

THE WORLD OF THE ROOSEVELTS



**ROOSEVELT, FRANCO,
AND THE END OF THE
SECOND WORLD WAR**

JOAN MARIA THOMÀS



The World of the Roosevelts

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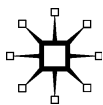
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BY

JOAN MARIA THOMÀS

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INTRODUCTION

The readers have in their hands a study on the relations of the United States with Spain under Franco during the years that North America participated in the Second World War, that is, between December 8, 1941 and August 14, 1945. It is a continuation of another book focusing on the period 1936–1941 entitled *Roosevelt and Franco. From the Spanish Civil War to Pearl Harbor*, published by Macmillan in year 2008.

The central theme of this second volume is the study of progressive hardening of the Roosevelt administration's policy towards the Franco regime from the spring of 1943 onward. A hardening that reached its climax with the so called *Battle for Wolfram*, a politico-economic conflict between the two countries that occupied what we could call, academically speaking, *course 1943–1944*. The wolfram controversy included an embargo on the sale of American petroleum products to Spain as well as heavy diplomatic tensions, including important tensions within the Franco government itself.

The fundamental axes of the book, first and foremost, lie in following the policy of the United States toward Spain—its execution, and the results and problems that it created within the U.S. government. Our protagonists here are, fundamentally, President Franklin Delano Roosevelt, the U.S. State Department and the U.S. embassy in Madrid, the latter represented by a polemical ambassador, the historian Carlton J. H. Hayes. The second axis is one that we can consider inverse, that is to say, the study of the Franco regime's foreign policy toward the U.S. Here the protagonists are the omnipresent *El Caudillo*, his Ministers of Foreign Affairs—Francisco Gómez Jordana y Souza and José Félix de Lequerica—along the Minister of Industry and Commerce Demetrio Carceller, among others.

The research that has resulted in the book was undertaken by me in the U.S. and Spanish archives during the past few years. In the U.S., I utilized the resources of the National Archives and Records Administration (NARA II, College Park, Maryland), which houses the documentation of the State Department and of the various government agencies that had to do with the the Second World War and Spain; the Franklin Delano Roosevelt Presidential Library (Hyde Park, New York) that includes the documentation that was delivered to or sent by the President, as well as some of his more relevant political collaborators, like Sumner Welles (Deputy Secretary of State

well into 1943) or Henry Morgenthau, the powerful Secretary of the Treasury and also in charge of other relevant government bodies; and the Rare Book and Manuscript Library of the University of Columbia (New York) that keeps the personal documentation of Ambassador Hayes.

In Spain, I used the resources of the Archive of the Presidency of the Government (Chief of the State) and of the Ministry of Foreign Affairs (documents referring to the dispensation of the ministry itself in its relations with the U.S. embassy in Madrid and that of Spain in Washington, among others); as well as the General Archive of the Administration (Alcalá de Henares), in short diplomatic documentation related with the U.S.

With this book, I conclude an investigation that began in 2002 in the United States originating from the award of a Travel Grant to University Professors of the Ministry of Education, Culture, and Sports (Call of the Official Bulletin of the State, October 29, 2001). I have also benefited from a grant of the Lehrman Institute of New York, as well as an Access Grant from the Rovira i Virgili University. At the time of writing, I have utilized the resources of the Memorial Library of the University of Wisconsin in Madison and the Wisconsin Historical Society, among other American and Spanish libraries.

I wish to express my profound gratitude for the support and help received from my colleagues Stanley G. Payne, who received me as Visiting Research Fellow at the University of Wisconsin at Madison; Paul Preston of the London School of Economics and Political Science, who invited me to the seminars of the Cañada Blanch Institute in London; and to James W. Cortada, the hispanist who has done so much to improve mutual understanding between the United States and Spain. And, of course, the errors that this book might contain are not his responsibility. I want to also thank Dr. Meenakshi Sundriyal of the Jawaharlal Nehru University, New Delhi, for the translation into English, as well as Annie Whoy, copyeditor, and editor Chris Chappell, who has extended a warm reception to this new book in Palgrave Macmillan.

