreement was on from both sides.⁵⁰

On 7 November, according to US policy, the British and French representatives in Washington were informed about the status of the negotiations. After a statement by Franco in November, the British Foreign Office had been speculating that the American - Spanish agreement would be signed by the end of the month. Now the State

50. FRUS 1952-1954, Vol. VI, Part 2, 4 November 1952, MacVeagh to Department of State, p.1899.

Department dismissed these speculations.⁵¹

While Spain was formulating its position on the base agreement, the US Department of Defense was reconsidering the JUSMG report from 20 August about military aid to Spain. On 8 December, the Department of Defense informed the Department of State that the Joint Chiefs of Staff had reviewed and approved the report recommending \$440 million in military assistance for the defence of the Iberian peninsula as a long term military program. As money for Spain was limited for the time being to \$125 million, the Joint Chiefs of Staff and the JUSMG (Spain) recommended that the newly appropriated \$25 million should be used exclusively for military end-items.⁵² This was partly because Captain H.G. Sanchez, heading the Navy part of JUSMG, had already guaranteed \$57 million military end-items to Spain.⁵³

In return the State Department pointed out that the basic concept of the JUSMG report from 20 August had already been altered by recommendations made in October and November. The State Department agreed to the October recommendations according to which a military program of \$85 million in FY 1954 should provide equipment to the Spanish Forces to assist the protection of the US bases and for the training of the Spanish armed forces. This was now being considered by the Department of Defense. These were concessions by Washington which improved Franco's bargaining position during what seemed the final phase.

In the economic field, the US still wanted to import Spanish raw materials, remove the foreign investment limitation of 25%, as well as the restriction on profit transfer. Furthermore, the US wanted a guarantee for a stable foreign exchange, new oil drilling rights along the Ebro valley and larger quotas for imports to Spain to secure markets against foreign competitors such as Britain, Italy, France and West Germany.

51. PRO, FO371.102014, 4 November 1952, FO Minute.

52. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 10 December 1952, JCS to Secretary of Defense.

53. NA, Military Branch, G-3 091 Spain, 1952, 1 December 1952, JUSMG to G-3.

Chapter 11: 1952 The Negotiations

A new finance agreement with Britain, in December 1952, and an agreement with France, guaranteeing the French trade position behind the US, meant that the US negotiators were put under pressure to reach an early agreement.

Spain soon became a member of several United Nation Sub-organisations. She joined the Food and Agriculture Organisation, the World Post Organization, the World Health Organization and others. In November 1952 Spain was even allowed into UNESCO. These international developments meant that Spain wanted more out of Washington.

Minor issues were raised. In November, Lieutenant-Colonel González-Camino, a former service attaché, told JUSMG that frictions between US military personnel stationed in the bases and Spanish troops could result due to the difference of pay between the two.⁵⁴ Over dinner he told representative of JUSMG that he considered aid to France a waste, and the resources should have been given to Germany instead of wasting "money in supporting the French in their 'lost battle' in Indochina."⁵⁵

Vigón and Kissner had a series of unsuccessful meetings on 5, 6 and 10 of November. The problems remained and the two sides seemed to have come to a deadlock. Then, on 20 November, Kissner, talking directly to Artajo, was able to break this deadlock and pave the way forward. Problems concerning jurisdiction and duration of the lease over the base facilities were discussed and solved.⁵⁶

During the same month, Vigón requested 100 rounds of 105mm artillery shells to see if Spanish artillery could use them. The fact that Spanish guns were lighter than American artillery made this doubtful. JUSMG encouraged this grant to advance the negotiations. Promptly afterwards the shells were delivered to Spain's armed forces.⁵⁷

54. NA, Civil Branch, Lot Files 59D108, 26 November 1952, S.W. Rockwell to Ambassador.

55. NA, Military Branch, G-3 091 Spain, 1952, 26 November 1952, S.W. Rockwell Memo to Ambassador.

56. NA, Civil Branch, Lot Files 59D108, 24 November 1952, Dunham "Status of Spanish Negotiations".

57. NA, Military Branch, G-3 091 Spain, 1952, 8 October 1952, JUSMG to General D. Eddleman.

Chapter 11: 1952 The Negotiations

In Washington, Propper de Callejón once again, though with less enthusiasm than Vigón, expressed the desire of the Spanish authorities to sign the military and economic aid agreement before the base agreement.⁵⁸ Propper picked up on a small blunder by Lincoln MacVeagh. The Ambassador had been instructed always to stress that the agreements would be signed together, yet in a letter, written on 7/8 October, he wrote that the agreements were to be concluded in one official ceremony "or closely consecutive signature". Propper took this statement as a suggestion that the agreements could be signed separately. Naturally this suited Madrid as it could stress the diplomatic success of the aid agreements while ignoring publicity for the price Spain had to pay in the base agreement.⁵⁹ In reality Washington still wanted to sign all agreements at the same time.

Artajo initially complained about the proposed agreements. He condemned the suggested period of the lease for the facilities. However, the American team remained unmoved by this complaint and soon the Spanish side abandoned it. On 2 December 1952, Artajo gave Lincoln MacVeagh clear indication that the talks should be wound up and the agreements signed. Vigón indicated that his team accepted a lease of ten years with one extension of five years. There were no objections to US wartime use or to limitations on personnel.⁶⁰

The State Department was confident that the agreements would soon be signed. Bonbright wanted to inform the Secretary of State in waiting, John F. Dulles, about the expected success of the negotiations. Washington saw Spain's letter, dated 31 October, as an agreement in principle to US use of Spanish bases. Vigón seemed assured and happy to have concluded the talks. Only Franco's confirmation was awaited which, the State Department speculated, might express minor complaints about the current deal:

58. NA, Civil Branch, Lot Files 59D108, 17 November 1952, Robert McBride "Secret Security Information".

59. NA, Civil Branch, Lot Files 59D108, 21 November 1952, William B. Dunham to MacVeagh.

60. NA, Civil Branch, Lot Files 59D108, 8 December 1952, Dunham "Secret Security Information".

Firstly, the amount of US military stationed in Spain during peacetime and secondly, the scope of use of the bases by US troops. Ambassador MacVeagh also feared that relations might get stressed by a decrease of appropriated funds for Spain during FY 1954.⁶¹ Other questions concerned issues like isolated cases of jurisdiction over US personnel stationed in Spain and tax relief for the Military Aid Agreement.⁶² However these were minor considerations and would not have taken long to solve.

Then, almost out of the blue and taking full advantage of the positive international developments for Spain and US concessions, came a shattering note from the Spanish negotiations team. This must have been initiated and encouraged by Franco himself because all other Spanish negotiators had started to give way to US demands. On 23 December, Spain submitted a counterdraft of the base agreement proposing to Kissner a link between base construction and military end-items for Spain's forces "on a parallel basis" and "when the moment of utilization of the desired facilities is reached, the minimum necessities required for the defense of Spanish territory... will have been covered." These included "the air defense of its territory, the security of its maritime communications, and the completion of the armament of its land, sea, and air armies." The Spanish armed forces were to be equipped with modern material which would allow them to independently defend the whole of Spain's territory, waters and airspace. In late October and November the Spanish negotiations teams had given the impression that they would be satisfied with some military aid unlinked to any base programmes or specific defence requirements. During these months, JUSMG was sure that \$440 million in aid was enough to satisfy Spain. Now the Spaniards went back to their earlier demands for more substantial and specific aid. At the same time the demand for a parallel development of bases and aid posed a serious legal problem. The American Administration was legally unable to guarantee in an executive agreement

61. NA, Civil Branch, Lot Files 59D108, 17 December 1952, Bonbright to Acting Secretary.

62. NA, Civil Branch, Lot Files 59D108, 23 December 1952, Dunham "Status of Spanish Negotiations".

with Spain any long term financial commitments for which Congress had not appropriated any funds. To do so would violate Congressional taxation and spending rights. Furthermore, Spain wanted the use of bases during war to be joint and based on prior consultation. The counterdraft omitted concrete provisions for peacetime use of the military facilities. Here again Spain went back to old demands. The oral assurance from early November concerning the use of military facilities was thus withdrawn. The note made it clear that during times of conflict consultation for the use of these facilities was required and peacetime use was left altogether vague. The Spanish Foreign Minister told MacVeagh that the two requirements of "parallel development" and "prior consultation" were "essential" to Spain. These were unacceptable demands to the US and shattered any hopes of signing the agreements in 1952 or in early 1953.⁶³

63. Condit, Doris M., Test of War, Washington, 1988, p.356f

Chapter Twelve

1953
Final Bargaining

During early 1953, many foreign diplomats, including staff at the British Embassy in Washington, believed that the three agreements between the US and Spain were about to be signed and only some details had to be worked out. It was assumed that Lequerica's opportunism and oversimplifications had been abandoned by the Spanish negotiation team in favour of honesty and frankness.¹ This ignored the Spanish negotiation efforts during December.

Spain's counter-draft of the base agreement, dated 23 December 1952, had necessitated a reconsideration by the American negotiators in Spain. As a reply, Kissner presented a revised draft which was designed to accept as much as possible of the Spanish version while not departing in any essential respect from the US position. This revision was analyzed by Franco and the Defence Minister. In a letter, 14 January, General Vigón advised General Kissner that the American revision was considered inadequate. He argued that the American draft still had "the double aspect of a concrete military pact for one side, and of a benevolent political declaration of vague military content for the other." Vigón suggested that the Spanish redraft should be submitted to the US Government for consideration.

The Spanish counterpart draft was given careful consideration in Washington and by JUSMG. The appropriate agencies in Washington felt that the substantial changes expressed from the previous position by the Spaniards in the negotiations indicated that there might be a considerable degree of bargaining in their counterproposal, done to sound out the new administration in the hope of getting a better deal. Therefore it was decided that the matter should not be placed before the National Security Council for review but rather further discussions should be held to determine how firmly the Spaniards intended to hold to their new position.

This decision, to wait and see, was further supported by the fact that some Senators feared that entering agreements with Spain without the approval of public opinion would be dangerous. These Congressmen continued to argue that to test public

1. PRO, FO 371.107686, 5 January 1953, Burrows, Washington.

opinion, the US should not enter agreements with Spain but a treaty instead. The difference being that treaties have to be approved by Congress while agreements did not.²

In his last appearance before the Senate Foreign Relations Committee as Secretary of State, Dean Acheson made some interesting statements. He outlined that it had taken the West until now to enlist enough troops "to make it impossible for the existing Communist forces in Europe to take off and overrun Europe." Europe was still threatened in case of an all out mobilization by the USSR. Nevertheless, a surprise attack could be stopped. This was important because, as Acheson pointed out, it would require some considerable degree of mobilization to augment the forces in East Germany to make a successful attack, and "that is something which is observable and something of which we will have cognizance." He underlined this statement again stressing that:

"that force [Bereitschaften], plus the Soviet forces, are the ones which have been bothering everybody because they are fully equipped, fueled, and have got all the reserves of ammunition and everything else they need to take off. If they took off, and there is nothing to oppose them, then you are in real trouble. Once you have a situation where they cannot achieve a quick result without a mobilization, that is a wholly different situation."

NATO was now ready to meet the Soviet threat with existing conventional forces in Europe. Acheson also pointed out that the negotiations with Spain were well advanced and would soon be concluded but he also confirmed that John Foster Dulles would carry out the last steps under the new Administration.³

The new military situation which Acheson outlined was not without influence on the European member states of NATO. France was reassured that an improvement of

2. LOC, S0062, No.13, 2 January 1953.

3. Executive Sessions of the Senate Foreign Relations Committee, 1953, 19 January 1953, Report by the Secretary of State, Washington, 1976/77.

relations between the US and Spain would no longer threaten her own national security. Promptly, she started to suppress clandestine broadcasting stations run by Spanish exiles and prohibited political meetings by Spanish refugees. The government even considered compensating the Spanish victims of the 1945 train incident in France.⁴

Simultaneously, Britain further relaxed her trade relations with Spain. During 1952, the United Kingdom had lost manufacturing markets in Spain to France and the US. Naturally, London was interested in preventing further losses to the competition. Trade of military items was relaxed leading to a contract between the Spanish Navy and Vickers-Armstrong over £1.5 million for submarine equipment and fire control gear.⁵ The UK also wanted to increase Spain's currency receipts from the sterling area, which in turn was to lead to increased imports from Britain. The decreasing sterling receipts by Spain had already led to the cancellation of a deal for 50 Spitfire planes. By the end of 1952, the Spanish government had outstanding payments in pounds sterling: £520,000 for English Electric; £300,000 for copper from South Africa; £300,000 for raw wool from the U.K.; £274,000 for the Barcelona and Valencia Fair; £140,000 for Austin cars; and £66,000 for constructions.⁶ According to the Bank of England, Spain had received in 1952 goods worth £59 million but had only paid £54 million. The rest was financed by drafts and drawings on Spain's account balances.⁷ This meant that Spain had already drawn the entire £2 million of their exchange facilities, normally used to facilitate trade and payments. If Britain wanted to export manufactured goods to Spain, London had to increase the sterling receipts of Spain. Thus Britain was becoming increasingly interested in relaxing OEEC trade restrictions with Spain.⁸

The matter was further complicated when the Board of Trade claimed that Spain

4. PRO, FO 371.107678, undated, Balfour, Madrid.

5. PRO, FO 371.107701, 14 January 1953, Balfour, Madrid.

6. PRO, FO 371.107701, 24 February 1953, Balfour.

7. PRO, FO 371.107701, 10 March 1953, Eggers, Treasury.

8. PRO, FO 371.107701, 4 March 1953, Balfour, Madrid; 14 March 1953, Balfour, Madrid.

Chapter 12: 1953 Final Bargaining

had an interest in playing down her exports to Britain. The undeclared sterling earnings of these exports were not used to pay off past imports, but were invested in Britain, held in Spanish accounts, spent on consumer goods in the U.K. and were spent for further U.K. goods and services imported to Spain.⁹ After further discussions with the Ministry of Food, the British Ambassador in Spain and Parliament, the Foreign Office decided not to take strong actions against Spain. While sterling transfer facilities remained unchanged, draft facilities were increased to £4 million. Indirect pressure was put on Madrid through economic talks between Argüelles and Mr Cotton from the British Embassy.¹⁰

Generally speaking, Franco could be satisfied with these developments. Furthermore, the election of a Republican candidate to the White House seemed to favour Spain's position concerning the military negotiations in Madrid. Lequerica was still convinced in March 1953 that the new Administration in Washington was a positive development for Spain.¹¹ Madrid was so confident about Western support that, despite the possible use of the Soviet veto, it tried to rally Latin American, Arab nations and the US for Spain's candidature to the United Nations.¹² Spain had good reasons to be confident. With the election of President Eisenhower, the Truman containment policy came to an end and Washington started to try to roll back the Communist threat. John F. Dulles, who had not been unfavourable towards fascist regimes before the Second World War, was appointed Secretary of State. He had been accused by Democrats of being Franco's lawyer. After the Civil War, Spain had made

9. PRO, FO 371.107702, 27 March 1953, Lippetts, Board of Trade; 2 April 1953, Commercial Counselor, Madrid.

10. PRO, FO 371.107702, 19 June 1953, FO Minute; 24 June 1953, Lippetts; 3 July 1953, Balfour; 29 July 1953, Eggers, Treasury; FO 371.107703, 29 July 1953, Lippetts, Board of Trade; 28 August 1953, Stephens, Treasury.

11. NA, Civil Branch, Lot Files 59D108, 5 March 1953, Dunham, US - Spanish Negotiations.

12. PRO, FO 371.107685, 27 January 1953, F. Murray, Madrid.

Chapter 12: 1953 Final Bargaining

an effort to recover silver, which had been shipped abroad by the Republic.¹³ John F. Dulles was connected with this. He had represented the National Bank of Spain, which tried to recover the silver for Franco. How did Dulles stand with regard to Spain during the post-war period?

Concerning the UN December resolution, Dulles always seemed to have opposed it in principle but once it was passed, he realized that it was a symbol of opposition to all right wing totalitarian regimes and revocation would be difficult.¹⁴ He understood Spain's strategic value for the West and would do all to get Spain for a price as low as possible for his own nation.

He was however accused by some in the military establishment of failing to see that military forces are not for destruction alone but could be used by the US to gain acceptance in the world through indirect pressure.¹⁵

Dulles also had problems with people inside the State Department. Sometimes he seemed to upset the civil servants in the Department due to his jealousy and ambition. In return, he thought the Department was a disaster due to its excessive paperwork.¹⁶ He seemed to have bypassed the Department of Defense in favour of the Joint Chiefs of Staff more than once. In return, many military leaders, such as Admiral Arthur W. Radford, later head of the Joint Chiefs of Staff, held him in high esteem.¹⁷

The change of Secretary of State was important but not as important as the change of President. Truman was from the very beginning anti-Spanish and had expressed his dislike for the Franco regime in many press conferences. When given the chance to grant credits to Spain, he initially refused.

Eisenhower was different. His army career in Europe and above all the days

13. JFD Papers, Box 29, letter 15 June 1946.

14. JFD Papers, Box 46, letter 13 April 1949.

15. JFD Oral History Collection, Arleigh Burke, Chief US Naval Operations.

16. JFD Oral History Collection, Thomas Gates, Secretary of Navy.

17. JFD Oral History Collection, Arthur W. Radford, Chairman JCS.

during Operation Torch had shown him the necessity of dealing with Spain. He had feared during Operation Torch that the military campaign in North Africa might bring Vichy France and Spain into the war on the Axis side.¹⁸ As late as November 1942, he had been anxious to hear about Spain's intentions.¹⁹ The experience proved to him how vital Spain's geographic position really was. No wonder that he harboured the belief that security in Europe was only possible if a United States of Europe including NATO countries, West Germany, Sweden, Spain, Yugoslavia and Greece would be formed.²⁰

Nevertheless, Eisenhower believed that it was also in the interest of Spain to help defend Western Europe as far East as possible. Commitment by Spain to aid to NATO's defence effort was naturally assumed by the President.²¹ For Eisenhower, there seemed little reason why Spain should not accept the deal offered to her and he was unwilling to further compromise on Spain's new demands. It became obvious to all that the new Administration in Washington had not shifted its relations with Spain. The American negotiation teams in Spain remained unchanged.²² The State Department did change the Ambassador in Spain and appointed James Clement Dunn as MacVeagh's successor. The Spanish seemed concerned about his religious background and the impact on the negotiations.²³ Despite this concern, the Spanish propaganda machinery claimed that the US was sick of the poor showing of France and had thus decided to move their best diplomat, James Dunn, from Paris to Madrid.²⁴ The truth had more to do with Dunn's past experience with Spain in 1919.

18. Ferrell, 2 September 1942, p.78.

19. Ferrell, 9 November 1942, p.82.

20. Ferrell, 11 June 1951, p.194.

21. FRUS 1952-54, Vol. VI, 24 March 1953, President to Dunn, p.1922.

22. PRO, FO 371.107687, 18 February 1953, Makino, Washington.

23. NA, Civil Branch, Lot Files 59D108, 21 January 1953, Byington, Base Negotiations with Spain.

24. NA, Civil Branch, Lot Files 59D108, 17 February 1953, Dunham "Spanish Misinterpretation of Ambassador Dunn's Appointment to Madrid".

James C. Dunn was born in Newark in 1890 and studied architecture and later law. During the First World War he had served in the Navy. After getting married, he became Special Assistant to Secretary of State Hull in 1935. After the war he was sent to Italy as an ambassador and subsequently to France in 1952. His early assignment in Madrid made him a wise choice for the post of Ambassador to Spain. All hoped that the transition would be smooth and John W. Jones, American chargé d'affairs, stayed on after MacVeagh had left to introduce James Dunn to the necessary protocol.

In the meantime in Spain, as hopes placed in the new Administration were shattered, Franco came under some pressure from the nationalists claiming that bases and troops in Spain were an offense against Spanish sovereignty and put an end to Spain's neutrality, and the Catholic Church which opposed a treaty with a Protestant nation. Cardinal Segura saw the Catholic faith in the US at the same level as "heretical dollars". Franco would make sure to calm this opposition from the Church by entering a treaty with the Vatican shortly before signing the agreements with the US.