CHAPTER 1

THE RELATIONS
BETWEEN THE UNITED
STATES AND SPAIN
UNDER FRANCO: FROM
PEARL HARBOR TO THE
BEGINNINGS OF THE
BATTLE FOR WOLFRAM
(DECEMBER
1941—SEPTEMBER
1943)

A STRANGELY CHEEKY AMBASSADOR

The quarrel between Hayes and the State Department disfigured the Spring of 1943.

Herbert Feis

ON APRIL 30, 1943, U.S. Ambassador Carlton J. H. Hayes authorized the sailing from Spain of five oil-carrying vessels for the Caribbean. The journey was one among many that the fleets of CAMPSA and CEPESA—Spanish monopolist companies—frequently undertook to bring petroleum products from the American continent. The regular procedure followed for this traffic was established by the U.S. Navy, which allowed the arrival of Spanish ships only at two American ports, both of them situated outside the United States: Aruba (Dutch West Indies), where they uploaded refined products; and Puerto de la Cruz (Venezuela), where crude oil was loaded. These crossings were authorized twice a month, on dates fixed by the U.S. Navy and following

established routes for the transit of vessels coming from neutral countries, as was the case with Spain. Moreover, the North American embassy in Madrid had to notify Washington at least one month in advance about Spanish government proposals regarding the departure of the tankers. The U.S. Navy had to authorize them and later communicate this information to the State Department.¹ The State Department then communicated to the embassy in Madrid, which, in turn, informed the Spanish shipping companies.

That April 30, however, the sailing authorization given to the five tankers by the U.S. Embassy in Madrid violated the State Department's brief, as well as that of the U.S. Navy, which had indicated to the ambassador not to authorize the sailing.²

AMBASSADOR CARLTON H. J. HAYES

The decision taken by Hayes was unusual and definitely highly unimaginable for a career diplomat. But Hayes was not part of the regular diplomatic corp, nor did he worry about his future in the State Department. He was a respected and renowned university professor,³ the Seth Low Professor of Modern European History of the University of Columbia, New York, recruited by President Franklin Delano Roosevelt a year ago, in March 1942, to replace Alexander W. Weddell, a professional career diplomat man burned out and exhausted after having spent three years in Madrid. His interaction with authorities of the regime led by Francisco Franco, who frequently demonstrated a distant and scornful attitude toward democracies, contributed greatly to his exhaustion. An exceptionally difficult relationship had existed earlier between Weddell and Spain's Minister of Foreign Affairs, Ramón Serrano Suñer, a virtual nightmare for the embassy. The Weddell–Suñer disputes of 1941 had deteriorated to the point at which the Spaniard would decline to meet Weddell for months.

Roosevelt did not nominate Professor Hayes as ambassador because of his academic prestige—although he was one of the best-known North American specialists in European history and undoubtedly well known owing to his publications in this field⁴—but rather for his being an influential Catholic in the hierarchy of the church and in the North American Catholic world in particular, due to his outstanding participation in various associations (he was the Catholic co-president of the ecumenical National Conference of Christians and Jews [NCCJ]), his publishing credits, and his speeches. Hayes achieved all this in spite of having come to Catholicism through conversion from freemasonry, following his graduation from Columbia University.^{5,6}

The farewell functions held in New York in honor of Hayes before his departure for Madrid were numerous, organized by associations like the NCCJ, the American Women's Unit for War Relations, and the Association of Teachers of Social Studies of New York City.⁷ They all underlined the esteem that he enjoyed and indicated his respected position in the American Catholic world. Professor Hayes counted on some experience in the intelligence service as well, where he had worked during the First World War.⁸