The Spanish Air Minister González Galarza is one example of the first category. He vehemently asserted that "We do not want American soldiers here. We are not a liberated nation. We won't tolerate it."²⁵ Admiral Salvador Moreno, Minister of the Marine, was far more positive about the prospects and enthusiastically proclaimed that "the time has come" to sign the agreements.²⁶

Once these were signed the Spanish Protestants could not expect to improve their lot. Since 1948 twelve British owned chapels had been seized, closed or assaulted; 2,000 British Bibles had been seized and Spanish authorities caused problems over clothing for charities imported by Protestants.²⁷ A Baptist Pastor was fined the equivalent of £16 for public proselytizing. As it turned out, he stood accused of having

25. NA, Civil Branch, Lot Files 59D108, 11 March 1953, Robert E. Wilson, Memo of Conversation.

26. NA, Civil Branch, Lot Files 59D108, 17 April 1953, J.P. Murray to Ambassador.

27. PRO, FO 371.107730, 22 January 1953, Chancery Madrid; 30 March 1953, Persecution of Protestants.

given details of time of worship to a non-Protestant person in a public market.²⁸

In a State Department study "Spain Current Problems", dated 11 February 1953, it was clearly said that "the Protestant problem is not so important as to merit being placed alongside the negotiations."²⁹

Other problems remained. Alberto Martin Artajo saw complications with public opinion in both countries, the opposition of other nations, particularly France and Britain and the form of the base agreements.

American surveys, such as the one conducted by Major Sellmer in Seville between 9 and 11 February inspecting the area surrounding Mórón de la Frontera and El Copero, did not remain unnoticed by the local population.³⁰ Several locals in the Moron area, near Rota and Jerez de la Frontera made inquiries with the local American consulates. A Spanish hotel owner claimed to have known since 1951 that a US base was to be built near Rota.³¹ US interest in military bases in the area had become an open secret but public reaction was still unclear.

While Madrid was concerned about these problems, the US was getting anxious. As the Cold War was getting hotter, Washington became more interested in military aspects and foreign policy had to change. In 1952, American aid to Europe under the Marshall plan ended and further aid was governed by the Mutual Security Program. This meant that the Mutual Security Administration rather than European governments were in control of aid for Europe.³² The Marshall plan had covered the dollar gap reducing Europe's deficit to the US from \$7,000 million to \$2,000 million. From now

28. PRO, FO 371.107730, 9 March 1953, Rev. A.W. Francis.

29. NA, Civil Branch, Lot Files 59D108, 29 April 1953, John W. Jones to Dunham.

30. NA, Civil Branch, Lot Files 59D108, 17 February 1953, Robert E. Wilson, Memo of Conversation.

31. NA, Civil Branch, Lot Files 59D108, 23 January 1953, Robert Wilson, Consul Seville, Memo of Conversation; 24 January 1953, Robert Wilson, Memo of Conversation; 30 May 1953, Robert E. Wilson.

32. PRO, FO 371.107693, 18 March 1953, John Balfour, Madrid.

Chapter 12: 1953 Final Bargaining

on, military aid would outweigh economic aid. In 1951, the US gave \$3,590 million in economic aid and \$1,484 million in military aid. One year later economic aid was down to \$2,840 million while military aid was up to \$2,738 million.³³ The next year, 1953, President Eisenhower asked Congress for \$5,829 million out of which 80% was for military purposes.³⁴ This aid was spent to enforce the new foreign policy of the Eisenhower administration.

The U.S. Air Force had to be expanded. It was suggested that the USSR had to be fully encircled with US bases to deliver a vital blow from the air at any time. Spain in particular had many advantages. It had little air traffic and few restrictions on flights. The weather, with few and short rain periods in the south, was suitable for planes. There already existed airports which could be extended through cheap Spanish labour. Furthermore, to become more cost efficient, the responsibilities of maintaining a standing army in Europe had to be delegated to other countries in order to cut back on defence costs. Spain was almost ideal for this. It had an army with 400,000 soldiers, organized into 23 divisions. The only problem was its lack of modern equipment. The US could cut back on overall defence expenditure in Europe by modernizing the Spanish armed forces.

On top of that, Spain was required to fully encircle the Soviet Union. Military air facilities in Spain were to form a link between European and North African bases.

However, Spain's infrastructure was weak and its economy needed large investments to bring it up to Western standards. Mr Walter Lippman described Spain as "so weak, so poor and so primitive that to make it the kind of 'base' we hear about would take years and a program of capital investment on a grand scale."³⁵

Spain's transportation system had improved little during Franco's early period in power. In 1953, Spain had 60,000 cars, 50,000 trucks and 7,000 buses, about 250

33. Calvocoressi, Survey International Affairs 1953, p.108.

34. Calvocoressi, Survey International Affairs 1953, p.105.

35. Calvocoressi, Survey International Affairs 1949-1950, p.295.

people per car. In the period 1949-1953 only 69 miles of new railroad was laid. Spain was far from being a modern state. As such any investment had to be planned carefully to avoid an overnight boom resulting in high inflation.

Nevertheless, some good economic developments had occurred. Spain's exports increased steadily between 2% and 16% annually from 1946 to 1953 with the exception of 1952 which saw a small decrease. Imports also increased from 1946 until 1948, then slipped until 1951 and increased during 1952 and 1953. Over these years Spain could not balance its trade. Commerce between the US and Spain, making up about 15% of Spain's exports and imports by 1951, saw a similar development.

US exports to Spain were composed mainly of raw cotton, making up between 27% and 39% of all exports to Spain. American exports to Spain of automobiles more than doubled during the first three years of the 1950's. Up to 1950, more than half of all imports by the US from Spain were fruits. The US increased cork and mercury imports and by 1952 fruits made up only 30%, mercury 7% and cork 5%.

Over this period Spain's trade balance was increasingly helped by tourist receipts. In 1950, 75,000 tourists went to Spain, in 1951 105,000, in 1952 1.5 million and in 1952 2 million foreigners visited Spain. The same trend can be observed with tourists from the US. In 1950 30,000 Americans came to Spain, in 1951 45,000, and in 1952 almost 100,000 Americans spent roughly \$20 million during their stay.³⁶ By 1953 a total of 140,000 American tourists arrived in Spain.

Trade competition between the US, Germany, France and Britain over the export market in military items was intense.³⁷ France secured a contract with Spain selling five 300 h.p. Turbomica jet engines. Shortly afterwards Paris, trying to limit foreign competition, suggested an export ban on engines over 500 h.p. and less than 1,000 kg weight.³⁸ Soon the Royal Air Force sent six British "Venom" jets to the

36. PRO, FO 371.107691, 12 March 1953, Economic Report for Spain, February 1953.

37. PRO, FO 371.107710, 13 February 1953, Orme, Air Ministry.

38. PRO, FO 371.107712, 22 April 1953, Cook, Paris.

Spanish Real Aero Club to impress the authorities in an air show.³⁹ Britain feared that due to trade restrictions they would be unable to sell British anti-submarine warfare plane to Spain. These planes were obviously not for common-use, nor was the technology obsolete. Theoretically they were banned from being sold to Spain. Yet it was also known that if Spain would be unable to purchase British planes for submarine reconnaissance along her large coast, her Air Force would buy the American plane "Neptune" instead.⁴⁰ Rover too was increasingly interested in exports to Spain. Its representative in Spain continuously bypassed the British Embassy, and accused the Government in London of not doing enough for British companies.⁴¹ Therefore the Ministry of Supply suggested relaxing export restrictions to keep up with the competition. The pressure by the Ministry of Supply and Defence to relax these restrictions increased as the conclusion of the American - Spanish agreements seemed imminent.⁴²

Issues like these convinced Spain that time would solve their problems. Under these circumstances the Franco regime saw no need to change the multiple exchange rates which hindered free trade. On the Tangier black market, \$1 was worth about 43.2 pts. Yet the dollar was only worth 10.95 pts according to the official basic exchange rate. For exchange rates, imports fell into five groups and their product exchange rates stood between 16.4 pts and 25 pts. A products classification depended on the desire of the government to import it. Exports similarly fell into five groups with different exchange rates ranging between 23.6 pts and 37.2 pts. By allowing lower exchange rates for imports than for exports, the government was helping Spain's industry by supporting export industries. Another industry that was aided by trade policies was tourism. The tourist rate was the highest official exchange rate at 38.9 pts per dollar.

39. PRO, FO 371.107691, 12 June 1953, Economic Report for Spain, May 1953.

40. PRO, FO 371.107710, 21 April 1953, Orchard, Ministry of Supply.

41. PRO, FO 371.107719, 22 January 1953, Balfour, Madrid.

42. PRO, FO 371.107710, 31 July 1953, Lee, Ministry of Defence.

By undervaluing the peseta compared to the dollar for tourists, Franco made holidays comparably cheap. Spaniards carried the burden of Franco's restrictive trade policies whether they traveled abroad, worked in trade or simply purchased imported goods.⁴³ The liberalization of these economic policies were one target of the US negotiators in Spain.

Another US target was to make use of Spain's strategic geographical position. On 8 January 1953, the Chief of Naval Operations informed the Secretary of State about the Joint Chiefs of Staff decision concerning the Mutual Assistance Advisory Committee document. The Joint Chiefs of Staff had decided that "U.S. objectives in Spain go beyond U.S. base rights and include increasing Spain's capability of defending the Iberian Peninsula, and of fulfilling possible future NATO requirements." Thus one should get rid of any talk about a "quid pro quo" and add instead that the US wanted to "increase the Spanish capability of defending the Iberian Peninsula." All of this was in reality not the result of a change of the Joint Chiefs of Staff position on Spain but was a result of failed talks with Spain during 1952. Spain had made it clear that she was only willing to grant bases if she was treated on an equal basis with other European nations. The Joint Chiefs of Staff also argued that

"Until the role Spain will play in Western defense is crystallized, all military assistance granted should be with the objective of developing forces which will increase Spain's capability of defending the Iberian Peninsula, including defense of U.S. occupied Spanish bases, and of fulfilling possible future NATO requirements."⁴⁴

While the State Department had decided to wait and see, the military became increasingly anxious. The USAF was fully in agreement with the Director of the Office of Military Assistance memorandum from the 24 December 1952 on the MAAC D-

43. NA, Civil Branch, State Department Decimal File 1950-1954, 852.000/4-2254, 20 April 1954, Spain a Short Economic Review, The Chase National Bank of the City of New York.

44. NA, Military Branch, CD 091.3 Spain 1953, 8 January 1953, Chief of Naval Operations to Secretary of State.

3/5a. This document urged an early conclusion of the negotiations. However, this had been written before Franco's counterproposal had destroyed hopes for a swift conclusion of the talks. The USAF used this outdated document to propose through Major-General Haywood S. Hansell that three agreements be signed on 1 February 1953.⁴⁵ This attempt was unsuccessful for various reasons. Franco's inspired demands during December were one factor, another were logistical problems. Serious shortages of military material changed the aim of the aid programs. Originally aid to Spain was designed for the defence of Spain's territory. The revised program was simply to assist the development and defenses of the bases. In particular shortage of anti-air equipment limited aid to training centres.⁴⁶

The other problem concerned the use of the bases. On 16 March 1953, the American Chargé in Spain, John W. Jones, informed Artajo that the US Government wanted to include in the Military Agreements a secret technical annex which would allow the US to use the bases in Spain without prior consultation with Spain in case of Communist military attack on Europe.⁴⁷ This was an excellent proposal. After discussions about timing of the signing of the three agreements, it had become clear to the State Department that Spain was concerned about the perception in Spain of the agreements. The demand for prior consultation of the use of bases originated from the same desire of Spanish authorities to retain the perception of neutrality and sovereignty over foreign policy. By placing this right into a secret annex, Madrid would be able to hide it from the public and the US would be satisfied.

On the next day, 17 March, the US reply to Spain's December counter-draft was presented. It included the US draft of the Military Facilities Agreement, a covering

45. NA, Military Branch, CD 091.3 Spain 1953, 9 January 1953, Haywood S. Hansell, Maj.-General USAF to Director, Office Military Assistance.

46. FRUS 1952-54, Vol. VI, 3 February 1953, Acting Secretary of State to Secretary of Defense, p.1906.

47. FRUS 1952-54, Vol. VI, 16 March 1953, Chargé Jones to Artajo, p. 1919; also draft NA, Civil Branch, Lot Files 59D108, 16 March 1953, Chargé Jones to Artajo.

note and a personal letter to the Foreign Minister. The draft was a repetition of the American position, avoiding any commitment regarding future aid. It provided clear provisions for peacetime and wartime use by the US of Spanish military facilities. Furthermore it completely separated the construction of these facilities from the development of the military aid program. This was in direct conflict with Spain's draft. The covering note claimed that the President's 1954 budget message to Congress, presented on 9 January, contained an estimate for foreign aid which took into account potential requirements for aid to Spain. These would be extended to Spain if mutually satisfactory agreements were concluded in time. In the personal letter to Artajo, it was made clear that the provisions regarding aid to Spain were still based on the assumptions mentioned in the 7 October memorandum, ie. that the agreements would be completed in time to permit suitable provision for such assistance in the FY 1954. This included time required to permit extending previously appropriated funds. Nevertheless if time ran out and it was impossible to obligate some of these funds, they would be carried over into the next FY with the result that new funds which had to be justified by Congress would have to be reduced correspondingly. Consequently the longer it took to complete the three agreements, the more difficult it became to justify previous provisions for aid to Spain. The Federal Budget and the detailed justification for the estimates it contained were under active study and would be presented shortly to the President for approval. Thus as indicated in the October memorandum, the time factor was essential. This meant that the question who of the two negotiation teams was responsible for the time delay arose. The letter not only blamed Spain for the delay but also rejected Spain's demands made in December. It was an offensive letter which clearly showed that Washington had finally abandoned the wait and see policy and was pressing for an answer. Spain's response was awaited anxiously in Washington.

Naturally the Spanish Embassy in Washington was well informed about this. Eduardo Propper seemed somewhat reluctant to react while Lequerica seemed willing

to give in to the harsh treatment by the Americans.⁴⁸ However, the final decision was to be taken in Madrid.

Martin Artajo reacted in a letter, dated 26 March 1953. The contents of the American personal letter were to Artajo "of such gravity that they can have considerable weight upon the execution of the proposed agreements." The Spanish Minister stated that Spain could not in any way be made responsible for the delays in the negotiations. He argued that the delays were caused by 1) the decision by the former American administration to condition the granting of assistance upon the conclusion of a military agreement; that is, the refusal to sign the base agreement separately from the other two; 2) the slowness in reacting to the counter-draft by the Truman administration because of "the necessity of coordinating the points of view of the many interested governmental agencies" that is, to America's wait and see policy; and finally 3) the change of the American administration; that is, to Truman's refusal to tie down his successor. Artajo tried to intimidate the US negotiators, writing that it would be a very serious matter if these complications reduced or delayed the granting of funds necessary for the defence of Spain, since this would weaken the effectiveness of the agreements themselves. He claimed that

"this is precisely the concern which inspired the text of one of the most essential paragraphs of the Spanish counterproposal of December 23, 1952... which foresaw the necessary and desirable parallelism between the development and use of the bases and the strengthening and perfecting of the defensive means of the Armed Forces."⁴⁹

He also suggested referring from now on to the military facilities agreement as the Defense Agreement and thus taking out bad publicity over the use of facilities by making it sound more like a mutual agreement between two equally important nations. Negotiations had clearly become unfriendly. One side or the other had to back down to

48. NA, Civil Branch, Lot Files 59D108, 24 March 1953, Byington, Memo of Conversation.

49. FRUS 1952-1954, Vol. VI, 27 March 1953, Chargé Jones to Department of State, p.1923.

avoid further heated exchanges. The Americans had misjudged Spain's reaction, their hope of pressuring Spain to give up the desired concessions was shattered. A more subtle approach was required.

The situation was so serious that the British Embassy in Washington wrote about the possibility that the talks would end without an agreement because Spain seemed to have lost interest.⁵⁰

C.M. Cianfara of the *New York Times* wrote that the US had three possibilities to deal with Spain's demands. It could drop out and make the communists the sole victor in American rapprochement to Spain. The US could increase its aid to Spain, something Cianfara considered politically unfeasible. Or the US could keep trying to find a compromise through double-talk, hoping Franco would give in.⁵¹

On the other hand Spain liberated her trade by reducing import duties for iron and steel products by 90% starting 1 March 1953.⁵² This favored the expanding American automobile exports to Spain.

On 26 March, it was suggested to the American Embassy by the State Department to reply that the letter by the Chargé, dated 17 March, which resulted in the Spanish outcry, had been drafted with the most friendly motive - to share with the Spanish Government information regarding more difficult problems confronting the US negotiation team. In no way was it meant to assess responsibility for any delays of the talks. Washington was retreating. However, at the same time the US could not accept the statement that Washington was responsible for delaying the negotiations. Therefore the State Department argued that the talks had required considerable time and effort on both sides as a direct result of the many important issues and considerations which had to be taken into account. The State Department argued that the responsibility for the

50. PRO, FO 371.107687, 23 March 1953, Makina, Washington.

51. Theodore Draper, "The Deal we haven't made with Franco", in *Reporter*, 26 May 1953, Vol.8.

52. NA, Civil Branch, State Department Decimal File 1950-1954, 452.003/3-853, 8 March 1953, Embassy to State Department.

Chapter 12: 1953 Final Bargaining

delay was no one's in particular. It was assessed that further talk on whom to blame for the delays would only waste further time and thus should be avoided by both nations until the conclusion of the negotiations.⁵³

Finally, the Embassy in Madrid was advised to send a note that the relationship between military aid and base agreements had been made clear in the 19 April 1952 aide-memoire and the October 1952 note, ie. little or no new appropriations would go to Spain until the negotiations were concluded. Washington was not willing to give up this link. Nevertheless James Dunn decided against sending such a note after a new proposal by Spain had been received in April.

On 23 March 1953, the Department of Defense agreed with the analysis of the Department of State concerning the military aid program for FY 1954 to Spain. It was made clear that the purpose of this particular aid was to provide equipment to the Spanish Forces to assist in the protection of US bases and for training purposes. Nevertheless the Department of Defense also made clear that it considered the \$85 million proposed for the FY 1954 as only the first installment. Thus the report by JUSMG from 20 August was considered compatible with the later report from October 1952. If anything, Martin Artajo's outcry had helped to draw the US Departments closer together in this matter.

During March 1953 General Hoyt Vandenberg visited Spain and in January and April parts of the Sixth Fleet visited Spanish harbours in a friendly gesture. From 9 to 15 January 1953, 25 Spanish Navy and Air Force officers, including three Rear Admirals, had embarked on the US destroyers Brownson and Turner and later on the carriers Midway and Leyte.⁵⁴ This visit was an expanded version of a similar stay of 16 Spanish officers aboard American ships during January 1952. The fact that nine more officers stayed for a long period and were able to visit carriers, shows that the US Navy

53. NA, Military Branch, CD 091.3 Spain 1953, 10 April 1953, State Department Mr Akers to Embassy Madrid.

54. Strategic Plan Division Records, 6th Fleet Annual Report, 20 July 1953, C-in-C 6th Fleet to CNO.

Chapter 12: 1953 Final Bargaining

had had good experiences with visiting Spanish officers in 1952. One could be hopeful that relations between the two services would spill over to the negotiations.

The military establishment still realized the political complications a treaty with Spain might have. On 1 April 1953, General Gruenther, Chief of Staff of SHAPE (Strategic Headquarters Allied Powers Europe), told the Senate Foreign Relations Committee that SHAPE was staying out of negotiations with Spain because:

"It carries with it a connotation of withdrawing to the Pyrenees, and we don't admit we are going to withdraw any place. We want the people that we work with to develop confidence.

The problem that we are facing is basically one of confidence, so that these fellows resume normal commercial relations..."

Given Acheson's statement in January, the US still feared an all out attack on Europe and if such an invasion took place troops might still have to be withdrawn from Central Europe. Gruenther continued "If you give any connotation that there is going to be a withdrawal, they [NATO] are not interested in the liberation period."

This put Spain into a strange position in respect to SHAPE. The General said "I am not trying to say that Spain doesn't have advantages. I am saying that first of all it is not a part of NATO. The reason we stay out of it is that we don't want to have the people of this part of the world thinking of the liberation period." He conceded that Spain had a considerable advantage from the Mediterranean standpoint and some value to the European, but SHAPE had currently no plans to withdraw to Spain in case of military conflict.⁵⁵

On 17 April, Harold E. Stassen, the Director of the Mutual Security Agency, expressed his belief that the USSR could no longer walk over the NATO forces without prior build up. This would give time to the US to prepare for a nuclear attack. Others such as Senator Taft still had skepticism about NATO, at least until the Germans were

55. Executive Sessions of the Senate Foreign Relations Committee, 1953, 1 April 1953, Chief of Staff SHAPE, Washington, 1976/77.

Chapter 12: 1953 Final Bargaining

a full part of it.⁵⁶

Problems during the negotiations between Spain and the US were partly alleviated by the arrival on 3 April in Madrid of Ambassador James Dunn, appointed in January 1953. MacVeagh's position had become increasingly uncertain, as his goodwill towards Spain had led to more demands which the State Department was unwilling to grant. Finally the row resulting from John W. Jones' letter to Artajo left MacVeagh's staff in Madrid on bad terms with the local authorities. After almost twenty years in the State Service Lincoln MacVeagh decided to retire. James Dunn could make a new start. He made his first visit to the Foreign Minister on 6 April. On this occasion Martin Artajo stated that despite the speculation by the foreign press that the agreements were to be signed soon, he assured the Ambassador that he knew that this was not the case. The Minister stated that the real difficulty lay in formulating a proper balance between granting Spanish bases and provisions for economic and military aid. He vehemently defended Spain against a perceived accusation by the US that Madrid had been responsible for the delays of the talks. If Washington had hoped that James Dunn's appointment would give Spain an honourable chance to back down, they must have been disappointed. Artajo was not backing down. Dunn assured the Spanish Minister that the US had no intention of blaming either side for the delays.

On 9 April, Dunn presented his credentials to Franco. Franco expressed his admiration for General Eisenhower. The Caudillo referred to the current negotiations and said that in his original conversation with Admiral Sherman he had expressed Spain's desire to enter into an arrangement which would assign Spain a proper role not only in the defence of its national territory but also outside its territory in case of Soviet aggression. He made it clear that he wanted Spain to align with the West. Nevertheless, the role assigned to Spain was conditional on improvements in her economic and military situation. During the 50 minutes conversation, the Caudillo claimed that

56. Executive Sessions of the Senate Foreign Relations Committee, 1953, 17 April 1953, Report by the Secretary of State, and 28 April 1953, Report by the Director Mutual Security Agency, Washington, 1976/77.

Chapter 12: 1953 Final Bargaining

Spain's industry could produce 1,000 planes annually at costs far below those of other European nations. He also regretted the delays of the talks which according to him were due to misunderstandings on the part of the US concerning Spain's capabilities to contribute to the defence effort and to the increased risks Spain would incur with the establishment of US air bases in Spain. Dunn replied that his Government too regretted the delays but that with the advent of a new administration it had been necessary to reexamine its policy to Spain. According to the Ambassador this had been done and Washington had arrived at the conclusion to continue talks based on the 17 March communication the one which offended Artajo. Franco was appalled and said that this position was worse than any previous one. In return Dunn pointed out that Washington was anxious to be helpful but that there were obvious limitations imposed upon the US Government resulting from developments in other parts of the world. Furthermore, the Ambassador pointed out that the US Government was reducing expenditure in order to balance the budget, an objective which had strong Congressional support.⁵⁷

Shortly after this conversation, 15 April 1953, James Dunn had a meeting with Luis Carrero Blanco, Franco's loyal friend. The Spaniard seemed somewhat uninformed about the latest developments in the negotiations and repeated old arguments put forward by the Spanish negotiators.⁵⁸

Two days later, 17 April, and exactly one month after the American draft, General Vigon handed Kissner the Spanish counter-draft of the military facilities agreement. In this counter-draft the Spanish negotiators clearly backed down on some of their military demands made earlier. The American harsh policy seemed finally to have brought positive results.⁵⁹ Immediately, Ambassador Dunn recommended withholding the note drafted on 26 March, which rejected responsibility for the delays and confirming the April and October 1952 communication, at least until there had

57. FRUS 1952-54, Vol. VI, 9 April 1953, Dunn to Department of State, p.1929.

58. NA, Civil Branch, Lot Files 59D108, 15 April 1953, James Dunn, Memo of Conversation.

59. NA, Civil Branch, Lot Files 59D108, 20 April 1953, Nash to Secretary of Defense.

been an opportunity to study the latest Spanish counterproposal, which had come under discussion between Vigon and Kissner. The Ambassador suggested to the State Department that either he himself, Kissner or Train should go to Washington to discuss this newest proposal by the Spanish team with high officials in the capital.⁶⁰

In the meantime Vigon and Kissner held further talks about the Spanish counterproposal, during which the American was able to negotiate some changes incorporated in a Spanish redraft on 24 April. Nevertheless even this new document still contained two fundamental concepts of the Spanish position which had been previously rejected by the US negotiation team. These were firstly the parallel development between bases and the aid programs and secondly a military aid program designed to equip the Spanish forces adequately to defend all of Spain independently.

Dunn recognized this. Nevertheless, he also pointed out that the concept of parallel development in the new Spanish note was only referred to implicitly and fortunately left the United States position sufficiently protected so as to avoid legal and political complications. Furthermore he said that if the US intended to carry out its commitments to Spain as expressed in the "statement of intent" on 7 October 1952, ie. "support of Spanish defense efforts... by the provision of assistance to Spain over a period of several years", then reasonable military and economic aid had to be provided to Spain during this and the following years.⁶¹ He wrote: "Should there be any intention on the part of the U.S. not to adopt such a premise to the extent possible in implementation of the 'statement of intent', I assume such a decision will have been based upon a determination that the U.S. Government does not need bases on Spanish territory." He called for approval of the Spanish redraft of the Defense Agreement.

In the meantime in Washington the Department of State argued that to accept the military aid program, of such a nature and magnitude as recommended by the JUSMG report from 20 August 1952 would require a major policy change. The negotiators had

60. NA, Civil Branch, Lot Files 59D108, 29 April 1953, Dunham to Secretary.

61. NA, Civil Branch, Lot Files 59D108, 6 May 1953, "US - Spanish Negotiations" for NSC.

been informed about this in September 1952. The State Department advised that the long range planning for US military aid to Spain should be considered in connection with the imminent review of all aspects of the negotiations which would take place as soon as the new Spanish proposal and the negotiators' comments were received in Washington.

The Spanish counter proposal contained some problems which could have been solved by the US negotiators in Madrid. Nevertheless, it also indicated that additional discussions would not further alter the basic Spanish position regarding aid and US obligations in this respect. JUSMG was not in a position to agree to this. The negotiations had reached a point at which a decision by Washington, involving a fresh look at plans concerning the use of military facilities in wartime and peacetime, as well as the parallel development of bases and aid, was required. Accordingly on 30 April Ambassador Dunn, General Kissner and Mr Train were instructed to return to Washington to participate in a thorough review of the negotiations and the preparation of a paper for presentation to the NSC. The consultations in Washington had started earlier but after 4 May they were to include the three important negotiators in Spain, the Ambassador and the two heads of the negotiation teams.

On 29 April 1953, John F. Dulles had told the Senate Foreign Relations Committee that the delay of the negotiations with Spain was due to complications concerning economic aid, equipment for Spain's forces and the military bases. The Secretary of State stressed that Spain's expectations as to what they would receive had been very high. He claimed that the Spanish negotiation team was asking for \$700 million extended over a period of three or four years. Dulles believed that "that is way out of line". Dulles stressed that the air facilities could be duplicated in North Africa but that the Navy facilities could not. The Navy facilities in Spain were irreplaceable for the US.⁶² Thus, Dulles favoured new appropriations for Spain during FY 1954 as

62. Executive Sessions of the Senate Foreign Relations Committee, 1953, 29 April 1953, Report by the Secretary of State, Washington, 1976/77.

well as carrying over the \$125 million from FY 1953 to FY 1954. He argued that this would be necessary for successful conclusion of the negotiations.⁶³

Ambassador Dunn had informed Franco during early May 1953 that Congress had agreed to carry the \$125 million credit to Spain through to 1954 and the possibilities for future credits and grants during the next FY existed. Other nations had given Spain credit facilities. The UK had granted £11 million, Belgium BF 700 million, France FF 15 billion and Germany the equivalent of \$17 million.⁶⁴

On 5 May the President Eisenhower presented his foreign aid program for the FY 1954 to Congress. Concerning Spain he asked for the carrying over of the previously appropriated \$125 million as well as adding an additional \$10 million in new funds for defence and \$90 million for military aid. Naturally this was aimed to help the negotiations.

On 7 May 1953, Dunn explained to the House of Representatives in Washington that the initial delay of the talks had been due to Spain's past neutrality in both World Wars. According to the Ambassador, Spain had wasted six months deciding whether to give up that neutrality. He then claimed that Spain had also hoped for a victory in the US election by Eisenhower, expecting a better deal and thus further delaying the talks. Dunn explained that the US wanted to use military bases in Spain in return for aid. Spain on the other hand was afraid of becoming vulnerable in case of war and thus wanted enough military and economic aid to guarantee its position during a conflict. Ambassador Dunn stated "that one of the elements of Franco's strength is the fact that he has kept them out of war [sic.]". He continued, asserting that Franco would need some substantial gain to which he could point if he should lose the argument that he had successfully defended Spain's sovereignty during the Second World War and could do so again during a new conflict. It was clear that the myth Franco had built up

63. FRUS 1952-54, Vol. VI, 26 February 1953, Secretary of State to Embassy Spain, p.1915.

64. NA, Civil Branch, State Department Decimal File 1950-1954, 852.000/4-2254, 20 April 1954, Spain a Short Economic Review, Chase National Bank of the City of New York.

concerning his diplomatic coup against Hitler was a strong propaganda argument which Franco was reluctant to give up.

Nevertheless, Dunn was enough of a realist to see that Spain could not remain neutral during a new conflict in Europe but this did not alter the fact that Franco and Spain still liked the idea of having the possibility of doing so. Dunn claimed that Franco did not ask for defence of the bases by US troops, Spain wanted to defend them. His soldiers were good but lacked modern weapons.⁶⁵

General Matthew B. Ridgway informed the Senate Foreign Relations Committee about the Soviet threat to Europe. The USSR and its allied troops in Europe were composed of a total of 134 USSR army divisions, 75 satellite army divisions, more than 15,000 planes (mainly Mig15, stationed on 100 major and 200 second class airfields) and over 125 submarines along the coasts. NATO had estimated that it would require 140 army divisions, 12,300 planes and over 3,000 vessels to check this threat. This estimate concerned a long term defence against a Soviet attack. So far NATO had been building up its forces from 14 army divisions in 1950, to 20 divisions in 1951 and to a total of 91 divisions in 1952. Despite this massive build-up, General Ridgway claimed that NATO still lacked sufficient troops.⁶⁶ However, given these numbers it was very likely that NATO forces could delay an attack by the USSR long enough to prepare for a nuclear attack in Europe. Under these conditions, Spain was no longer needed to cover NATO's rear but would play an offensive role if bases in Spain could be used to freely launch a nuclear attack against the USSR.

C. Tyler Wood, Deputy to the Director for Mutual Security told a House Committee in May that the negotiations had advanced encouragingly during the last few weeks. Train and Dunn had already been recalled to Washington for last consultations and to set the next stage of tactics which was under intensive study at the cabinet level

65. LOC, (82) HFo-3, Selected, 7 May 1953, Establishment of U.S. Bases in Spain.

66. Executive Sessions of the Senate Foreign Relations Committee, 9 May 1953, Mutual Security Act of 1953, Washington, 1976/77.

Chapter 12: 1953 Final Bargaining

within the Executive branch. After pressure from the Air Force Department, General Kissner joined them in Washington, coming directly from Spain.⁶⁷

The State Department and Nash, from the Department of Defense, were not happy about Kissner returning to Washington for one week. Since December 1952, the State Department's policy had been to wait and see if Spain abandoned some of her demands. Kissner's return to Washington, while Dunn, Train and MacVeagh were already holding talks, would make Madrid realize that a major review of the entire US position was taking place. Under these circumstances, it was feared that Spain would not accept a reply reconfirming the old US policy. The American negotiators would lose their edge as well as having wasted time checking out Spain's real commitment to the December 1952 proposal.⁶⁸ It was another blunder brought about by the competition between the different American agencies involved in the talks.

During the meetings held in Washington, a memorandum was being prepared for consideration by the National Security Council with the help of Ambassador Dunn, General Kissner and Mr Train. The negotiators and the State Department believed that the Spanish Government would conclude and carry out a base agreement satisfactory to the US if the Executive Branch approved a program of continuous military and economic aid to Spain over a period of several years. It was thus estimated that on top of the \$125 million carried over from the last FY and the new \$101 million requested by the President, a further \$80 million annually or so would have to be appropriated for the next three successive years beginning in FY 1955. This would mean a total aid of \$466 million (FY 1952: \$100 million; FY'53: \$25; FY'54: \$101; FY'55: \$80; FY'56: \$80; FY'57: \$80) over a period of four years. The memorandum concluded with a reiteration by the Department of Defense and the Joint Chiefs of Staff of the urgent importance to US national security of the use of air and naval facilities in Spain.

67. Hearings before the Committee on Foreign Affairs House of Representatives: Mutual Security Program, Wood, 13 May 1953, Washington.

68. NA, Civil Branch, Lot Files 59D108, 7 March 1953, Dunham to John W. Jones, Charge.

Chapter 12: 1953 Final Bargaining

On 11 May 1953, the Planning Board of the National Security Council outlined eight points of Spain's importance to US national security. Bases in Spain would 1) increase military flexibility in peace and war time; 2) disperse units and thus decrease casualties in a sneak attack; 3) provide continuity of the global base structure; 4) allow an expansion of a counterattack from several bases; 5) help control the Western Mediterranean; 6) provide bases for anti-submarine warfare; 7) protect the sea-lanes and; finally 8) guarantee over-flight rights.⁶⁹

On 13 May, Ambassador Dunn, Kissner and Train presented their memorandum to the National Security Council. The National Security Council decided (NSC Action 786) to give the Secretary of Defense authority to further study this proposal. He was granted the right to consider compensating savings in other Air Force programs. If he was convinced by the arguments presented in the memorandum then he should advise the Secretary of State, who was authorized to proceed with the negotiations after the necessary discussions with the Congressional committees had taken place. Furthermore Charles Wilson, the Secretary of Defense, was to report his actions to the next National Security Council meeting. The agreements as proposed by the US negotiators were generally speaking acceptable to the Council.⁷⁰

On 19 May, Secretary of Defense Charles Wilson reported that "after further study, I consider that the use of Air and Naval facilities in Spain are of urgent importance to our national security." It was clear that Spanish airbases had been part of USAF strategic plans for some time and therefore other continental and overseas bases had already been eliminated or deferred. To go back on the base plans in Spain would have seriously conflicted with USAF plans. The Secretary argued that there was no alternative for these bases. According to the instructions of NSC Action 786, he instructed the Secretary of State to continue the negotiations after consultation with the appropriate committees of Congress. Finally he requested the National Security Council

69. FRUS 1952-54, Vol. VI, 11 May 1953, Memo by Planning Board of the NSC, p.1937.

70. FRUS 1952-54, Vol.VI, 13 May 1953, Memo of Discussion, 144th Meeting of NSC, p.1939.

Chapter 12: 1953 Final Bargaining

to note that he was asking the Secretary of State to move towards "early" conclusion of satisfactory agreements with Spain.⁷¹

The next day, 20 May, the National Security Council, meeting in the President's Office, noted Wilson's report and following the Secretary of Defense's report, it was decided, in Action-795, that "the use of air and naval facilities in Spain are of urgent importance to our national security." This action together with the NSC action taken a week earlier authorized the State Department to proceed with the negotiations.⁷² Negotiations continued with a total of \$466 million aid in mind.

The very same month, James F. Dunn explained to the House Foreign Affairs Committee that US aims in Spain were quite simple, if Spain wanted military and economic aid she had to accept a reversal of her non-alignment policy. James C. Dunn said: "We feel that this bilateral agreement with the United States may be the opening phase of getting Spain back into international cooperation and [this] is certainly our purpose".

On 4 June 1953 representatives of the Departments of State and Defense and of the Mutual Security Agency talked with the European Subcommittee of the House Foreign Relations Committee. The Executive Branch was willing to commit itself for an aid period beyond the FY 1954. However it could not force Congress to do the same. The risk of Congress not making a financial commitment beyond 1954 and thus undermining the whole relationship, meant that the Executive Branch wanted to avoid Congressional debate on the issue altogether.⁷³ Senator Knowland was one of the Senators on the Foreign Affairs Committee who initially supported the idea of establishing the bases through Congressional approval but eventually changed his mind

71. NA, Military Branch, NSC 72 Background Information, 19 May 1953, Report by the Secretary of Defense under NSA Action No 786c.

72. NA, Civil Branch, Lot Files 59D108, 22 May 1953, Negotiating Base Rights with Spain; 5 June 1953, Merchant to General Smith; NA, Military Branch, NSC 72/6 Progress Report, 15 February 1954.

73. NA, Civil Branch, Lot Files 59D108, 4 June 1953, Report of Meeting with European Consultative Subcommittee.

Chapter 12: 1953 Final Bargaining

and argued against such a move.⁷⁴ Congress would have to approve the funds annually rather than in one lump sum, thus leaving more freedom in the future. Senator Alexander Wiley, generally agreeing to the agreements with Spain, supported the idea of allowing Congress flexibility in the future. Senator George agreed that Spain was vital to the defence of North Africa and the Middle East but did not favour limitations on Congressional appropriations either. In contrast, Senator Fulbright, strongly opposed to any alliance with Spain, had proposed a motion to cut the aid to \$50 million and Senator Green had seconded him in this motion. However, Fulbright was outnumbered, and his motion from the 9 June was defeated five to two.⁷⁵

Later that month, Mr Wood, Deputy Director of the Mutual Security Agency, pointed out that it was important to quickly get the \$125 million for FY 1954 to Spain and through Congress, as this would be a leverage for the negotiation team. Presumably this leverage was needed as Spain wanted to see an early and continuous commitment by the US towards the defence of the Peninsula. However, granting aid before the agreements were signed was giving up a strong bargaining position.

On 9 June the representatives of the Departments talked to the corresponding Committees of the Senate. Senator Bridges, Chairman of the Senate Appropriations Committee, was also briefed on the negotiations. Frank C. Nash, the Assistant Secretary of Defense, made the most revealing statements. He started talking about visits to Spanish ports, then stressed that Spain had no Communist threat like France or Italy and the costs of constructions in Spain were low because there was not going to be any import tax for construction or maintenance supplies, and the land required would hardly cost anything. He saw that the Defense Agreement might pose some problems for Spain and could further delay the talks because of Spain's attempt to gain a stronger commitment from the US and due to the secret agreement within the Defense

74. NA, Civil Branch, Lot Files 59D108, 22 June 1953, R.K. Scott to General Smith.

75. Executive Sessions of the Foreign Relations Committee, 1953, 10 June 1953, Mutual Security Act, Washington, 1976/77, also in LOC, (83) SFo, 1000, No.10, 10 June 1953, MSA.

Chapter 12: 1953 Final Bargaining

Agreement.⁷⁶

The Assistant Secretary made it clear that bases in Spain were desirable because bases in Morocco, which might have been used for similar military purposes, had limitations due to political instability. He confirmed that Rota, Cadiz and four other bases were already in the advanced stage of planning. He estimated that economic assistance would generate savings for the base costs of roughly \$55 million over four years. Thus the total costs would be around \$760 million over four years (\$351 million military bases + \$466 aid - \$55 savings = \$762 million).

Nash also pointed out that he believed that Spain was not too interested in the actual dollar amounts but simply wanted to know if the US was willing to enter an honest relationship, or was just buying land in Spain. This implied a commitment of troops and airplanes to secure bases and anti-mine and anti-submarine assistance to keep Spanish ports open.

Nash summed up the aims of the American armed forces. The Army wanted geographical sites of bases in Spain as well as "getting Spain on the right side." The Navy needed Rota as well as British Gibraltar because "we [the US Armed Forces] want to have our hand in there, too." Rota would increase US Navy independence during operations in the Mediterranean.