The press also had nothing but praise for his appointment. The *New York Times*, in particular, called him an “uncompromising enemy of totalitarianism, a Catholic who had fought against intolerance” through his work in the inter-faith movement and one admirably capable of “relating the present with the past in a country (Spain) with deep historical roots” and “of being able to see that the ideas of American democracy are felt in the borders flanking a continent dominated by the Axis.”⁹ Even liberal newspapers like *The New Republic* chose to describe him as a “patriotic American with no tinge of fascist sympathy about him.”¹⁰ Opinion was divided, however: Some people, particularly some readers of the cited newspaper, wrote letters accusing him of having sympathies toward the Franco regime. There were similar echoes from the equally liberal *The Nation*, both in its commentary on the nomination and its continuing criticism of the work of outgoing ambassador Alexander Weddell: “[Hayes] could hardly fail to better the record of his predecessor.” *The Nation* took pains to remind its readers that, in October 1937, Hayes had been one of the “175 signatories to a Catholic statement supporting Franco and declaring that the vast majority of Spaniards backed the rebellion.”¹¹ The editors of *The Nation* concluded that, once Hayes saw for himself, using his “intellectual intelligence,” what the Franco regime had done to Spain he would overcome “any lingering prejudice.”

The opinion that Hayes was pro-Franco during the Spanish Civil War was very widespread. But the subject was complex. Upon the establishment of the Second Republic in Spain, in 1931, the professor had supported what seemed to be an evolution of democratic principles of the country, although he later showed his distaste for the anticlerical policy of the Spanish republicans.¹² Once Civil War broke out, he signed a protest composed by American Catholics against a document in which Spanish republican factions had attacked Spanish bishops and indirectly justified the killings of priests and nuns carried out in the republican zone. Earlier, in May 1937, he had his name removed from the editorial board of the catholic magazine *Commonweal*, as well as from the board of directors of another association with the same name, in protest against their pro-Franco activities.¹³ Thus, although it does not seem that Hayes could be completely cleared of being a militant supporter of the Franco regime before his arrival in Spain, he more likely sympathized only with certain aspects of the regime’s actions, such as the restoration of order, private property, and the power of the Catholic Church.

To be fair, Hayes undoubtedly was also a committed democratist who, from the beginning of the 1930s, had been revising his fundamental thesis—that of the evolution of Western civilization as a movement toward progress through a combination of religion, historical experience, and the development of democratic institutions—due to the emergence of authoritarian regimes that appealed to local nationalisms and the rise of irrationality in politics. In his last work published before his arrival in Spain, *A Generation of Materialism, 1871–1900* (1941), he predicted that the state of inhumanity marked by fascism and totalitarianism would prove to be a transitory phase, one that would

end in a return to the predominance of reason.¹⁴ An earlier paper on totalitarianism, presented at the 1939 congress of the American Philosophical Society of Philadelphia, also generated great impact.

President Roosevelt's intention in designating Hayes in 1942 was to improve better relations between United States and the Franco regime after an era (1940–1941) of tensions and conflicts. In early 1942, the U.S. and its allies were preparing for what was to be the United States' initial entry into the European theater of the Second World War, an entry that would result, on November 8, 1942, in the invasion of North African possessions of Vichy France under Operation Torch. In particular, the French zones of the Protectorate of Morocco and Algeria, were targeted, and both zones bordered the Spanish part of the same Protectorate.

**RAMÓN SERRANO SUÑER, "BLACK BEAST" OF THE U.S.
AMBASSADOR**

The first year of the Hayes diplomatic service benefited from the resignation—half a year after the arrival of the American ambassador in Madrid—of Spanish Foreign Minister Suñer. Influential as someone enjoying the maximum confidence of El Caudillo between 1937 and 1941, by 1941, Suñer's authority had fallen into decline due to reasons as much personal as political. As Franco's brother-in-law (he was married to Ramona, the younger sister of Carmen, the general's wife) and exhibiting a defiant attitude in his relations with American and British ambassadors due to his militant pro-Axis attitude, Suñer had, between 1937 and 1941, acted as second only to the dictator. His rise from Franco's private adviser to his occupying very important offices in the regime was rapid.