More revealingly, Nash pointed out that "if we have that in hand [the three agreements] by virtue of the execution of an agreement with Spain, in my judgment, my personal judgment, it will have a strong effect indeed in pushing the progress of the consummation of the EDC [European Defence Council]." Apart from the strategic considerations, Spain fulfilled the function of a possible threat to French opposition to US plans for the defence of Central Europe. Following the outbreak of the Korean war, America had begun pressing for a European integrated force under a centralized command which was to include German troops. This would have eased pressure on the US defence budget. France, feeling the impact of the Korean war less and fearing

76. LOC, (82) HFO-3 Selected, 4 June 1953, Negotiations for US Bases in Spain.

Chapter 12: 1953 Final Bargaining

Germany's remilitarization more, countered with a plan, the Pleven Plan. It called for small national contingents integrated in a unified European army with a common budget and supranational control. Initially Washington feared that this was not more than an attempt to delay German remilitarization, thus the State Department wanted to continue pressure on France. Spain, by giving the US an alternative to the Pleven Plan and a possibility to withdraw from France, fulfilled this function. Nash continued, "he [Adenauer] pointed out that [if] the United States was going ahead with these negotiations with Spain... [then] the United States might be forced to contemplate a reappraisal of its strategy in Europe." Finally Nash made clear what he believed Spain apportioned to US strategy in European politics: "I think it is an important ace in the hole in this important poker game that we are playing now, and I think if we had that ace in the hole we would have a better negotiating position." A better negotiating position in Europe would help US policies. However, even if the talks with Spain failed to push France towards accepting the integration of a remilitarized Germany into the NATO, the US would have at least gained another ally.⁷⁷

77. Executive Sessions of the Senate Foreign Relations Committee, 1953, 9 June 1953, Frank C. Nash, Assistant Secretary of State, Washington, 1976/77; and LOC, (83) SFo, 1000, No.10, 9 June 1953.

Chapter Thirteen

June 1953
Back to Madrid

Chapter 13: June 1953 Back to Madrid

On 12 June 1953 the consultations with Congress were concluded and the American negotiation teams were informed that they would receive instructions shortly. In the meantime they were authorized to inform the Spanish Government that the Executive Branch had requested another \$101 million. Given the complications in March this must have come as a great relief to Spain.

While these developments took place, a last outcry against the proposed agreements came from the US Army. The Army Chief of Staff had realized that due to the political climate in Europe, Spain could only be integrated into NATO after considerable complications had been overcome. The reason for this was both French and British opposition. In May some administrators in the military establishment started arguing that military command structures outside NATO were undesirable. If political aspects really overruled military ones, then Spain should be included in NATO instead of entering bilateral agreements.¹

Brigadier-General Bergquist from the US Army argued that "no steps should be taken by us which would endanger, or even delay, attainment of full Spanish participation in NATO." The Army General claimed that the proposed organization discussed in Madrid did not dovetail with existing military organizations in Western Europe, in particular not with the Mutual Security Agency organization. The General concluded that entering the agreements was therefore not in the interest of the US.²

This ran counter to Spain's interests. Bergquist pointed towards a speech held by the Spanish Lieutenant-General Martínez Campos, before top military experts in Spain, including General Vigón, during which he had claimed that Spain should join the Western Defence slowly and with dignity. This was an indication that Spain preferred a

1. NA, Military Branch, Army Chief of Staff Decimal File 091 Spain 1951-52, 8 June 1953 Discussion on U.S. Military Command Structure in Spain, letter from 26 May 1953 by Brig.-General E.C. Bergquist, Chief Army Section.

2. NA, Military Branch, Army Chief of Staff Decimal File 091 Spain 1951-52, 26 May 1953, Bergquist to Maj.-Gen. Clyde D. Eddleman, USA.

Chapter 13: June 1953 Back to Madrid

bilateral agreement before rushing into NATO.³

As agreed after Congressional consultation, on 20 June 1953, instructions were sent to the American Embassy in Spain to proceed with the negotiations.

The instructions contained changes in the wording of the base agreement. The more important ones were the insertion in Article 1 of necessary safeguards regarding the furnishing of military equipment and the deletion of a phrase which might have implied Spanish priority for military end-item aid over NATO. The American Embassy was also told that Spain should be informed that the total aid envisaged by the US did not exceed \$466 million and was subject to future Congressional appropriation.

Despite authorizing the Ambassador to proceed with the negotiations, he was told that the signing of the agreements depended on obtaining further legislative authority. Washington was considering whether to conclude the agreements in the form of an executive agreement without prior Congressional authorization or in the form of a treaty. One view was that the agreement, because of its importance and duration, had to be submitted to Congress as a treaty. Another was that the abandonment of the executive agreement process, as a general pattern, would seriously jeopardize most of the current base rights with other countries and critically affect the American defence position. In either case, congressional consultation was required.

The American Embassy in Madrid wanted to defer advising the Spaniards about the possible necessity of obtaining further congressional authorization because of the adverse effect this might have on the negotiations at such a late stage. The last time Spain had been informed about a similar problem, in a personal letter to Artajo on 17 March, the progress of the talks was seriously endangered by the Spanish Minister's defiant reply. Washington agreed to this suggestion by the Embassy and Spain was not informed about the legal complications.

In the meantime, the economic teams of the two countries discussed future

3. NA, Military Branch, Army Chief of Staff Decimal File 091 Spain 1951-52, 23 March 1953, Campos speech.

Chapter 13: June 1953 Back to Madrid

credits of between \$200-400 million. This credit was not only meant for military installations but also for economic aid and to improve Spain's infrastructure. In return the Spanish Government was willing to drop the strict 25% limitations on foreign capital for one which allowed foreign investors to hold control over 45-50% of Spanish companies.

Train and Argüelles met on 2 July. The next day they were joined by General Kissner. The Spanish team proposed to split the already appropriated funds as follows: the newly appropriated \$101 million were to be divided into \$91 million military aid and \$10 million economic aid; the \$125 million carried over from the last fiscal year was to be split similarly into \$37 million and \$88 million.

Overall, Argüelles felt that more economic aid was required. In this context, he made it clear that he did not yet understand the actual procedure of the construction of the bases but he wanted the Spanish Government to participate in the project. More importantly though, he pointed out that he did not fully comprehend some of the facts which General Kissner had pointed out during the discussions but he was sure that top Spanish officials would. This was a reference to the legal restraint under which the American Executive was conducting the negotiations in regard to the future appropriation of funds. As agreed in Washington, the American negotiators were not to disclose these financial limitations and therefore some of the explanations given had been intentionally vague.⁴

The problem was being addressed in Washington. On 9 July 1953, John F. Dulles had a conversation with Congressional leaders. It concerned the question of Congressional authorization for the Spanish and other base agreements. Again the question posed was whether the US should adopt the form of executive agreements or treaties concerning the use of foreign military facilities. The latter required Congressional approval by 2/3, the former did not.

4. NA, Civil Branch, Lot Files 59D108, 3 July 1953, Memorandum of Meeting, 3 July 1953, Arguelles - Train - Kissner.

Senator Knowland, who had become the mentor in Congress for the appropriation of the funds, approved that the President could enter agreements without additional legislation, particularly as future commitment for funds was subject to congressional appropriation anyway. The issue was brought up again in a meeting with eight other Senators and four Representatives later in July. There were no dissenting points of view.⁵ Evidently the view of those present was that past procedures with respect to base agreements could be appropriately continued. However, some Senators pointed out that future commitments were subject to Congressional appropriations and neither they nor Congress could guarantee these at the time. Furthermore, Senator Saltonstadt said that the actual construction of bases was also going to be subject to approval by the Armed Services Committee. Overall, the conversation made it clear to Dulles and the President that they did not require Congressional support to sign the agreements. The Secretary of State informed the Senators that the negotiations would proceed accordingly and that the appropriate committees of Congress were going to be advised on the negotiations.⁶ On 15 July the President officially approved the course agreed with Congressional leaders.

The President, his legal advisors, the Attorney General and the State Department all realized that future legislative appropriations were required for the funds. For the Executive the question remained whether to inform Spain about this legal complication or not. The State Department favoured disclosure of the fact to Spain. However, problems arose in the Department of Defense. On this issue, the Department of the Air Force favoured a policy of secrecy. This would have secured the agreements with less complication but might have led to severe strain on relations with Spain if Congress refused to appropriate the necessary funds. The other services wanted to disclose the restraint on the Executive. It was only after Frank Nash overruled the Air

5. NA, Civil Branch, Lot Files 59D108, 15 July 1953, W.K. Scott to Merchant.

6. JFD Papers, Herter Collection, Box 1, 14 July 1953, also in NSC 72/6 Progress Report, 15 February 1954.

Force that it was decided to go ahead and inform the Spanish negotiators of this legal complication.⁷

The fact that no further legislative approval of the base agreements was required did not mean that Congress fully supported the agreements with Spain. It only meant that for the time being Congress was sidelined. Only future appropriation of funds were still controlled by the legislative and these were certain as Congress was still divided between those who favoured Spain's inclusion into the western defence structure and those opposing it.

Senator McCarran (Democrat/Nevada) continued his crusade for Spain: "We need Spain and Spain needs us. We cannot afford to dilly-dally." and "The present Spanish Government is violently opposed to communism. So are we... Let us lend aid to those who will aid us in the crucial hour." McCarran explained unfriendly US - Spanish relations up to 1950 as a misunderstanding. He argued that Spain really had been a neutral nation during the world war, even supporting the Allies during the North African invasion. He argued that only the Soviet propaganda had labeled her pro-Axis. Therefore, he suggested that "there should be an immediate agreement" with Spain as "communis[m's] enemies are our allies."

Representative Dewey Short (Republican/Missouri) supported McCarran. He pointed to 4,000 pilots who sought refuge in Spain during the war and were released to "fight another day". He believed that Spain added valuable manpower to the West. Furthermore he claimed: "Our aid to Greece and Turkey... is obviously intended to safeguard the eastern doors to the Mediterranean. Common sense demands similar attention to the western door, to which Spain holds the key."⁸

Senator Owen Brewster (Republican/Maine) argued along the same lines stressing Spain's past: "The Franco regime is the one government in all the world which has been successful thus far in dealing with communism and is least likely to

7. NA, Civil Branch, Lot Files 59D108, 22 June 1953, Dunham to MacVeagh.

8. "Spain moves into the Defense Picture", in Congressional Digest, March 1953.

succumb to its blandishments or its dominations". He therefore advocated economic aid to Spain as this was the best way to stop the spread of Communism.

Senator Hickenlooper expressed his belief that Spain was the only sure thing the US had in Europe in case of war with the USSR. However, Spain had received little by June 1953 and yet, according to Hickenlooper, had guaranteed a lot.⁹ He also asserted that

"for every dollar we spend in Spain, we will get more ultimate long-range protection than [in] any other place in Europe. That isn't because of the Spanish Government, necessarily, but it is because of the geographical location of the place, and at least the present determination of the Spanish Government to resist to the last ditch the Communists."

The Senator upheld that Spain had a good credit record as reflected in the payments concerning the takeover of Telefonica.¹⁰

Others simply saw the US policy as a necessity and rather than supporting it, tried simply to justify it. Representative Leon H. Gavin (Republican/Pennsylvania) said: "If we ever get into a brawl... I want to be certain that Tito is on our side. But if we join as partners with Tito, why not with Franco?"

Senator Mike Mansfield (Democrat/Montana) simply claimed that Spain was a purely military issue and not a political one and as Generals Eisenhower, Bradley and Ridgway, all military experts, stressed Spain's importance, the issue was settled for Mansfield.¹¹

Not all were convinced. Many Senators strongly opposed a deal with Spain. Representative Emanuel Celler (Democrat/NY) argued: "We cannot subscribe to the

9. Executive Sessions of the Senate Foreign Relations Committee 1952., 9 June 1953, Washington, 1976/77.

10. Executive Sessions of the Senate Foreign Relations Committee 1952, 10 June 1953, Mutual Security Act, Washington, 1976/77

11. Executive Sessions of the Senate Foreign Relations Committee 1953, 9 June 1953, Washington, 1976/77.

Chapter 13: June 1953 Back to Madrid

non sequitor that an enemy of an enemy is a friend. Must Uncle Sam love Franco because both hate Russia?" Celler then made the interesting point that:

"by no stretch of the imagination would Franco Spain throw its lot in with the Russian cause. No pact of ours need shape Spain's policy in that direction. It is already shaped. The word 'welcome' would be on the Spanish mat to American aviators. There is no need to buy that welcome."

However, the Spanish mat for the US with its 'welcome' on it, was small, dirty and, without substantial investment, useless. Spanish airfields were too small, so small that not all US planes were able to land there. Thus before aviators could use facilities, Spain had to have appropriate airfields, a modern communication system and a decent transportation network to supply a modern army. This required US economic aid.

Was Emmanuel Celler wrong when he said that Franco would never join the USSR side? As long as the USSR was not to pose a threat to the survival of Spain, Franco had no desire for relations with the USSR. However, if Soviet Divisions overran Germany and France and Soviet troops were concentrated along the Pyrenees , then Franco might have sold out base rights to the Soviets for a guarantee of his position in Spain. It is even likely that he would have explained his anti-communist policy as being forced upon him with oil embargoes by the West. The Blue Division would have become part of a western conspiracy against the USSR forced upon Spain. Franco would highlight his closeness to Hitler as long as the Hitler - Stalin pact was in force. The Caudillo could further claim that once Hitler broke it, Franco moved away from Germany, a clear sign that Spain's sympathy lay with the USSR first and foremost, then with Fascism and always against the capitalist states of the West. Franco would have tried to rewrite his own history as well as offering to close the Strait of Gibraltar in return for his survival. A second set of lies would have formed a new Franco myth.

Representative Celler was not the only one in Congress who was unconvinced by the negotiations. Senator Herbert H. Lehman (Democrat/NY) argued against US - Spanish agreements from a simple ideological standpoint. With such an agreement, he

argued, "We are saying to the world that we are willing to support Fascist nations, nations which have disregarded and repudiated all their obligations to humanity." Furthermore, he drew attention to the fact that an alliance with Spain gave the USSR propaganda material and was strongly opposed by European allies.¹²

Lehman was supported by Representative Chet Holifield (Democrat/California), who said: "Until Spain changes her robes of dictatorship for garments of freedom, we cannot, we must not feed the flames of Soviet propaganda by courting this Fascist regime." For Holifield the US was not only fighting communism but all totalitarian regimes including Spain.¹³

Representative Jacob Javits (Republican/NY) said that an agreement with Spain would give the impression that the US would withdraw behind the Pyrenees in case of Soviet attack and ran counter to NATO members' interests. Furthermore, Javits pointed out that Spain's economy stood for everything the US tried to avoid, regulated trade, centralized planning and an unfree market.

Representative John Kee (Democrat/West Virginia) supported this with the example of economic regulations concerning oil. Foreign oil trade was allowed to provide for only a maximum of 40%, the remaining 60% had to be provided by Spain's oil companies.

Nevertheless, attempts to make cooperation with Spain more difficult were defeated in Congress. Senator Fulbright's attempt, supported by Senator Tobey, to cut aid to Spain from \$125 million to \$50 million was defeated in the Senate because some, such as Senator Mansfield, greatly valued Spain's strategic importance.¹⁴

It became apparent to the negotiators at this critical phase that the effect of congressional action concerning the proposed \$226 million on the foreign aid

12. "Spain moves into the Defense Picture", in Congressional Digest, March 1953

13. "Spain moves into the Defense Picture", in Congressional Digest, March 1953.

14. Executive Sessions of the Senate Foreign relations Committee 1953, 9 June 1953, Washington, 1976/77.

Chapter 13: June 1953 Back to Madrid

appropriation for Spain during FY 1954 was a crucial factor. Ambassador Dunn cabled on 29 July: "if Spain does not get the \$226 million or very near that amount, the department should consider the probability of a complete breakdown of the negotiations."

Senator McCarren and Senator Ferguson took opposite sides on this issue on 3 August 1953. Senator Ferguson indicated that the \$125 million for Spain appropriated for the FY 1953 would be carried over by Congress but it was very likely that the \$101 million in new funds, recommended by the Executive Branch for Spain, might have borne a proportional share of the over-all congressional cut in foreign aid funds for FY 1954. McCarren vehemently opposed this. Subsequently on 1 September the Departments of Defense and State were informed and welcomed the fact that the \$10 million economic and \$91 million military aid originally proposed for Spain would be retained without any reduction.

Other supporters of close Spanish - American relations were former ambassador Charlton Hayes, who pointed to strong cultural links between Spain and American nations. Dr. Sidney Sufrin who explained the economic benefits for both nations of an agreement. Dean Acheson, on the other hand, opposed close relations until Spain loosened her grip on freedom, liberty and its economy.¹⁵

British opposition against the agreements was by now silent, only the Socialists and trade unions opposed US policies internationally. France and Italy faced internal problems and had to accept the new American initiatives in Spain. This gave the Eisenhower administration a freer hand in Spain.

Indeed by June 1953 Spain had resumed military contact with Western Europe. Military missions to Spain arrived from Britain under Air Commander John Fressanges, from France under General Goisland, from Italy, Germany and Belgium. The Spanish headquarters of Allied Emergency Forces was established in Madrid. French observers were at manoeuvres at Navarra. France and Spain had even entered

15. "Spain moves into the Defense Picture", in Congressional Digest, March 1953.

talks concerning allocation of French troops in sectors of Spain's defence. It was established that in case of an attack on Europe, Spain would defend the Pyrenees, allow French African troops to use Spanish ports, French airplanes to use Spanish airports and French troops to pass through Spain. France even accepted that French troops seeking refuge in Spain would operate under Franco's and not NATO command.¹⁶ All this from the country which had sent planes to the Second Republic.

Many more countries had signed Treaties of Friendship with Spain, these included a block of four Latin American countries, Nationalist China, Liberia and Iraq.¹⁷ In a gesture of benevolence, the Japanese crown prince visited Spain during late June.¹⁸

In Britain, ever since the Spanish military attaché had expressed interest in British military equipment (above all vehicles, Spitfires, Seafires and plane engines), the Ministry of Defence and the Ministry of Supply wanted to relax trade restrictions. The revision of these had been going on since late 1952.¹⁹ One day after the agreements between Spain and the US were signed, the Joint War Plans Committee met. It was decided that the agreements pushed the UK to revise its trade policy and abandon coordination with France.²⁰ During November, the Cabinet decided to relax export restriction to Spain.²¹

Spain's Catholic opposition to the improving relations with the US was silenced by the Spanish treaty with the Vatican, 27 August 1953.²² Only complications between

16. "Spain: citadel for NATO", in UN World, June 1953, vol.7.

17. BFSP 1952, Vol.159, p.600/603; and BFSP 1953, Vol.160, p.626/628; for Iraq BFSP 1951, Vol.158, p.834.

18. PRO, FO 371.107669, 8 July 1953, Monthly Political Summary, June 1953.

19. PRO, FO 371.107682, 18 November 1953, FO Minute, G.P. Young; DEFE 7.840, 19 June 1953..

20. PRO, DEFE 7.840, 29 September 1953, Extract from JWPC Meeting, 29 September 1953; 20 October 1953, Memorandum by the Ministry of Defence.

21. PRO, DEFE 7.840, 5 December 1953, Foreign Office.

22. BFSP 1953, Vol.160, p.698

Madrid and Washington delayed the signing.

Final discussions were held in Washington. Since the Armed Services Committee, which still had to approve the base construction, had not been previously consulted, arrangements were made to do so. Mr Smart, Clerk of the House Armed Services Committee, was briefed on 20 July 1953 by representatives of the Departments of Defense and State. Following this the Committee itself was briefed a week later.

One day earlier, on 26 July, the Spanish counter-draft of the Defence Agreement was received by Kissner's team in Madrid. It contained nine minor changes which the US negotiators in Spain approved and others which were not acceptable and had to be addressed in Washington.

Spain wanted, by implication only, to make the authorization of the use of military facilities in Spain dependent on the fulfilment of the US aid program, a watered down version of the "parallel development". Furthermore, Spain wanted to authorize the use of Spanish facilities by US forces for the "effective air defence of Spain". This latter indirectly implied a US guarantee of Spanish security. Neither of these two changes were acceptable to either the US negotiations teams or Washington. Spain also wanted to eliminate a clause inserted by the US which made future aid dependent on Congressional appropriations. Washington also decided to keep this clause so that the US position would be legally acceptable.