Having reached the National Zone in February 1937, after his escape from incarceration in Madrid's republican prison upon the commencement of the Civil War, he collaborated decisively with his brother-in-law in Salamanca and Burgos in the creation of the regime's only political party, the fascist Falange Española Tradicionalista Y DE LAS Juntas de Ofensiva Nacional-Sindicalista (FET y de las JONS), in April 1937. He soon landed high administrative posts, being named Interior Minister (January 1938), governor (July 1939), president of the political council of FET y de las JONS (July 1939), and ultimately, Foreign Minister (October 1940).

Following his appointment to this last post, he had been in personal, close, and permanent contact with Franco; in fact, the two of them managed negotiations with Germany and Italy for Spain's entry into the war. Franco's sympathies were definitely with the Axis, and he proffered them in exchange for territorial concessions in Africa, concessions sought from Adolf Hitler at the cost of the colonial empire of a defeated France. The proposal failed, although both brothers-in-law (as well as other leaders of the regime) continued in their expectation of an Axis victory and a rapid Spanish invasion of North Africa. This scenario never materialized; Hitler decided to attack the USSR in July

1941, and as a result, the Führer's interest in the Mediterranean and North Africa consequently diminished, regions in which Spain could have played a useful role for Germany.

The resignation of Suñer from all his posts came about early in September 1942, after an incident—known as the *Begoña Events*—that was the culmination of growing tensions existing within the regime from the time when it opted for fascism and gave complete control to one political party, the FET y de las JONS, led, owing to clear delegation from Franco, by Suñer himself since its creation until the outbreak of the internal crisis in May 1941.

Suñer's resignation had familial overtones, including marital indiscretions, and was further encouraged by El Caudillo, who had wearied of his brother-in-law's growing disdain for and egocentric attitude toward him. Convinced of his intellectual and political superiority over Franco, since the upheavals of May 1941, Suñer had been acting with a certain detachment toward him.

Suñer's successor, meanwhile, was a man who enjoyed Franco's highest confidence. A soldier and naval officer, Luis Carrero Blanco was undersecretary to the president and extremely faithful and submissive to El Caudillo, a complete opposite of Suñer's arrogance and smugness.

THE MINISTER OF FOREIGN AFFAIRS CONDE DE JORDANA AND IMPROVEMENTS IN THE RELATIONS WITH THE U.S. EMBASSY

Suñer's successor for the post of Minister of Foreign Affairs was lieutenant general Francisco Gomez Jordana y Souza, count of Jordana, a man quite different from him. Highly faithful to Franco and to the army to which he belonged and with whom he had revolted alongside El Caudillo, Jordana was a discreet man, restrained, without personal or political fickleness, and he did not harbor any special sympathies either for the Falange or for fascism. He could be better described as an authoritative nationalist, who had occupied positions in the Directory of the dictatorship of Primo de Rivera. Jordana was man of Alfonsino-Juanist monarchical sympathies, although without making them central to his purpose (unlike some of his fellow generals, such as Kindelan or Orgaz).

Jordana worried about the future of a Spain that embraced a foreign policy extremely inclined toward the Axis at a time—late 1942 to early 1943—when strong hints of a change in the war situation were beginning to surface. His interest was to carve out a new foreign policy stance that would show the eyes of the world the Franco regime as more balanced in its relations with the two contending sides. From the very moment of his access to the post, he renewed the line that he himself had defined and followed at an earlier stage in the Foreign Ministry (January 1938–July 1939), issuing a statement of solidarity with neighboring Portugal. He had signed a Treaty of Friendship and Non-Aggression with Portugal in 1938. (For its part, Portugal kept alive an old treaty of friendship with Great Britain, thus maintaining its neutrality toward that nation.) Furthermore, in December 1942, Jordana, during a visit

to Portugal and its dictator Oliveira Salazar, initiated the creation of the so-called *Iberian Bloc*.