Another change referred to Spain's case "as in the case of other friendly nations", this implied Spain's equivalence with other NATO nations. The US negotiators had agreed to this at one time, but had eliminated it from the US draft on 20 June because it could be argued that, in this context, it implied that NATO was not given priority in military end-items over Spain. The Spaniards wanted the clause to be reinserted. They were worried that its omission might imply some sort of political discrimination against Spain. Washington only reluctantly agreed to reinsert this phrase in the interest of early success of the negotiations.

On 29 July 1953 a telegram was sent from Washington to Madrid which

included the reaction of the administration to Spain's counter-draft and was to be submitted to the Spanish cabinet before their meeting on 11 August. It agreed to all Spanish demands apart from 1) implied parallel development Bases- Aid Program and 2) indirect obligation by US to use bases in defence of Spain. General Kissner who received it realized that it was not properly marked with the official "USNEG" and thus was not an official instruction for him. The Chargé John W. Jones believed that this was due to a clerical error and was indeed a "USNEG" paper. The matter was further complicated due to Ambassador Dunn having an operation and having to spend four days in hospital.²³ Kissner decided not to follow the instructions until Jones had confirmation that the telegram was indeed a "USNEG" document and even then he did so against his personal judgement.²⁴

By August 1953, the Base agreement had two phrases left which were incomplete and some changes had been suggested by Spain in the Technical Annex. The military aid agreement had only one minor complication left. The economic aid agreement was acceptable to both parties and Washington still had to consider Spain's counterproposal concerning taxes on construction imports.²⁵

The counter-draft by the Spanish negotiators dispelled speculation by Western Europe that the signing of the agreements was eminent.²⁶

In a meeting held on 11 August, the Spanish Cabinet considered the agreements as proposed by the US. They decided to reject the latest US counterproposal and made further minor changes in the texts. Consequently, in a meeting with General Vigon, Kissner was able to negotiate restoration of certain American proposals. Afterwards, Vigon was able to clear these changes with Franco. In order to consider the latest

23. NA, Civil Branch, Lot Files 59D108, 28 July 1953, Dunn to Livingston T. Merchant, Assistant Secretary of State.

24. NA, Civil Branch, Lot Files 59D108, 19 August 1953, John W. Jones to William Dunham.

25. NA, Civil Branch, Lot Files 59D108, 11 August 1953, Dunham "Status of Nego with Spain".

26. PRO, FO 371.107686, 24 July 1953, Balfour, Madrid.

Spanish revision, General Kissner flew to Washington on 23 August 1953.

On 27/28 August the Ambassador in Madrid saw Artajo who handed him a personal letter from General Franco to President Eisenhower.²⁷ James Dunn took this letter personally to Washington on 30 August. In the letter Franco expressed his concern over the way in which the negotiations were developing. He considered that they were descending to an inappropriate level and that their slowness might create an atmosphere of mistrust and suspicion. According to the Spanish dictator, American negotiators seemed to have been more interested in the texts of the technical agreements which "refer to details which are of interest to the US but do not specify reciprocally the detailed provisions affecting Spanish aid." Franco wrote that the whole structure of the agreements "will not be completed until, at the proper moment, there is added to it the appropriate annex concerning the details of American aid towards the equipping of our armies." The dictator was very much fearing the destruction of Spanish towns in case of war. He believed that the US had not shown proper interest in Spain's defence preparations and urged Eisenhower to help Spain defend herself against aerial attacks.²⁸ It was quite apparent from his letter that General Franco aimed for early delivery of equipment for Spain's aerial defence. Nevertheless, he did not at this stage insist on an annex setting forth the precise details of US military assistance.

James Dunn had been informed through Artajo, on 28 August, that Franco feared that the talks were being delayed by a group trying to block the arrangements or alternatively, that Franco feared that the US Government mistrusted Spain's commitment. Nevertheless it was clear that the final stage of the negotiations was reached.²⁹

In Washington, the question was raised which authority would be in charge of

27. NA, Civil Branch, Lot Files 59D108, 31 August 1953, Dunn to Secretary of State.

28. FRUS 1952-54, Vol. VI, 22 August 1953, Franco to Eisenhower, p.1950.

29. NA, Military Branch, NSC 72/6 Progress Report, 15 February 1954, also FRUS 1952-54, Vol.VI, 31 August 1953, Dunn to Secretary of State.

Chapter 13: June 1953 Back to Madrid

the construction of the bases in Spain. The Department of Defense recommended in a letter, 4 August, to the State Department that USAF and not CINCEUR (Commander in Chief Europe) as in normal procedure, should have authority over the construction of the bases. This was done because it was assumed that it provided for a better coordination on the American side. The arrangement also made it easier to cooperate with the Spanish authorities and above all it avoided direct clashes with the NATO structure.³⁰ After further consultation, the proposal was accepted on 15 August.

After consultation with the Secretary of State, Ambassador Dunn flew to Denver on 5 September to see the President. There Dunn delivered Franco's letter to General Eisenhower together with a draft reply to the letter concurred with the Defense and State Department. The reply, as later approved by the President, stated that he shared Franco's regret over the delay of the talks caused by the necessity to hold discussions in great detail. However, he claimed that this should not give rise to mistrust or suspicion. Many technical details in the negotiations arose from legislative practices in the US. The President informed Franco that US aid to Spain would give priority to military end-items but these could not equip Spain's land force more than the draft Defense Agreement allowed. Eisenhower confirmed that discussions would go forward regarding the programs covering military and economic aid. He hoped that Ambassador Dunn, taking back to Madrid the last instructions, would be able to conclude all the agreements without further delay. The American head of state stressed the importance of Spain's air defence requirements and the fact that the US was aware of these. He tried to dismiss Franco's fears about the safety of Spanish cities.³¹

Before their return to Madrid, Ambassador Dunn and General Kissner attended a conference over the wording of the texts and took with them their instructions concerning final US changes in the Mutual Defense Agreement, the Technical

30. FRUS 1952-1954, Vol. VI, 4 August 1953, Deputy Undersecretary of State Matthews to Deputy Secretary of State Kyes, p.1948.

31. FRUS 1952-1954, Vol. VI, 3 September 1953, Eisenhower to Franco, p.1955.

Chapter 13: June 1953 Back to Madrid

Agreement and schedules and the Tax annex together with authorization to conclude these agreements when they believed they had obtained the best position possible.

Concerning the Defense Agreement, Dunn was instructed to seek changes in the controversial wording of two paragraphs of Article I. Nevertheless, he was given the authority to accept the Spanish formulation if the Spaniards remained adamant. Finally, the Ambassador was to deliver a confidential note to the Spanish Government which guaranteed, in connection with Article I of the Defense Agreement, a total aid program in the amount of \$466 million over a period of several years.

The last differences were ironed out in a series of meetings between the Spanish Foreign minister and the American Ambassador to Spain. The first of these took place on 10 September 1953 at the Club Marítimo of Bilbao. The meeting, which was to start at 11.00 am was delayed because Artajo, arriving from San Sebastian, was more than half an hour late. It lasted until 3.15 pm by which time the two sides had almost settled the defence agreement.³²

In order to avoid a similar mishap by the Spanish Minister, the next meeting was held in San Sebastian on 17 September 1953. It was scheduled to start at 5.00 pm. Arriving by car from Madrid, Ambassador Dunn left with plenty of time and arrived by 2.00 pm, three hours early. During 75 minutes most complications in the other two agreements were solved and only minor discussions had to take place.³³

Shortly afterwards the appropriate Congressional Committees were informed. Ambassador Dunn reported on 14 September that he and the Spanish Foreign Minister had settled the Defense Agreement. One week later the other three documents, the Economic Aid Agreement, the Military Agreement and the Technical Schedules, were completed.³⁴ These last three presented little difficulties.

32. NA, Civil Branch, Lot Files 59D108, 15 September 1953, Memo "Meeting in Bilbao, 10 September, between Dunn and Artajo".

33. NA, Civil Branch, Lot Files 59D108, 17 September 1953, Memo "Meeting in San Sebastian on September 17 between Dunn and Artajo".

34. NA, Civil Branch, Lot Files 59D108, 26 September 1953, "Details of Spanish Base Negotiations".

As the signature with Spain was only days away, the Chief of Naval Operations argued that Spain was ideal for the Sixth Fleet's headquarters. He argued that France would object to the use of their facilities and Italy would be associated with political complications. The area around Cadiz was the best possible solution.³⁵

The US could by now offer Spain \$75 for economic and \$50 million for military aid during the FY 1953. During the FY 1954 Spain could expect \$91 million in military aid and \$10 million in other aid.³⁶ Wilson, Secretary of Defense, informed the Joint Chiefs of Staff that a total of \$141 million would be available for the Mutual Defense Agreement Material and Training Programs for Spain, ie. \$50 for FY 1953 and the full \$91 million for FY 1954.³⁷ On 17 September Wilson asked the Joint Chiefs of Staff to recommend a division of the initial \$141 million military aid between the three services.³⁸

Two days before the signing of the agreements, Dunn confirmed to Artajo that the US was planning to spend \$465 million in Spain, of which \$226 million had already been appropriated by Congress.³⁹ The \$465 million would be split \$390 million in base construction costs and military aid and \$75 million in economic aid. The \$226 million had been appropriated in three stages \$100 million, \$25 million and \$101 million and was to cover all economic aid, base costs and military aid during the first two years. The rest of the money, at least \$239 million, could be either appropriated by the next Congress for future FY or otherwise the Executive could make these funds available through the Department of Defense allocations for the armed forces overseas base

35. NA, Military branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 12 September 1953, Memo Chief Naval Operations to JCS.

36. NA Military branch, CD 091.3 Spain 1953, 15 September 1953, N.E. Halaby Deputy Secretary of Defense to Secretary of Defence.

37. NA, Military Branch, CD 091.3 Spain 1953, 17 September 1953, C.E. Wilson to JCS.

38. Watson, Robert J., The JCS and National Policy 1953-1954, Washington, 1986, p.295.

39. FRUS 1952-1954, Vol. VI, 24 September 1953, Dunn to Artajo, p.1957.

programs or alternatively through the approval by the President of funds under the Mutual Security Act for Spain. Thus the Americans were able to guarantee the aid to Spain without causing legal complications.

There was a last minute fear in the State Department that the wording in the Defense Agreement "to cooperate with the Spanish air force in air defense" committed US forces to Spain's air defence. This would have required Senate ratification. Bonbright, Deputy Assistant Secretary of State, argued that the insert "in air defense" should be taken out. Nevertheless, the Department of Defense was of the opinion that this was not needed, as no implication of military support for Spain had been made. On 25 September the Secretary of State decided that the Department of Defense analysis was to prevail. Cooperation did not necessarily mean military commitment because the USAF would have the option of removing its personnel from Spain in the event of a military action in which it did not wish to become involved. Thus cooperation would not commit US soldiers. Military cooperation with Spain was obviously very likely but certainly not mandatory. It was a legal and not a strategic matter.⁴⁰

In July 1954, after the agreements had been signed, Harold Stassen, Director Foreign Operations Administration made it clear that Spain could not be defended without defending the US air bases and vice versa. This removed the legal possibility to remove troops and planes from Spain in order to avoid defending Spain in a crisis which Washington did not want to get involved. Thus Spain had de facto received the final commitment by the US to defend her territory in case of being attacked.⁴¹ The Executive, on the other hand, had bypassed Congress and indirectly committed American forces to the defence of a foreign nation.

This was done because the Department of Defense had argued that any changes

40. FRUS 1952-1954, Vol. VI, 25 September 1953, Memo Secretary of State to Bonbright, p.1959.

41. Executive Sessions of the Senate Foreign Relations Committee 1954, 8 July 1954, Harold E. Stassen, Washington, 1976/77.

would have further delayed and even jeopardized the conclusion of the agreements, planned for 26 September 1953, and thus had to be avoided.⁴²

On the last day before the agreements were signed, the President had to give his final approval. On 25 September, Harold Stassen asked the President to give the green light under the Mutual Security Act 1951 which made it necessary in this case that the President considered it essential that aid to Spain "will strengthen the security of the United States and promote world peace." This was required because it was possible that Mutual Security funds would have to be extended to Spain if Congress refused to appropriate funds in future FY. On the very same day Eisenhower did so⁴³ and John F. Dulles sent a telegram to Ambassador Dunn instructing him to sign the Defense, Technical, and Economic Aid Agreement on behalf of the Government of the United State of America. General Kissner had already been authorized by the Deputy Secretary of Defense Keyes on 5 September to sign the four subsidiary Technical Schedules of the Technical Agreement.

One vital overall question remains for historians to answer. Why was there such a long delay between Sherman's visit and the signing of the agreements?

Constantine Brown reported in the *Evening Star*, October 1952, that negotiations "are about to be completed" and "there have never been any serious differences." He was of course wrong on both accounts. Likewise Camille Cianfara of the *New York Times* wrote 3 November 1952 that negotiations would soon be concluded. Unlike the *Evening Star*, he pointed out that delays had been due to Spain's army which held an important position in Spain and had interest in end-item like guns and tanks. Yet the US was more interested in naval and air bases. Furthermore he mentioned conflicts between INI and private investors in Spain and the Church

42. FRUS 1952-1954, Vol. VI, 24 September 1953, Memo Bonbright to Secretary of State, p.1958.

43. NA, Military Branch, CD 091.3 Spain 1953, 25 September 1953, Harold E. Stassen, Foreign Operations Administration to President.

opposing a treaty with a Protestant nation.⁴⁴

The Spanish historian Juan Pablo Fusi argues that religious complication in Spain, brought about in connection with signing a defense agreement with a Protestant nation, might have created an uncomfortable situation for Franco. Thus the Caudillo sought to lessen the impact of such an agreement by putting in place a treaty with the Vatican beforehand. This however meant that the agreements with the US had to wait for the conclusion of the negotiations with the Vatican.⁴⁵

Martin Artajo gave another explanation for the delays. For him they came about due to the general public opinion in Spain and the West, especially the opposition from France and Britain.

Garriga attributed the delay of talks between the two countries to Spain's peculiar position of neither being a former ally nor a defeated nation.⁴⁶

C.L. Sulzberger reduced the delay to Spain bargaining for a place at the same level as NATO countries.⁴⁷

Sulzberger's colleague, Cianfarrà, said, after the 26 September 1953, that the delays came about due to a split in political and military opinion in Washington. Spain was pushing for inclusion in the Mutual Security Agreements while the negotiating team had no clear cut direction and instructions and had constantly to refer questions back to Washington which inevitably delayed the process. At the same time aspects concerning a possible attack on Spain due to the US bases dragged on to cause the delay.⁴⁸

The Historian Robert Watson, writing about the Joint Chiefs of Staff and national policy, concluded that the delay came about due to Spain relentlessly

44. Theodore Draper "The Deal we haven't made with Franco", in Reporter, 26 May 1953, Vol.8.

45. Fusi, Juan Pablo, Franco, London, 1987, p.76.

46. Garriga, Ramón, Franco-Serrano Suñer, Barcelona, 1986, p.185.

47. NY Times, 30 April 1953.

48. NY Times, 26 September 1953.

Chapter 13: June 1953 Back to Madrid

increasing her demands for substantial aid and assistance over a long period of time. This apparently led to Washington policy makers constantly having to reassess the situation and thus delayed the final conclusion of the agreements.⁴⁹

A study by Doris Condit, another American historian, argued that delays were due to Spain's belief that the \$100 million from 1952 and the \$25 million from 1953 were not enough and that the actual status of US troops in Spain was a controversy. According to her these two conflicts brought the negotiations to a standstill.⁵⁰

Livingston T. Merchant, Assistant to the Secretary of State for European Affairs, claimed that the delays were due to Spain's unfamiliarity with complex US requirements. This was likely, because despite the fact that the Mutual Security Agreements and the Mutual Defense Agreement Program were on a common basis with other bilateral agreements, the NATO allies had become familiar with the statutory requirements through living with their development and negotiations over the past five years. On top of that the base agreement for the ten air fields, the Navy field, the Navy port as well as the secret military and technical annex were new to Franco and the US.⁵¹

Whatever the answer, on 26 September 1953, the two nations had finished their heated debate and concluded three agreements to exchange economic and military aid in return for military bases.

49. Watson, JCS, p.295.

50. Condit, Doris M., Test of War 1950-1953, Vol.II, Washington, 1988, p.356.

51. Executive Sessions of the Senate Foreign Relations Committee 1952, 9 June 1953, Mr Livingston T. Merchant, Assistant Secretary of State for European Affairs, Washington, 1976/77.

Chapter Fourteen

Signing the Agreements

On 26 September 1953, at 4:00 pm the Agreements between the two countries were signed by James Dunn and Martin Artajo in the Salón de Embajadores of the Palace Santa Cruz in Madrid. Spain was represented by the Foreign Minister Artajo, the General Staff General Vigón, the Minister of Commerce Arburúa, the Sub-Secretary for Foreign Affairs Navastúes, the Sub-Secretary of Foreign Commerce Argüelles, the General Director for Foreign Politics de las Barcenas and the Baron de las Torres for the Protocol. The United States was represented by Ambassador James Clement Dunn, President of the Committee for Foreign Relations of the House of Representatives Robert C. Chiperfield, Member of Congress John Harman, General August W. Kissner as chief of the military commission, Advisor to the Embassy Ivan B. White, Chief advisor to the economic mission Richard S. McCaffery, Advisor to the Embassy Horace H. Smith, First Secretaries of Embassy Merril Cody and Stuart W. Rockwell, Civil Servants of the State Department Allen B. Moreland and CDT. Lennett with Ramón E. Benedett from the military mission.

At the same time as the agreements were signed in Madrid, a press release was issued in Washington and Madrid which contained the texts of the three principle public documents. Letters were sent by the Department of State to those members of Congress who had expressed a special interest in the agreements, enclosing a copy of the press release. Finally representatives of the British, French, Italian, Dutch, Belgian, Turkish, Canadian, Australian and Portuguese Embassies in Washington were called in and briefed on this last chapter of the Spanish negotiations. In a press conference, 27 September 1953, President Eisenhower agreed to the argument that the US had gained certain advantages in a quid pro quo.¹

The agreements consisted of three separate bilateral agreements which entered into force upon signature. It should be noted that these were agreements and not treaties. Treaties have to be ratified by Congress, agreements on the other hand belong to the Executive power and as such need not be approved by the legislative, apart from

1. Public Papers of the Presidents of the USA: Eisenhower, Doc.198, Washington, 1960.

financial aspects which have to be appropriated by Congress.

The Spanish constitution had no difference between agreements, treaties, convention or protocols and the Cortes had the right to intervene in agreements only if they were "objective of law". Its intervention had to be short and could not take place after any manifestations by the state. In fact the "Reglamento de las Cortes" of 1943, modified in 1946, omitted in its entirety any specific dispositions towards international treaties. Thus power to approve international public contracts lay with the Caudillo. The three agreements were thus signed by Spain on behalf of Francisco Franco.

The first of these was a ten year defence agreement, which would be followed by a six months advice period and if no agreement were reached within this period, the base dismantlement would have begun one year later. Through this agreement the US gained the right to construct an unspecific number of military bases in Spain for its Air Force and Navy. In return Spain would receive US war material and equipment which was vital to modernize her army. Through these bases, Spain became strategically part of the NATO defence system even though she was still not a member. The bases were to be used by both nations but remained under Spanish control. The agreement explained the *primum mobile*: "develop, maintain and utilize for military purposes, jointly with the Government of Spain... areas and facilities in territory under Spanish jurisdiction." It gave the US the possibility to develop Torrejon, El Copero, Moron, Tarragona and Rota as well as naval facilities at Cadiz and Cartagena. Apart from the construction of these bases, the US also constructed a pipeline. Naturally, some of these expenditures had to be made in Spanish pesetas. In order to avoid the complicated Spanish foreign exchange system, the exchange rate was fixed at 35 pts per dollar, ie. much closer to the black market than to the official exchange rates.²

Torrejon had only been an air force experiment and a research centre for the Spanish Air Force and therefore needed an extensive enlargement. Its runway was to be expanded from 4,200 ft to 11,500 ft. The base itself was to be enlarged by 1,500 acres.