A second axis of his policy had been the public reaffirmation of ties of brotherhood that united Spain with Hispano-American countries which, with the exception of a few (like Argentina), had declared war on the Axis after Pearl Harbor. Above all, Jordana worked in favor of a return to the status of neutrality adopted at the beginning of the world war, a status which, in June 1940, had evolved into *non-belligerence*, a term coined by Italy at the beginning of the war. By assuming the status of non-belligerence, Spain had announced to the world its pro-Axis sympathies and foresaw its future participation in the war alongside Germany, just as Benito Mussolini had done with Italy in June 1940. This participation, as we have said, had been actively sought by Spanish leaders.

In his efforts to steer Spain toward a return to neutrality, Jordana also sought to improve relations with the indispensable United States and Great Britain, in order to ensure the continued importation of products and supplies essential for Spain's survival. Particularly with respect to the U.S., and apart from the reestablishment of cordial relations with ambassador Hayes lost in the days of Suñer, Jordana's key prize came as a result of Operation Torch: On the same dawn in which the Allied landing was carried out in North Africa, Hayes had visited Jordana at his residence to hand over a letter written by President Roosevelt to Franco, in which Spain was given assurances that its colonial possessions in North Africa would not be attacked.

Operation Torch marked a moment of extreme weakness and risk for the Allied forces. A belligerent Spanish reaction—which had been debated by some of Franco's more falangist and militant ministers—or above all, the granting by Spain of permission to Germany for the passage of its troops through the Peninsula to take Gibraltar and penetrate North Africa, could have presented an extremely grave problem, including spoiling the plans for the Allied landing. Of course, Torch had also been extremely dangerous for Spain as well, which feared its African possessions being attacked. Had this occurred, Spain would have been obliged to declare war on the Allied forces, a path it no longer wished to pursue.

THE POLICY OF THE U.S. EMBASSY IN MADRID: BEGINNINGS AND REFORMULATION

The diplomatic relations between the United States and Spain, and consequently between Hayes and Jordana—achieved an even firmer basis following Operation Torch.¹⁵ Gradually, the Madrid embassy adopted a more advanced version of the posture that it had maintained since the start of the Second World War, one that it had not been able to get entirely approved by the State Department. In effect, since 1939–1941, Ambassador Alexander W. Weddell and counselor Willard L. Beaulac had been advocating a specifically U.S.-centered policy to steer Spain away from the Axis by proactively strengthening

economic relations between the two countries. This policy would not follow the British strategy, which was simply conceived as one of reluctantly supplying Spain with goods. The U.S. proposal, despite being seen positively by some in the State Department, such as Undersecretary of State Sumner Welles, Chief of the Division of European Affairs James Dunn, and others, had not been possible to implement, largely because of the blatantly pro-Axis character of the regime and its most prominent leaders—Franco and Suñer—and their hostile attitude toward a United States that they openly considered as being one more of the “rotten democracies.” In essence, the regime saw the U.S. as an enemy of the New Spain that the Regime wanted to create with the help of Axis powers.

The regime’s hostile attitudes only served to increase a growing anti-Franco sentiment in the United States, one fed by the American press. To put into practice a policy that was friendly to Franco would have fueled polemics within the Roosevelt administration itself, the U.S. Congress, the press, trade unions, and a U.S. public whose opinion was already increasingly anti-Franco. This antipathy included, within the U.S. government, Secretary of the Treasury Henry Morgenthau, Interior Secretary Harold Ickes, War Secretary Henry L. Stimson, and Secretary of the Navy William Knox. It is probable that even President Roosevelt himself would not have accepted it, given his inclination to steer a neutral course among the contradictory views that were current both within his cabinet and the entire U.S. government, and given his personal lack of fondness for the Franco regime. The Spanish question was a real red hot potato for President Roosevelt.