2. NA, Civil Branch, NSC 72/6 Progress Report, 15 February 1954.

Similar construction had to take place elsewhere. El Copero was to be expanded from 617 acres to almost 2,500 acres. Guadalquivir was an entirely new project and a new runway of 11,000 ft had to be constructed. The base at Moron was a fighter and night flying school. Despite having two hard-surfaced runways its size had to be increased from 900 acres to 1,500 acres and one of the runways was to be enlarged to a total length of 10,000 ft. The base at Sanjurjo was a bombardment training base and no plan existed in January 1954 to enlarge it on a massive scale.³

The planned naval base at Cadiz completed the "Radford Line" concept, as it anchored down the Navy at the eastern end of the Mediterranean with strong areas of air and naval defenses. For the USAF, the air fields in Spain were a third airfield defence line in Europe. The first line ran through West Germany, Austria and Yugoslavia and would have fallen to a USSR attack on Europe. The second line ran through Turkey, Greece, Italy, France and Britain. By 1953 it was assumed that the US could hold this area against a surprise attack by the USSR. Finally, the bases in Spain formed the third line together with bases in Britain.

There were certain limitations in the defence agreement which limited the day-to-day use, such as the clause restricting US personnel to wear civilian cloths outside the base. The US wanted to avoid mistakes made in France and Germany where signs were appearing that part of the populations demanded "Yankees Go Home". Thus US personnel was to be put under rigid control.⁴ In return each soldier got an extra \$300 allowance for civilian clothes. With an estimate of 8,000 soldiers stationed in Spain, this created an annual extra cost of \$2.4 million. Furthermore soldiers only got 1/3 of their salary in pesetas to avoid inflationary effects.⁵

At the bases, the United States were in charge of personnel, technical aspects, efficient operation and US military equipment. Furthermore, under the agreement a

3. LOC, S0343, No.16, January 1954.

4. LOC, S 0343, No.16, January 1954.

5. "Truth about the Spanish Deal", in US News and World Report, 29 January 1954, Vol.36.

Chapter 14: Signing the Agreements

military Assistance Advisory Group and one for economic and technical assistance were set up under the US Embassy in Madrid, to coordinate assistance projects in the future.

This first part of the agreements was a boost to the defence of the West. The failure to include six German Divisions into NATO by the end of 1953 were thus offset partially. It was obviously impossible to include Spain in NATO, but the agreements improved Spanish forces and thus strengthened the defence of the West.⁶

The second agreement, concerning economic aid, was in concord with the Mutual Security Act. In return for economic aid, Spain was forced to practice an open door policy towards the US. Article Two called for Spain to stabilize its currency, decrease inflation, disallow trade barriers and open a free market for American goods. Spain had to try to balance its budget, maintain a stable financial climate, impede formations of cartels and monopolies and supply the US with information about labour conditions in Spain.

Furthermore American investors in Spanish companies were allowed to freely transfer profits into dollars. Promptly, return on capital invested increased after 1953 and by 1955 had almost caught up with US returns on investments elsewhere. The flow of capital from the US to Spain in 1950 was negative but as the relations improved and agreements for liberalization became a reality, money was flowing into Spain and reached a peak in 1953, the year when the agreements were signed. Yet 1953 also saw a fall of capital returns from 11% in 1952 to 7% in 1953. Discouraged by this, US investment in 1954 increased by only 7.5%.⁷ Thus despite the liberalization of monetary and economic policies in Spain, her economy did not immediately become attractive to foreign capital.

The third agreement concerned freer trade between the two countries. Raw materials, services and patent rights would be exchanged without barriers. Spain lost

6. Watson, JCS, p.294.

7. Stanford Research Institute, Las inversiones Norteamericanas en España, Cámara de Comercio Americana España, Barcelona 1972.

part of her sovereignty when it was agreed to integrate Spain into the American trade policy. This meant that Spain had to join US embargo policies towards the East.

The same day as the agreements were signed, the Office for Diplomatic Information of the Foreign Ministry made a public statement. The treaties were described as agreements for peace and international security. Spain was to receive \$226 million in the next year and \$465 million over the next several years.

The \$226 million was composed of a \$100 million credit, extended by \$25 million, and a new \$101 million credit for the FY 1954.⁸ \$85 million was economic aid. The rest, \$141 million, would be for military costs, of which 40% went to the Spanish Air Force. Part of this money had went for the construction costs of the bases.

General Vandenberg had recommended the formation of a Mutual Assistance Advisory Group, which would administer the bases under the Mutual Defense Assistance Program as against the USCINCEUR (US Commander in Chief Europe) or SACEUR (Strategic Air Command Europe) which did so in other countries. This was done to avoid political problems with allies. The Secretary of Defense recommended that the USCINCEUR would take over once the political climate permitted it. The Department of Air Force agreed to this in November 1953.⁹

In confidential letters between Artajo and Ambassador Dunn in 1953/54 the use of \$465 million aid was settled. According to instructions by the Joint Strategic Plans Committee to the Joint Chiefs of Staff, the Mutual Defense Assistance Program stressed the importance of the air defence forces, ground troops and anti-submarine warfare. This was reflected in the allocation of financial resources.

The threat to Spain was recognized:

"In the event of general war, units of the US Strategic Air Command, based in or operating through Spain, would pose an immediate threat of great magnitude to the USSR. In view of this threat and in light of the USSR capability of at-

8. "Agreement concluded with Spain", in US Dept State Bulletin, 5 October 1953, Vol.29.

9. Watson, JCS, p.295/296.

Chapter 14: Signing the Agreements

tacking any base in Spain it appears reasonable to expect that the Strategic Air Command bases would be attacked early in the war."¹⁰

Compared to other nations, the aid Spain received was unique. Normally 90% of the aid would flow into the countries economy while 10% would flow back to the US for costs of administration. The construction costs for military facilities were usually met by the American service departments. In Spain only 30% of the aid benefited the Spanish economy, 10% covered administration costs and 60% paid for the construction costs of the bases themselves. This in fact meant that compared to the rest of Europe Spain's aid was worth much less. The Americans could have been pleased with the arrangements.

So was Franco who argued nine days after the agreements that Spain's anti-communist attitude had made the agreements possible. Yet, he also stressed that any alliance with NATO "was out of place for the moment" due to Britain's and France's position.

Britain was soon informed through the Quai d'Orsay that there existed secret clauses in the agreements which were to remain hidden from the public.¹¹ Due to the information leakage of a marine officer and later repeated by statements in Congress, these secret clauses became known. They gave America the right to freely use parts of the bases in peacetime as well as in war time. In extreme moments of Communist threat by the USSR to western security, the US government was not forced to consult with the Spanish government prior to the usage of the bases. This meant that in these cases Spain's foreign policy was limited by US actions concerning the military establishments in Spain.

The secret note was attached to the second paragraph of Article three of the Defense Agreement. The military use of the bases were governed by two distinct

10. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 30 October 1953, Report Joint Strategic Plans Committee to JCS.

11. PRO, FO 371.107686, 5 November 1953, FO Minute, Lord Hood.

Chapter 14: Signing the Agreements

scenarios. In case of an "evident Communist aggression which threatens the security of the West", the US forces were to

"make use of the areas and facilities situated in Spanish territory as bases for action against military objectives, in such a manner as may be necessary for the defense of the West, provided that, when this situation arises, both countries communicate to each other, with maximum urgency, their information and intentions."

In other cases of emergency the two countries were to enter "urgent consultation between both governments, and [action] will be determined in the light of the circumstances of the situation which has developed."¹²

This cast a shadow over Martin Artajo's statement that the agreements were an "undisputable success" and "occurred without the most minimum damage to our sovereignty and independence" Spain also gave tacit agreement to the stationing of nuclear weapons on its soil and the anchoring of nuclear submarines at Rota.

It had even been argued before the 26 September that the Spanish armed forces would lose sovereign control due to the agreements. Whether it was unavoidable for Spain to give up some of her sovereignty can be discussed at length. What mattered was Franco's natural interest to pretend that Spain's sovereignty remained unchanged. Unfortunately for him, a few days after the signing of the agreements, the American press speculated that important matters were covered in secret agreements.¹³ It was not known for a while that the bases would be under American control in wartime.

To keep up good relations with Spain, James C. Dunn wrote to other diplomatic missions in Spain that bases were under Spain's command at all times and that the US had no intention of stepping on Spain's sovereignty. He stressed this point during an address to the American Chamber of Commerce in Seville in November 1953.¹⁴ James

12. Duke, Simon, US Military Forces and Installations in Europe, Oxford, 1989, p.253.

13. "Franco Deal", in US News and World Report, 9 October 1953, Vol.35.

14. PRO, FO 371.107686, 4 November 1953, Balfour, Madrid.

Chapter 14: Signing the Agreements

Dunn knew that this was not so but it was beneficial to keep up appearances. For Franco retaining sovereignty was important due to possible internal challenges. At the same time, the US had good reasons to avoid great publicity on the topic. Firstly, Washington had just extended credits and was about to embark on military base constructions in Spain. Anything that hurt Spain was to hurt the US as well. Internal conflicts and instability would threaten America's position. Secondly, America wanted to avoid being labeled imperialistic because of having forced Spain into giving up sovereignty. On the other hand, the agreements without the secret clause would appear very weak to the American public unless the rights of the secret agreement became known.

In the US Department of State Bulletin, James C. Dunn wrote about the economic impact of the agreements. He argued that there was no immediate fear of inflation due to the system of mutual beneficial counterpart funds. The system worked as follows: A Spanish firm needed foreign credits to, let us say, buy raw materials abroad in a foreign currencies. The company could file an application with the Spanish and American government for aid. After both governments approved, the company would receive the materials paid for out of the counterpart fund established in dollars. The firm would pay the equivalent in pesetas at a fixed exchange rate. These pesetas were placed into a special account of the Bank of Spain and the US would spend the pesetas on specific projects in Spain with the approval of the Spanish government, mainly the construction of the military facilities.¹⁵ Spain would retain full control over monetary policy and money flow while the US avoided complicated exchange regulations to convert dollars into pesetas for expenditures in Spain on projects by fixed exchange rates.

Once the agreements were signed, there seemed to be a loss of interest in a quick development of the bases. There was no crash construction as in Morocco. This

15. Dunn, James C., "Mutual Benefits from US - Spanish Security Agreements", in US Department of State Bulletin, 7 December. 1953, Vol.29.

Chapter 14: Signing the Agreements

was due to public opposition to the waste of money of crash programs. The builders used construction equipment from base construction carried out in Morocco. This further delayed the operation due to the salvage of equipment. The base construction took five years and consisted of three main air bases and one port and air base at Rota. The three main air bases were situated near Saragossa, Torrejon near Madrid and Moron close to Seville.

Once the bases were constructed the shortcomings of the military surveys and constructions became obvious. For example, the Moron de la Frontera runway, after being enlarged, was crossed by a railway line! This lead to an incident in February 1959 when "two F-100's declared an emergency because of minimum fuel as a result of two go-arounds ordered by ground control approach and tower personnel because a train was on the end of the runway. They finally landed safely."¹⁶

The Chief of Naval Operations soon realized that the Matagorda strip was unsuitable, while the Rota base was satisfactory but 27 miles away from Matagorda and thus required extensive road constructions.¹⁷ The choice by the Navy for the airfield had been based on considerations for naval operations and not on Air Force convenience. This becomes clear as we look at a survey of airfields in Spain conducted in 1942. In this survey neither Matagorda nor Rota had been listed in the top ten airfields in a zone around Gibraltar.¹⁸

The Navy was more successful in taking advantage of the agreements. Unlike the Air Force, the US Navy in Spain was under the Commander in Chief US Naval Forces Europe in London. Under his guidance, Rota soon developed into the headquarters of the American Sixth Fleet operating in the Mediterranean. Up to then the Sixth Fleet was stationed in Norfolk/Virginia. Its ships operating in the

16. NA, Civil Branch, R&A Report 363, 13 October 1942, Report on Spanish Airfields.

17. NA, Military Branch, U.S. Joint Chiefs of Staff, CCS 092, Spain (4-19-46), Sec.1-8, 12 January 1954, Memo Chief Naval Operation to JCS.

18. NA, Civil Branch, R&A Report 363, 13 October 1942, Report on Spanish Airfields.

Mediterranean had been supplied by transport vessels and tankers, which proved expensive.¹⁹ This had posed political and a security problems for troop and fleet movement, especially for submarine operations in the Mediterranean, which were solved with the development of Rota.

From a strategic point of view, the value of Rota to the US was threefold. In a unilateral conflict in the Mediterranean, it could be used as a naval base. In a limited war in Europe between NATO and the Warsaw Pact, with conventional and tactical nuclear weapons, Spain was required as a platform for transportation via air and sea. In an all-out-nuclear war, Rota would have been a vital nuclear base for American submarines.

Later the USS Holland, a repair ship, was to be based at Rota to service all possible conceivable faults of submarines, both nuclear and conventional. This cut costs in the millions for the US Navy as it was no longer necessary to return subs to the US for repairs.²⁰ This added greatly to the strategic value of the fleet.

In fact military experts like Jesse W. Lewis, the military affairs officer at the US embassy in Saudi-Arabia, later argued that the Sixth Fleet was only superior to its Soviet counterpart, the Fifth Escadra, due to an extensive base system along the Mediterranean coast. This facilitated easy supply, land-based support and emergency repair facilities. Rota was vital for the first and last strategic advantages.²¹

The three main air bases were Strategic Air Command bomber bases for post attack fueling, servicing and landing. The only other bases with similar capacity were situated in Britain. Rota had no bombers but operated as an aid to the Navy in reconnaissance and communication as well as for basing aircraft units. Above all though, Rota supported the nuclear strike power of the Sixth Fleet. The US saved an estimated \$24 million per year per submarine, as the submarines did not have to return

19. "Spain moves into the Defense Picture", in Congressional Digest, March 1953.

20. Lewis, Strategic Balance, p.19.

21. Lewis, Strategic Balance, p.67.

Chapter 14: Signing the Agreements

to Charleston or New London, a 14-day trip, for refueling and maintenance.

Taking the development, construction and assistance costs, and comparing them to the money saved, the US bases in Spain were a very good investment for the US Armed Forces.²² Spain's large standing army also provided a second defence line against a Soviet attack through Europe as well as a first European defence line against a thrust by the Soviets from the Balkans, across to North Africa and into Spain. It also opened the possibility of Spain's troops fighting north of the Pyrenees.

Nevertheless, the speed of development with which technology influenced warfare had complicated the aims for military planners in the postwar period. From 1945 to 1948 the US had to rely on B-29's for the delivery of nuclear bombs. In 1949, the US had 500 B-29's capable of delivering more than 100 A-bombs. These had to rely heavily on overseas bases. By 1953, the US had more than 1,000 A-bombs or H-bombs which could be delivered by B-36 or B-47, two long range bombers.

Already by 1957 this had changed. The US was in possession of 7,000 to 10,000 bombs. These could be delivered by the Stratofortress B-52. The B-52 had a range of 10,000 miles and a capacity of 60,000 lbs of bombs. At the same time the US had developed tactical and strategic missiles. The Redstone missile had a range of 249 miles, but still lacked the capability to carry enough weight. The Pershing missile had a range of 400 miles. At the same time the US Navy had developed the ability to launch missiles from submarines. The USS submarine Nautilus was commissioned in January 1955. The USS submarine Halibut was commissioned in 1956 and could carry three Regulus missiles. With the development of these new weapons delivery systems it was no wonder that overseas bases lost some of their value. The military bases in Spain had to gain new strategic value to justify further expenditure.

The bases in Spain, Greece and Turkey served as a connection to the Persian Gulf and during the late 1950's the Moroccan base functions were transferred to bases elsewhere: Operations were conducted from Spain. The logistic function from the

22. Baker, US Overseas Basing, p.100.

Chapter 14: Signing the Agreements

Moroccan bases was also transferred to American bases in Spain, Italy and Portugal. During the 1960's bases in Libya were dismantled and as a result operations and logistics functions were transferred to Spain and Italy. Yet immediately after the 26 September 1953, the Spanish air bases were planned above all to cope with operational function of the Algerian bases which had been dismantled during the late 1940's.

As the American base system was once more streamlined after the Korean conflict, Spain's new military facilities took over the function of other bases. Overall capital value of facilities in Spain in 1988 was estimated at \$298 million, only sixth behind Germany, Korea, Japan, Britain, Italy, Philippines and Canada only, thus ahead of the value of bases in Panama, Turkey, Greece, Benelux, Iceland or Australia.

Spain had gained vital importance in two military aspects. According to a study by James R. Baker, Spain was for the US the sixth most important country for tactical air operations and naval operations. She had little importance for airlifts and no importance for ground operations. The two important areas, tactical air and naval operations, greatly enhanced US international power projection and thus worked as a deterrent. Given USSR real nuclear capability by 1954, the West had to put another deterrent against the Red Army. Up to 1954 the threat of US nuclear attacks countered the massive Soviet army along the Iron Curtain. After 1954 when the Soviets had gained delivery systems for their nuclear weapons and thus completed their nuclear deterrent, the two superpowers nuclear capabilities canceled each other out. After 1954, a conventional war in Europe became once more a possibility and had to be deterred by power projection and the Spanish bases were, according to James Baker, one of the best in the US base system to deter a possible sneak attack.²³

In order to fulfill this, the 16th Air Force was established on 15 July 1957. It was the largest overseas Strategic Air Command of the United States. It operated in Spain and Morocco and reported directly to the HQ of Strategic Air Command at Offutt, Nebraska. The B-47 of the 16th Air Force in Spain could reach its target in six

23. Baker, US Overseas Basing, p.52, 117, 121.

hours.²⁴

The concept on which the Spanish airfields had been planned was soon challenged by new military studies. In April 1954, the RAND Cooperation published the R-266 study "Selection and Use of Strategic Air Bases" which concluded that the current base system was the worst possible option compared to four alternative basing systems in relation to the capabilities of the B-47. During the study the RAND cooperation analysed the costs and military use of operating bases, overseas refueling bases, strategic bases and air-refueling systems. Operating bases would have bombers and fighter planes stationed on the airfields but these would rotate with other planes at other operating bases as well as with planes stationed in the US. Overseas refueling bases were designed to only refuel already armed planes on their way to their bombing targets. Strategic bases, on the other hand, were designed to have planes stationed there permanently to assure the defence and the bombing capability of the base itself. The idea of the air refueling system is well known and needs little explanation.

In its conclusion, the report read: "It appears on the basis of this analysis, that systems consisting of U.S. operating bases and overseas refueling bases are markedly superior" to any other alternative. Overseas refueling and operating bases were less vulnerable to Soviet attack compared to strategic air bases. Although they would make strategic bases save AA-guns, early radar warning systems and fighter planes would have greatly increased the costs of running these bases with extended personnel, housing and above all underground hangers to avoid complete destruction in a surprise attack. Another alternative, the US-based air-refueling system, was considered but was found to be too expensive and risky. The time saved could not justify the extra costs of having several refueling planes in the air. Thus the cheapest and most efficient way was to have the bombers stationed in the US and other safe bases. In case of attack they would take off, land at the refueling base, refuel in as short a period as necessary, take off, complete their bombing mission, and return to the refueling base before returning

24. "Truth about the Spanish deal", in US News and World Report, 29 January 1954, Vol.36.

to the US. The extra-costs for flying the whole route US - refueling base - target and back easily outweighed the costs of overseas airports with stationed bombers as well as decreasing the risk of losing the bombers while operating from the overseas base. The fact that the bomber was a sitting duck while on the ground made it necessary to refuel in as short a period as necessary.

If the refueling bases were overrun by the Soviets, the Americans could have easily fallen back on air-refueling, and they would not have lost bases together with the planes. The RAND study also showed that it would pose no problem to convert the existing overseas bases into refueling bases.²⁵ Spain had not yet any bases constructed but those planned and later constructed were strategic air bases. By the time the bases were completed, the weapon arsenal of the US had changed and the RAND report itself was outdated. However at the Spanish bases the B-47 was the backbone of the strike capability until 1965.

Several smaller bases, seven radar stations with a radius of 300 miles and 23 other military establishments including radio, ammunition depots and a 800 km pipeline were also constructed.

The US expenditure on the base construction ranged between \$300-420 million, out of which 1/3 was paid in Spanish currency. In addition there was a yearly maintenance cost until 1963 of around \$50 million. The construction was mainly carried out by three companies, Brown & Root of Houston, Raymond International of New York City and Walsh Construction Company of Daveport. A total of 5,000 Spaniards were employed directly and a further 15,000 through subcontracts.