Despite misgivings, in October 1941, two months before Pearl Harbor, the United States had begun to formulate a comprehensive policy toward Spain, one that continued and reaffirmed the British policy of support toward Spain, through supplying it with goods, in an effort to keep it from participating in the war as a member of the Axis. The U.S. policy, in contrast to that of Great Britain, placed a greater emphasis on achieving a tangible, economic quid pro quo in the exchange of goods between the two countries. This policy, designed and adopted by the State Department, was not as generous toward Spain as the Madrid embassy would have wanted it to be, and the embassy found itself navigating through a series of economic agreements that had not been accorded official treaty status precisely because the Roosevelt administration feared the adverse reaction of popular opinion in the United States.

The pact included a petroleum supply program to Spain that would be renegotiated every six months. At the time of renegotiation, the U.S. reserved the right to either renew or cancel the contract, thereby allowing it to hold the Franco regime on a short leash and close the oil supply taps if the regime did not behave.

Throughout his first year as ambassador—carrying on the diplomatic philosophy established by ex-ambassador Weddell and counselor Beaulac during 1939–1941—Hayes, along with Beaulac and the staff of the Madrid embassy, demonstrated a readiness to take new and more decisive steps toward forging

a better relationship with the Franco regime. The cordial relations between Hayes and Minister Jordana seemed to offer firm ground for taking these renewed steps to accord between their two nations.

In the end, through a combination of factors, the optimistic expectations of Hayes and his embassy staff were largely frustrated, both because of the United State's severe policies toward Spain and the Regime's unwillingness to accept his policy. As we will see later, America's coercive stance toward the Franco regime—one that the Madrid embassy was obliged to present and defend—only made a bad situation worse.

It could be said that Spain, despite its animosity toward the United States both politically and economically, was already obliged to fall in line with U.S. wishes. With the oil supply pact of October 1941, the U.S. had shown its fangs, and it would continue to show them ever more threateningly from the moment that the gains obtained by Operation Torch began to be consolidated and, above all, as the military necessities of 1943–1944—especially the D-Day preparations of the Normandy Landing—grew in urgency. By the end of the European war, Allied control over Spain, engendered by U.S. fears of Spain's pro-Axis leanings, would help to achieve Allied victories in Western Europe.

At the start of 1943, however, the U.S. Madrid Embassy found itself highly satisfied with the new climate of cooperation created by Minister Jordana. A report written during this period by Beaulac informed General Dwight D. Eisenhower—then chief of Allied forces in North Africa—about the Spanish situation. Beaulac addressed the general's concerns about the possibility of Allied troops militarily intervening in Spanish territory in response to an entry of German troops: "Spain is still following a public policy of friendship toward the Axis. . . . This policy . . . should not be confused with its *foreign* policy. . . . [This] is in the direction of closer relations with the democracies, to the detriment of relations with the Axis [and] aimed at keeping out [Spain] of the war."

Beaulac's analysis revealed a stunning naïvety and showed at best only a partial understanding of the Franco regime's policy, one divided by differences among various political factions existing within the bosom of the council of ministers and the regime itself. These differences encompassed both general political issues as well as the treatment of relations with the Allies in general and with the United States in particular. Thus, Jordana's neutral attitude was strikingly different from that of militantly pro-Axis falangist ministers such as Jose Luis de Arrese, secretary general of the FET y de las JONS and Labour Minister Jose Antonio Giron. Others within the Franco regime took a more nuanced stance.

One of these was Demetrio Carceller, minister of Industry and Commerce, a successful business businessman and an expert in playing both sides of the warring Allied and Axis powers to his benefit. Carceller had interests in oil (through CEPESA) and, according to Allied sources, interests in the wolfram industry as well—and wolfram was a strategic war materiel. On

several occasions, as we will see, Carceller erected obstacles to the initiatives of Jordana's Foreign Ministry that would lead to deteriorating relations between Spain and the Allies.