Military aid to Spain started with a delivery to Cartagena, 15 February 1954, of 1,800 tons of military equipment. In ten years, US military end-items aid sent to Spain added up to around \$600 million, of which two fifths was received by the army and the rest was split by the other two forces. Naturally the Spanish army was the main

25. "Selection and Use of Strategic Air Bases", April 1954, RAND Report R-266, A.J. Wohlstetter et.al. in Marc Trachtenberg, ed., Writings on Strategy 1952-1960 Volume I, Garland Publishing, New York, 1988.

Chapter 14: Signing the Agreements

beneficiary of the agreements. By 1963 it had been fully restored to a modern fighting force.

However, Spain also received a large amount of economic aid. In order to administer the flow of aid and new credits, a United States Operations Mission was set up with 23 officers and supporting staff. It covered seven sectors including economic analysis, several industrial sectors and the infrastructure.

Between 1953-1957 Spain received \$280 million in economic aid. Surplus commodities of the US valued at around \$250 million were sold during the same period. On top of that, Spain was able to gain access to foreign credits. The Export Import Bank credits, which accumulated to over \$500 million in ten years, together with private credits of \$1 billion, enlarged the Spanish market for American goods.

Spain had also gained recognition in the Western World and was integrated into the Organization of European Economic Cooperation, as well as into the International Monetary Fund. During December 1958, John F. Dulles visited Spain and one year later President Eisenhower did the same. The renewal of the Defence Agreement 1963 was merely a formality. By then Spain was an acceptable international partner, even though the old regime of the 1930's was still in power.

Former Ambassador Hanson Baldwin praised the treaty and pointed towards Spain's geographical position and the fact that the Franco regime was more stable than France or French Morocco which might have posed an alternative to Spain's US installations.

The Pentagon repeated Acheson's statement from 1951 that the agreements did not mean that Europe's defence would start across the Channel and behind the Pyrenees. It claimed that Spain was vital for a powerful retaliatory blow and thus prevented war and furthered peace and international security. Furthermore the military planners asserted that Spain had proven to be a reliable anti-communist force and thus would be a reliable ally in case of war.

Dictator Héctor Trujillo Molino, from the Dominican Republic described it as a "profound delight for the democratic nations." Brazilian President Getulio Vargas saw

it as "an important and good piece of news."

Public opinion did not always support this new relationship. The *New York Times* expressed its dislike of the relationship and wrote on 27 September 1953, "we are now faced with the necessity of swallowing a bitter pill- the military agreement with Franco Spain." The *New Republic* went even further and claimed that the agreements meant that in the future and in coming conflicts, the neutral world would oppose America.²⁶ The *US News and World Report* knew about certain secret agreements and basically analyzed the agreements as an exchange, a quid pro quo. It was worked out that a Spanish soldier cost \$275 per year compared to \$5,000 for an American in Europe.²⁷

The French press was divided. *Le Figaro* claimed that the agreements were a response to strategic realities and added an important sector to the European Defence system: "Like the military and economic co-operation between the West and Yugoslavia, the agreement represents a strategic reality." *Le Monde* said that the Spanish-American agreements meant that Spain's candidature for NATO would not be delayed and therefore NATO would look more offensive and less democratic. *L'Humanité* went further and claimed that Franco "the Fascist dictator of Spain becomes an Atlantic ally." More critique came from *Le Populaire*. It called the agreements "a defeat for the free world" and asserted that "the military takes precedence over the moral".²⁸

The French government was very mild in its reaction to the agreements. It only expressed strong opposition to Spain's possible inclusion in NATO. This again shows that Paris had feared agreements between Spain and the US as long as they posed a national security risk to France. Once NATO forces in Europe were expected to successfully defend France against a Soviet sneak attack, the French government

26. Frank Gorrell, "Success for Franco", in *New Republic*, 19 October 1953, Vol.129.

27. "Franco Deal", in *US News and World Report*, 9 October 1953, Vol.35.

28. PRO, FO 371.107686, 28 September 1953, O'Harvey, Paris.

become more and more reluctant to voice its opposition.²⁹

Just as the French press, the British press was divided on its opinion to the recently signed agreements. The *Daily Mail* saw the agreements of "momentous importance" for "it closes a gap in Western defence along the Atlantic seaboard." *The Times* was more critical and said that "it is not the first time military necessity has been regretted on other grounds." The *Daily Telegraph* wrote that for Spain it was a "bargain which cannot fail to reduce the authority of the United Nations". The *Daily Worker* spelled out his opposition in strong words claiming that this was the "final comment on American aggressive aims".³⁰

In Germany the press made surprisingly little comments on the agreements and simply summarised them with hardly any editorials.³¹

The communist paper, *Estrella Roja* saw the agreements as "Hispano - American aggression and a hard blow to the interests of Britain and France." Great Britain supposedly feared for the future of Gibraltar while France was estimated to have returned to a pre-war situation, caught between Germany's militarism, revived with the help of the US, and Franco's Spain.

J. Alvarez del Vayo claimed that Franco eased his economic short term opposition but created a long term opposition due to loss of Spanish pride by giving away Spanish sovereignty.³² It is true that Spain was unique in Europe because it provided permanent bases to the US without being a member of NATO. Yet Spain's social as well as political developments lagged behind those of Europe. It was also clear that Franco's victory in the Civil War had delayed the continuous struggle between left and right which would lead, as in the rest of Europe, to a social political compromise. Robert Okin already in 1947 saw that unavoidable modernization of the Franco regime

29. PRO, FO 371.107686, 28 September 1953, O'Harvey, Paris.

30. NY Times, 29 September 1953.

31. PRO, FO 371.107686, 1 October 1953, F. Hoyer-Miller

32. Alvarez del Vayo, "From Franco's Border", in Nation, 6 October 1951, Vol.173.

Chapter 14: Signing the Agreements

would inevitably bring about social improvements and thus new political consciousness. The day Franco would be removed, his power vacuum, Okin speculated, would be filled with a continuation of the chaotic struggle between left and right. Yet Franco could not avoid modernization if he wanted to avoid social and economic unrest dethroning him.³³

Madariaga, a former Representative to the League of Nation, said: "when the regime falls, as fall it must, the nation will refuse to acknowledge herself bound by an acquiescence given when she was gagged."

Against this the former American ambassador Hayes upheld that "any future Spanish Government (short of a puppet one forcibly intruded by Moscow) will respect the agreement now being negotiated by our Government." He thought that "our ostracism of the [Franco] regime only served to strengthen it with the Spanish people and to deny us what our military authorities deemed highly desirable, strategic bases for our naval and air forces in the defense of Western Europe."

Spain's totalitarian aspects had not changed. Franco was still the only legislator holding the main functions of the government. People were still jailed for threatening their head of state, advising Franco's incarceration (25 years), abusing the chief of Government (20 years), distributing or producing illegal propaganda or belonging to an illegal society (16 years) and participating in strikes (8 years).³⁴ Military considerations had clearly overruled America's democratic and liberal convictions.

33. Robert Okin, "Spain in the Post-War Period", in Foreign Policy Report, 1 August 1947, Vol.23.

34. Cleugh, Spain in Modern World, p.131.

Conclusion

Conclusion

As I have argued in the introduction, the analysis of the American primary sources relating to the negotiations provides us with a very different picture from the one which has become generally accepted.

Viñas' argument that Franco sold out Spain's sovereign control over foreign policy, defence policy and, to some degree, economic policy in return for obsolete war material, minimal economic aid and good publicity, consolidating his position as Spanish caudillo, only shows one side of the negotiations. The fact that the US negotiation team was willing to compromise on several occasions demonstrates their eagerness to enter agreements with Spain.

Following Franco's December surprise, the negotiations came to the brink of disaster and the team under Vigón had accepted such a risk. Again in March 1953, following the American Chargeé's letter to Artajo, the Spanish negotiators seemed willing to push the process to its very limit. Franco's statement on the eve of the 26 September 1953: "in the last resort, if you don't get what you want, sign anything that they put in front of you. We need that agreement", must be seen in the context of the whole negotiation process rather than as a summary of Spain's position throughout the entire negotiations. Clearly Franco did not mean that if, for example, the US would have suddenly refused to grant any aid, the signing of the agreement should still have gone ahead. What he clearly indicated was that the remaining bones of contention, which Artajo and Dunn had been unable to settle during their meetings in Bilbao and San Sebastian, such as the legal aspects over the Administration's guarantee of funds which had to be appropriated by a future Congress, did not matter too much anymore.

The two most fundamental Spanish demands, which in fact had been put forward by Franco in December 1952 and had caused headaches in Washington, ie.

the concept of "parallel development" and "prior consultation", had been settled not unfavourably for Spain.

Parallel development meant that "when the moment of utilisation of the desired facilities [was] reached, the minimum necessities required for the defense of Spanish territory... will have been covered." The minimum necessities included "the air defense of [Spain's] territory, the security of its maritime communications and the completion of the armament of its land, sea and air armies." This meant that Spain should have been able to defend herself against a Soviet attack without the help of NATO forces, an important point given the increased probability of aerial attacks on the military bases and the nearby Spanish cities.

In the final agreements, the US did not guarantee this. However, Washington promised to support Spain in case of war by using the troops and equipment stationed in Spain and if necessary in the rest of Europe. As we have seen, during the last days prior to the conclusion of the agreements, the Department of State and Defense Department made it clear in internal discussions, which for obvious reasons were not leaked to the Spanish negotiators, that there did not exist a legal commitment to do so. Such a legal commitment would have required Congressional approval, something which had to be avoided. More importantly than the legal aspects, however, was the perception of this commitment and, as we have seen, it was recognised that it was unthinkable to sent US troops to Spain and not use these in case of attack on Spain by a foreign nation. The net result therefore was that Spain had obtained an indirect guarantee from the US to defend her territory, this being almost as valuable as "parallel development" and as a deterrent even more precious.

The second concept Spain had demanded was "prior consultation" that is to say that the US would have to consult with the Spanish government before making use of the bases. The reasons for these demands were twofold. On one side Franco wanted to make sure that the bases would not drag his country into an unwanted

conflict. Secondly, prior consultation assured that his regime was still being perceived as nationalistic with sovereign control over defence and foreign policy. In the final agreements Spain was guaranteed that the US would consult with the Spanish government prior to using the bases as long as the aggressor was not the Soviet Union. However, Washington was not required to consult or even inform Spain about the use of the military facilities in advance if the Soviet Union launched an attack on Europe. It was considered that the seriousness of such a situation would make it of utmost importance to react with speed and no time could be wasted in diplomatic communications.

Overall for Spain this meant that the US could not drag her into an unwanted conflict with a third country. Furthermore, a surprise invasion of western Europe by the Soviet Union had a high probability of involving Spain anyway. The Madrid government would have been unable to conduct its own policy and would have been at the mercy of the Soviet and US military strategists. In fact prior to the agreements, US strategists had considered occupying Spain even against Franco's will, should he have opted for neutrality. Furthermore, the past record of the Francoist regime and Spain's geographic position made her an attractive target for the USSR with or without bases.

The Spanish negotiators had also avoided publicity and public outrage by getting the US to structure the agreements in such a way as to place the American right of using the facilities in Spain without prior consultation in a secret annex while the official public document clearly stated that consultation had to take place prior to the use of the facilities. This safeguarded the perception that control over foreign and defence policy remained fully in the hands of the Madrid regime.

Spain thus retained her control over defence and foreign policy in all cases apart from a Soviet attack which set limitations to her independence anyway.

Hence, the greatest real limitation for Spain's sovereignty came in the field of economic policy. The agreements, theoretically at least, forced Spain to relax her

trading restrictions, soften regulations concerning foreign investments and generally conduct a sensible anti-inflationary fiscal and monetary policy. Clearly this contrasted with the economic theory of autarky which the Franco regime had been defending in the 1940's. Despite strong rhetoric concerning autarky, the regime was flexible and had already embarked on a process of liberalisation before 26 September 1953. In this respect the agreements were only part of a process rather than the commencement of one. As commercial relations became more complex Franco and his older advisors willingly withdrew from the active role of economic policy making and delegated this part of the regime to younger members of the government. As a result of this, we see by the end of the decade an economic policy made by technocrats as opposed to generals. While the agreements were an important part of this process, we still see high inflation and severe restrictions on trade after they had been completed.

Even though the agreements clearly limited Franco's control over economic policy, this was in itself not a bad thing. If anything it helped the country to go through a sometimes painful process before being able to emerge as a stronger economic power. The consumer boom of the 1960's, when Spaniards rushed out to buy small cars, television sets and washing machines, would have been unthinkable without the abandoning of autarky.

One of the reasons why Spain was able to obtain her demands in the agreements was because the Spanish negotiation team was at no time under any pressure to come to a conclusion. The economy had already started to pick up, trade was increasing and economic aid, while very welcomed, was not essential. At the same time Spain was under no immediate threat of being invaded by a foreign country or exposed to an internal, well-organised opposition. Thus the Franco regime was not forced to sign a defence agreement or seek protection in the western defence structure. The negotiators on the Spanish side could afford to delay the talks if such a move was likely to further their gains from the US.

The US was also under no immediate pressure to conclude the agreements and when pushed by the Spanish team in December 1952, they were willing to stall the talks until March 1953. The fact that both sides could afford to delay the talks meant that neither of them was in a position of weakness. At least in theory such a situation is likely to produce a final outcome to the negotiations with a compromise between the two sides, giving each what they demanded. Indeed as we have seen both sides did obtain the objectives they had set out to win. The US wanted to obtain military bases in Spain which could be used in case of Soviet attack without any delay or political complications. At the same time Washington wanted to tie Spain to the western defence structure. Minor objectives such as obtaining access to Spain's market, relax trade restrictions and lifting of limitations on currency transfers were also reached.

In return Spain wanted to obtain sufficient economic aid and a considerable amount of military end-items which were to replace the obsolete Spanish war material. At the same time, the Franco regime wanted these agreements for propaganda reasons, as they, better than anything else, demonstrated that the period of ostracism was over and that Spain had become a respectable nation in the western world. This in itself was of great importance as it could be used for further publicity showing that Franco's analysis over the past decade, pointing out the USSR as the threat to western society, had been correct all along.

This gave enormous internal as well as external respectability and assured that any opposition, above all domestic, knew that it could not rely on support from any of the western countries. Franco had thus consolidated his position and, at least in the public eye, he had done so without relaxing control over his country's policies. For the Franco regime the agreements were undoubtedly a great success.

As for Spain, it is too easy to subscribe to the idea that what was good for Franco was good for Spain, as Francoists did; or to the opposite view that what was good for Franco was bad for Spain, as exiled Republicans and their

sympathisers did. With the hindsight of history, we can see that Spain obtained military and economic aid, as well as the foundation for economic prosperity based on commercial relations with the West in return for granting military bases which, as it turned out, have not caused Spain to be dragged into an unwanted conflict. As the Cold War ended some of these military facilities remain in Spain and are likely to stay there. Overall their importance is clearly diminished but undoubtedly they will continue to influence Spain's position in the western defence structure.

Appendix

Bibliography

Bibliography

A) Unpublished Primary Sources

1) National Archives/Washington D.C.: (NA)

ABC 092, Spain

ABC, Air Intelligence

ABC Decimal Files related to Spain

ABC 336, Russia

Army Chief of Staff Decimal File 091, Spain, 1948-1953

CCS 092, US Joint Chief of Staff, Spain, 1946-1954

CD 091,3, Defense Central Decimal Files, Spain, 1950-1953

CD 091,3 MDAP, Spain

CD 92, Defense Correspondence Files, Spain, 1950, 1951

CD 92,2 Spain

Classified Correspondance Secretary of Navy, Francis P Matthews

CS 091 Spain

Forrestal General Records

G-3 091, Spain, 1950-1954

Lot Files 52-316, General Records Department State, Europe

Lot Files 53D444, General Records Department State, Dean Acheson

Lot Files 54D394, Office of European Affairs, Matthews

Lot Files 54D395, Office of European Affairs, Hickerson

Lot Files 55D105, General Records Department State, Miriam Camp

Lot Files 59D108, Subject Files Spain and Portugal, 1942-1958

Lot Files 64D563, Records of the Policy Planning Staff, 1947-1953

NSC 3, US Policy toward Spain

NSC 72, US Policy toward Spain

NSC 72, Background Information

NSC Meeting Minutes

NSA Actions

OIR Report 4105, 4405, 5324.1, 5324.2, 6211

P-2 The Mediterranean and the Near East

PPS12, Policy Planning Staff 1947-1953, US Policy Toward Spain

R&A Reports 363, 532; (incl. IR Reports)
State Department Decimal Files 1945-1949 600.528, 852.20,
852.24, 852.6362, 852.6363
State Department Decimal Files 1950-1954, 400.529, 452.00,
452.003, 452.006, 452.118, 752.56, 752.5622, 852.00, 852.000

2) Library of Congress/Washington D.C.: (LOC)

Microfiche Reports, Hearings for Congress:

H 1868 Survey
H 1967 Report
H 2287 Report
H 2641 Report
HFo-1 Hearing
HFo-3 Hearing
H.Rp.1834 Report
S0062 Report
S0343 Report
S983-2 Hearing
SFo-1 Hearing
SFo-T.4 Hearing
SFo-T.23 Report
SFo-T.34 Hearing
SFo-T.54 Hearing

3) Washington National Records Centre/Washington D.C.: (WNRC)

Army Intelligence, Project Decimal File, Spain, 1946-1948
Records of the Army Staff, G-2 Intelligence, Spain, 1946-1948

4) Other Libraries in the USA:

Dulles, John F. Papers

Dulles, John F. Herter Collection

Dulles, John F. Oral History Collection

Earle, Edward M. Papers

Hughes, Emmet John Papers

Netherlands Information Service, "Dutch Press Divided on Franco Issue", 9 August 1951

Senior Thesis Collection Princeton

Sherman, Forrest P. Papers

Smith, Howard Alexander Smith Papers

Strategic Plan Division Records, US Navy (SPDR)

United States Naval Forces Eastern and Mediterranean Annual Reports 1947-1953

5) Public Record Office, London: (PRO)

ADM223 51, 223-238

AIR040 329

DEFE04 1, 12, 13, 16, 17, 27-29, 32, 38, 52, 56

DEFE05 12, 13, 17, 19, 26

1, 5-7, 9, 13, 16, 19

DEFE07 840

FO371 60375-60377, 60407, 60427, 60441A, 60443-67878B, 67897, 73320-73323, 73341-73343, 73379, 79665, 79666, 79700-79702, 79706, 79719, 79721, 79739, 79767, 79775 79777, 79752, 79809, 79815, 89479, 89480, 89491, 89492, 89494, 89496, 89497, 89499-89509, 89517, 89524, 89526, 89564-89566, 89568, 89571, 89576, 89613, 89614, 96153, 96154, 96169, 96170, 96172, 96181-96192, 96195, 96203, 96206, 102009-102011, 102014, 102017, 102018, 102022, 102024-102026, 102034, 102046, 102047, 102060, 102064,

107668, 107669, 107675, 107676, 107678, 107680-107688,
107691, 107693, 107696-107698, 107700-107704, 107710,
107712, 107714, 107715, 107717, 107719, 107730

B) Published Primary Sources

British and Foreign State Papers, (BFSP) Her Majesty's Stationary Office, London, 1956, 1961, Volumes:
1948, Volume 151
1948, Volume 152
1951, Volume 158

A Decade of American Foreign Policy: Basic Documents 1941-1945,
United States Government Printing Office, Washington, 1950

Executive Sessions of the Senate Foreign Relations Committee, United States Government Printing Office, Washington, 1976-1978,
Volumes:
Volume 2, 81st Congress, 1st and 2nd Session, 1949-1950
Volume 3, 82nd Congress, 1st Session, 1951
Volume 4, 82nd Congress, 2nd Session, 1952
Volume 5, 83rd Congress, 1st Session, 1953

Foreign Relations of the United States, (FRUS) United States Printing Office, Washington, 1967-1988,
Volumes:
1945, Volume V
1946, Volume I
1946, Volume V
1947, Volume I
1947, Volume III
1948, Volume III
1948, Volume I
1949, Volume IV
1950, Volume I

1950, Volume II

1950, Volume III

1951, Volume I

1951, Volume IV

1952-54, Volume VI

Selected Hearings held in Executive Session before the Committee on Foreign Relations Senate:, United States Government Printing Office, Washington, 1972-1976,

Volumes:

Foreign Economic Assistance Programs

Relief Assistance Act of

Reviews of the World Situation 1949-1950

The Vandenberg Resolution and the North Atlantic

Joint Hearings held in Executive Session before the Committee on Foreign Relations and the Committee on Armed Services Senate: Military Assistance Program 1949, United States Governmental Printing Office, Washington, 1974

Hearings before the Committee on Foreign Affairs House of Representatives: Mutual Security Program, Years 1951-1953, United States Government Printing Office, Washington

Hearings before the Committee on Foreign Relations and Committee on Armed Services Senate: Mutual Security Act, Years 1951-1953, United States Government Printing Office, Washington

Hearings before the Subcommittee of the Committee on Appropriations House of Representatives: Mutual Security Apprорiations, United States Government Printing Office, Washington, 1953, 1954,

Volumes:

1952

1953

Public Papers of the Presidents of the United States of America:
Containing the Public Messages, Speeches and Statements of the President:
Harry S. Truman, Volumes 1945-1953, United States Government Printing
Office, Washington, 1961-1966

Public Papers of the Presidents of the United States of America:
Containing the Public Messages, Speeches and Statements of the President:
Dwight D. Eisenhower, 1953, United States Government Printing Office,
Washington, 1960

Public Papers of the Secretaries General of the United Nations, Trygve
Lie, 1946-1953, Volume 1, Colombia University Press, New York, 1969

Published Hearings Senate: United States Foreign Aid Programs in
Europe, United States Government Printing Office, Washington, 1951

Report on Spain, Spanish Embassy, Washington, 1946

Spain and the United Nations Accusations, Diplomatic Information Office,
Madrid, 1949

Weekly Political Intelligence Summaries, 4 July 1945-29 October 1947,
No .300-415, Kraus International Publications, Millwood/New York, 1983

Chase National Bank of the City of New York, Spain: A Short Economic
Review, State Department Decimal Files 852.000/4-2254, New York, 1954

Ferrell, Robert H., ed., *The Eisenhower Diaries*, W.W.Norton & Company,
New York, 1981

Johnson, Walter, ed., *The Papers of Adlai E. Stevenson, vol.2 Washington to*
Springfield 1941-1948, Little Brown and Company, Boston, 1973

Mills, Walter, ed., *The Forrestal Diaries*, Viking Press, New York, 1951

RAND Report, by Wholstetter, A.J., et.al., "R-266: Selection and use of Strategic Air Bases", April 1954, in Trachtenberg, Marc, ed., *Writings on Strategy 1952-1960, Vol. 1*, Garland Publishing, New York, 1988

Ross, Steven T., Rosenberg, David A., ed., *American Plans for War against the Soviet Union 1945-1950*, (APWSU) Vol. 1-7, Publishing Inc., New York, 1990

Siegfried, André, ed., *L'Année politique 1946*, Paris, 1947

Truman, Harry S., *The Memoirs of Harry S. Truman, Vol.1 Year Decision 1945*, Hodder and Stoughton, London, 1955

Truman, Harry S., *The Memoirs of Harry S. Truman, Vol.2 Years of Trial and Hope 1946-1953*, Hodder and Stoughton, London, 1956

D) Magazines, Periodicals and Newspapers

Business Week, 14 Jul 1951

Catholic World, Vol. 167

Christian Century, Vol. 70

Commonweal, Vol.46

Congressional Digest, March 1953

Contemporary Review, Vol. 150, 152

Digest of US Practice in Government, 1977

European Review

Foreign Affairs, Vol. 31, 41

Foreign Policy Bulletin, Vol. 28, 29, 31

Foreign Policy Report, Vol. 23

Fortune

Forum, Vol. 110

Harper's Magazine, Vol. 196

Nation, Vol. 167, 169, 173, 175

Netherlands Information Service, 9 Aug 1951

New Republic, Vol. 121-125, 129
New York Times
Newsweek, Vol. 32, 34, 42
Reader's Digest, Vol. 62
Reporter, Vol. 8, 9
Saturday Evening Post, Vol. 221, 225
United Nation's World, Vol. 2, 7
United States News and World Report, Vol. 25, 26, 31, 35, 36
United States Department of State Bulletin, Vol. 20, 25, 26, 29

E) Secondary Sources

Akehurst, Michael, *A Modern Introduction to International Law*, 5th edn.,
George Allen Unwin Ltd., London, 1984

Ambrose, Stephen E., *Rise to Globalism: American Foreign Policy since 1938*,
4th edn., Penguin Books, New York, 1985

Arango, E. Ram, *The Spanish Political System: Franco's Legacy*, Westview
Press, Boulder/Colorado, 1978

Arrarás, Joaquín, *Francisco Franco*, Geoffrey Bles, London, 1938, trans. J.
Manuel Espinosa

Baker, James R., *United States Overseas Basing*, Praeger, New York, 1990

Barbé, Esther, *España y la OTAN*, Editorial Lai, Barcelona, 1981

Bidwell, Percy W., "Ideals in American Foreign Policy", in, *International
Affairs*, Volume XXII, University of Toronto, Toronto, 1946

Bin Ahmed, Qasim, *Britain, Franco and the Cold War 1945-1950*, New York,
1992

Blaye de, Edouard, *Franco and the Politics of Spain*, trans. Pearce, Brian, Penguin Books, Harmondsworth/Middlesex, 1976

Brewer, Sam Pope, "Spain: How good an ally", in *Yale Review*, Spring 1952, Vol.41/3

Bullock, Alan, *Ernest Bevin: Foreign Secretary 1945-1951*, London, 1983

Calvocoressi, Peter, ed., *Survey of International Affairs*, Oxford University Press, London, 1952-1956, Volumes:

1947-1948

1949-1950

1951

1952

1953

Calvocoressi, Peter, *World Politics since 1945*, 6th edn., Longman, London, 1991

Campillo, Manuel, *Las inversiones extranjeras en España 1850-1950*, Gráficas Manfer, Madrid, 1963

Carr, Raymond, *Spain 1808-1975*, 2nd edn., Clarendon Press, Oxford, 1982

Carr, Raymond and Fusi, Juan Pablo, *España de la Dictadura a la Democracia*, Editorial Planeta, Barcelona, 1979

Carr, Raymond, *Spain: Dictatorship to Democracy*, 2nd edn., Harper Collins, London, 1981

Carreras, Alberto, *Industrialización Española: Estudios de Historia cuantitativa*, Espasa-Calpe, Madrid, 1990

Cava Mesa, María Jesús, *Los diplomáticos de Franco: J.F. de Lequerica, temple y tenacidad*, Bilbao, 1989

Chamorro, E., et.al., *Las Bases Norteamericanas en España*, Euros, Barcelona, 1976

Chandler, Geoffrey, "American Opinion and Foreign Policy", in, *International Affairs, Volume XXXI*, University of Toronto, Toronto, 1955

Chavkin, Samuel, et.al., ed. *Conference on Spain: Implications for United States Foreign Policy*, Greylock Publishers, Stamford, 1976

Coletta, Paolo E., *American Secretaries of the Navy Volume II*, Naval Institute Press, Annapolis, 1980

Condit, Doris M., *The Test of War Vol.II 1950-1953*, United States Government Printing Office, Washington, 1988

Cortada, James W., "The United States", in Cortada, James W., ed., *Spain in the Twentieth-Century World*, Greenwood Press, Westport/Connecticut, 1980

Cleugh, James, *Spain in the Modern World*, Alfred Knopf, NY, 1953

Crozier, Brian, *Franco: A Biographical History*, Eyre & Spottiswoode, London, 1967

Cuadrado Roura, Juan R., *Las Inversiones extranjeras en España reconsideración*, Gráfica URANIA, Málaga, 1976

Duke, Simon, *Military Forces and Installations in Europe*, Oxford University Press, Oxford, 1989

Einhorn, Marion, *Wer Half Franco*, Akademie-Verlag, Berlin, 1983

Eleta, Juan S., *Spain's Role in the Defense of Allied Security in NATO*, US Army War College, Carlisle Barracks, 1986

Espadas Burgos, Manuel, *Franquismo y política exterior*, Ediciones Rialp SA., Madrid, 1988

Esteban, Joan, "The Economic Policy of Francoism", in, Preston, Paul, ed., *Spain in Crises*, Harvester Press, Hassocks/Sussex, 1976

Feis, Herbert, *From Trust to Terror: The Onset of the Cold War 1945-1950*, London, 1970

Fernández, Carlos, *Tensiones Militares durante el Franquismo*, Plaza & Janes Editores, Barcelona, 1985

Fusi, Juan Pablo, *Franco*, trans. Felipe Fernández-Armesto, Unwin Hyman Lim., London, 1987

Gallo, Max, *Spain under Franco*, George Allen & Unwin, London, 1973

Garcia, M.G., "The Armed Forces: Poor Relations of the Franco Regime", in, Preston, Paul, ed., *Spain in Crises*, Harvester Press, Hassocks/Sussex, 1976

Garriga, Ramón, *Franco-Serrano Suñer*, Editorial Planeta, Barcelona, 1986

Gibernau, Joseph A., *Triumphs and Failures of American Foreign Policy from Roosevelt to Reagan 1936-1986 with Spain as a case history*, Phoenix Books, Phoenix, 1986

Gilbert, Martin, *Winston Churchill, Never Dispair 1945-1965*, Houghton Mifflin, Boston, 1988

Greene, John Robert, *The Crusade: The Presidential Election of 1952*, University Press of America, Lanham/Maryland, 1985

Griffis, Stanton, *Lying in State*, New York, 1952

Grimmett, Richard F., "An overview of the Formative Years 1953-1970", in

McDonald Jr., John W., *U.S. Base-Right Negotiations*, Department of State Publications, Washington, 1988

Halstead, Charles R., "Spanish Foreign Policy 1936-1978", in Cortada, James W., ed., *Spain in the Twentieth-Century World*, Greenwood Press, Westport/Connecticut, 1980

Hamby, Alonzo L., *Beyond the New Deal: Harry S. Truman and American Liberalism*, Colombia University Press, New York, 1973

Hayes, Carlton J.H., *The United States and Spain: An Interpretation*, Sheed & Ward Inc., NY, 1951

Hillman, Jordan J., *The Export Import Bank at work*, Quorum Books, Westport/Connecticut, 1982

Hills, George, *Franco: The Man and his Nation*, Robert Hale Lim., London, 1967

Houston, John A., "The United States and Spain", in *Journal of Politics*, Vol.14, University of Florida, 1952

Jenkins, Roy, *Truman*, William Collins, Sons & Co, London, 1986

Nadal, Jordi, ed.et.al., *La economía española en el siglo XX*, Editorial Ariel, Barcelona, 1987

Kaufmann, William W., *Planning Conventional Forces 1950-1980*, Brookings Institute, Washington, 1982

Kennan, George F., *American Diplomacy: Expanded Edition*, University of Chicago Press, Chicago, 1984

Keylor, William R., *The Twentieth Century World An International History*, 2nd edn., Oxford University Press, New York, 1992

Langer, William L., "The Mechanism of American Foreign Policy", in,
International Affairs, Volume XXIV, University of Toronto, Toronto, 1948

León, Girbau, "España y la Guerra Fría", in *Cuadernos Americanos*, Jul/Aug,
Sep/Oct 1960, Vol.62, Mexico

Lewis, Jesse W., *The Strategic Balance in the Mediterranean*, American
Enterprise Institute for Public Policy Research, Washington, 1976

Lleonart y Amselem, J., "España y la ONU: La cuestión española 1945-1950",
in *Revista de Política International*, Jul/Aug 1977, Vol.152, Madrid

Lloyd, Alan, *Franco*, Doubleday & Co, Garden City/New York, 1969

Lowi, Theodore J., "Bases in Spain", in Stein, Harold, ed., *American Civil-Military Decisions*, University of Alabama Press, Alabama, 1963

Luzárraga, Francisco Aldecoa, "La política exterior de España en perspectiva histórica 1945-1984. De la Autocracia al Estado de Derecho", in *Sistema*, Nov 1984, vol.63, Madrid

McCauley, Martin, *The Origins of the Cold War*, Longman, New York, 1983

McCullough, David, *Truman*, Simon & Schuster, New York, 1992

Marquina Barrio, Antonio, "The Bases in Spain", in Veremis, Thomas and Valinakis, Yannis, ed., *US Bases in the Mediterranean: The cases of Greece and Spain*, ELIAMEP, Athens, 1989

Marquina Barrio, Antonio, "Aspectos relevantes en las negociaciones entre España y los Estados Unidos", in Buhigas, Jose Luis, et.al.ed., *Bases y Reducciones: Las Negociaciones España-EE.UU.*, Instituto de Cuestiones Internacionales, Madrid, 1987

Marquina Barrio, Antonio, *España en la Política de la Seguridad Occidental 1939-1986*, Ediciones Ejército, Madrid, 1986

Matthews, H., "Spain Today", in *Virginia Quarterly Review*, Vol. 28/1, 1948

Maxwell, Kenneth, ed., *Spanish Foreign and Defense Policy*, Westview Press, Boulder, 1991

Miller, Merte, *Plain Speaking: An oral biography of Harry S. Truman*, Coronet Books, London, 1974

Nicholas, H.G., *The United Nations as a Political Institution*, 5th edn., Oxford University Press, London, 1975

Oronoz, Javier, *Transformación del sistema capitalista y evolución de la formación social española*, Editorial Lur, Donostial, 1980

Payne, Stanley G., *The Franco Regime: 1939-1975*, University of Wisconsin Press, Madison/Wisconsin, 1987

Pollack, Benny, *The Paradox of Spanish Foreign Policy*, St.Martin's Press, New York, 1987

Portero, Florentino, *Franco Aislado la cuestión Española 1945-1950*, Aguilar, Madrid, 1989

Potter, E.B., *Admiral Arleigh Burke*, Random House, New York, 1990

Preston, Paul, *Franco*, Harper Collins, London, 1993

Preston, Paul, *The Politics of Revenge: Fascism and the Military in the 20th Century Spain*, Unwin Hyman, London, 1990

Preston, Paul, Lannon, Frances, ed., *Elites and Power in Twentieth - Century Spain: essays in Honour of Sir Raymond Carr*, Clarendon Press, London, 1990

Preston, Paul, ed., *Spain in Crisis*, Harvester Press, Sussex, 1976

Ramírez, Luis, *Francisco Franco: La obsesión de ser La Obsesión de poder*, Ruedo Ibérico, Châtillon-sous-Bagneux, 1976

Remiro Brotons, Antonio, *Las Cortes y la Política Exterior de España*, Gráficas Andrés Martín, Valladolid, 1977

Renéde Visme, Williamson, *Culture and Policy: The United States and the Hispanic World*, University of Tennessee Press, Knoxville, 1949

Roberts, Frank, *Dealing with Dictators: The Distraction & Revival of Europe 1930-70*, Weidenfeld & Nicolson, London, 1991

Rousseau, Charles, *Droit International Public*, Vol.3, 1977

Rubottom, R.Richard, Murphy, J.Carter, *Spain and the United States: Since World War Two*, Praeger, New York, 1984

Rupérez, Javier, "Spain, the United States and NATO: Political and Strategic Dilemmas", in Shub, Joyce Lasky, Raymond Carr, ed., *Spain Studies in Political Security*, Georgetown University Press, Washington, 1985

Sherwin, Martin J., "The Atomic Bomb and the Origins of the Cold War", in Dinnerstein, Leonard and Jackson, Kenneth T., ed., *American Vistas: 1877 to the Present*, Oxford University Press, New York, 1979

Shubert, Adrian, *A Social History of Modern Spain*, Unwin Hyman, London, 1990

Stanford Research Institute, *Las Inversiones Norteamericanas en España*, Cámara de Comercio Americana Espaa, Barcelona, 1972

Suárez Fernández, Luis, *Francisco Franco y su Tiempo*, Tomo IV/V,
Fundación Nacional Francisco Franco, Madrid, 1984

Sufrin, Sidney C., Petras, Franklin A., *The Economy of Spain*, Headline
Series, Sept-Oct 1952, Vol.95, New York, Foreign Policy Association

Vázquez Montalbán, Manuel, *La Penetración Americana en España*,
Divulgación Universitaria, Madrid, 1974

Viñas, Angel, "8. La Conexión entre Autarquía y Política Exterior en el Primer
Franquismo 1939-1959", in, Viñas Angel, ed., *Guerra, Dinero, Dictadura*,
Editorial Crítica, Barcelona, 1984

Viñas, Angel, "10. El Plan Marshall y Franco", in Ibid.

Viñas, Angel, "11. La política exterior española durante el Franquismo y el
Ministerio Exterior", in Ibid.

Viñas, Angel, *Los Pactos Secretos de Franco con Estados Unidos: Bases,
Ayuda Económica y Recortes de Soberanía*, Barcelona, 1981

Watson, Robert J., *The Joint Chiefs of Staff and National Policy 1953-1954*,
US Government Printing Office, Washington, 1986

Welles, Benjamin, *Spain The Gentle Anarchy*, Frederick A. Praeger, New York,
1965

Whelan, Richard, *Drawing the Line: The Korean War, 1950-1953*, Little,
Brown & Co, Boston, 1990

Whitaker, Arthur P., *Spain and Defense of the West*, Harper & Brothers,
New York, 1961

Whitfield, Stephen J., "The 1950's: The Era of No Hard Feelings", in
Dinnerstein, Leonard and Jackson, Kenneth T., ed., *American Vistas: 1877 to
the Present*, Oxford University Press, New York, 1979

F) Unpublished Theses

Barrett, John William, *A Study of British and American Foreign Relations
with Spain 1942-1945*, PhD thesis, Georgetown University, 1970

Bengal, Saint Callista, *The United States and Spain 1939-1946: A Study in
Press Opinion and Public Reaction*, PhD thesis, Fordham University, 1959

Bergin, Thomas F., *Franco Spain from 1939 to 1948*, MA thesis, Princeton
University, 1948

Bin Ahmad, Qasim, *The British Government and the Franco Dictatorship
1945-1950*, PhD thesis, University of London, 1987

de Garmo, Peter Henry, *Beyond the Pyrenees; Spain and Europe since
World War II*, PhD thesis, Univeristy of California, Davis, 1971

Dorley Albert J., *The role of Congress in the Establishment of bases in Spain*,
PhD thesis, St.Johns University, 1969

Dura, Juan, *United States Policy Toward Dictatorship and Democracy in
Spain 1936-1953: A Case Study in the Realities of Policy Formation 1936-
1953*, PhD thesis, University of California, Berkeley, 1979

Dwight Jr., William, *United States Foreign Policy and Franco Spain 1945-
1951*, MA thesis, Princeton University, 1951

Ellis, C.Allen, *United States Foreign Relations with Franco Spain 1945-1951*,
MA thesis, Princeton University, 1952

Goodrich Jr., Hunter, *Spain and Western European Defense*, MA thesis, Princeton University, 1953

Hadian, Ronald Franklin, *United States Foreign Policy Towards Spain 1953-1970*, PhD thesis, University of California, Santa Barbara, 1976

Hourtoule, Gilbert O., *The Case of Franco Spain before the United Nations 1946-1950*, PhD thesis, Pennsylvania State University, 1953

Jones, Randolph Bernard, *The Spanish Question and the Cold War 1944-1953*, PhD thesis, University of London, 1987

Safian, A.Chester, *Relations between Spain and the United States 1945-1953*, MA thesis, Princeton University, 1955

Sandson, Theodore M., *Spain and Western Defense*, MA thesis, Princeton University, 1955

Scowcroft, Brent, *Congress and Foreign Policy: An Examination of Congressional Attitudes towards the Foreign Aid Programs to Spain and Yugoslavia*, PhD thesis, Colombia University, 1967

Seymour, Christopher H., *Ostracism: The United States and Spain 1945-1950*, MA thesis, Princeton University, 1976

Sharp, Benjamin Cameron Jr., *NATO and the Mediterranean 1949-1979: Deterioration on the Southern Flank*, PhD thesis, University of Maryland, 1981

Smith Jr., Cornelius C., *United States Policy in Spain and the Mediterranean Area: An Analysis of the Economic and Military Agreements of 1953*, PhD thesis, Claremont Graduate School, 1956

Watson, Bert A., *United States-Spanish Relations*, PhD thesis, George Washington University, 1971

Weeks, Stanley Byron, *United States Defense Policy toward Spain, 1950-1976*,
PhD thesis, The American University, 1977

Willson, John Paul, *Carlton J.H. Hayes in Spain 1942-1945*, PhD thesis,
Syracuse University, 1969

G) Interviews

Sir Frank Roberts, Private Secretary to Ernest Bevin