Jordana was, indeed, committed to returning Spain to a stance of neutrality, one that Hayes and Beaulac both believed would be pro-Allied. The great personal closeness with the Spanish Foreign Minister that Hayes' correspondence suggests was radically different from the tone taken by Jordana in his personal diaries when making references to the U.S. ambassador. A key fact missed by the Madrid embassy was that Jordana, the Spanish ministers, and above all Franco himself were moved primarily by their interests in saving the political regime that they had begun building since their rebellion against the Spanish Republic, a cruel civil war, and heavy post-civil war repression—a regime that, especially during the past three years, was threatened by the ever-increasing possibility of an Allied victory.

Suñer's resignation and the nomination of Jordana in September 1942 (brought about due to an internal crisis within the regime), acquired new meaning a few months later. In his time, Suñer had played the role of a pro-Axis supporter while Franco demonstrated a more balanced and neutral demeanor—despite being as fervently pro-Axis as his brother-in-law—to deceive the Americans and Ambassador Weddell. Now, Jordana displayed a more amicable face to the Allies and was personally more inclined to them, while Franco continued to maintain his neutral stance, while encouraging Jordana to look for a better power balance in Spain's foreign policy toward the Allies. A return to Spanish neutrality was not, therefore, synonymous with a political inclination toward the Allies.

As Jordana wrote in the summer of 1943: "since I have become minister, our policy has moved toward an absolute neutrality, that after having to fight against our earlier position which, then suitable for Spain, was frankly germanophile.¹⁶ Jordana sought neutrality for Spain for the survival of the Franco regime; Spain needed to import a continuous supply of petroleum products, cotton, wheat, and other commodities to survive, and this supply depended on steady good relations with the Allies.

HAYES' FAILURE AND THE HARDENING OF U.S. STATE DEPARTMENT LINE TOWARD FRANCO IN 1943

The desire of Hayes and his Madrid embassy to pursue a policy that would entice Spanish opinion toward the Allies did not find many takers in Washington. Thus, when on April 30, 1943, Hayes authorized the departure of five Spanish tankers to sail to the United States, he did it under his own authority, contrary to U.S. State Department orders to restrict commercial traffic with Spain and at great risk to his career as Spanish ambassador.

The ambassador justified his authorization in an appeal to President Roosevelt, asking for Roosevelt's continued approval of the supply of petroleum products to Spain and for his support for "our general policy toward her."¹⁷

Hayes saw a reduction in commercial trade between the United States and Spain as a signal of the hardening of U.S. policy toward the regime. Thus, his measures to stop what he perceived as a significant change in U.S. policy toward Spain were intense. For example, he wrote to the embassy's military attaché, Colonel Hohental—currently in Lisbon—asking him to communicate with the War Department or with the Joint Chiefs of Staff and push for not reducing the flow of petroleum products to Spain without prior approval from the embassy in Madrid, arguing that Spain was not a potential enemy but a potential ally.

Hayes had immediately identified the origin of the oil embargo prohibition. As he wrote to Hohental, "the Board of Economic Warfare and the Department of [State], without consulting this embassy and against the recommendations of the British embassies here and in Washington, have submitted a proposal to the Joint Chiefs of Staff to reduce the petroleum supply program for the current semester, to Spain."¹⁸ He was not mistaken. In fact, in Washington, even before receiving military orders to such effect the Department of State had ordered the reduction in the departure of petroleum tankers, seeking to reduce what it saw as an excessive flow of petroleum products to Spain.

But, what was behind the reduction? Both technical and political reasons played a part. First, the Iberian Peninsula Operating Committee (IPOC), created in 1942 to manage politico-economic policy toward Spain and Portugal, was headed by Herbert Feis, who was also Economic International Adviser to the State Department. By January 1943, Feis and the IPOC believed that the flow of petroleum to Spain had become excessive starting in late 1942 and into 1943. Not only had the Spanish petroleum flotilla increased in capacity, according to Walter Smith, petroleum attache of the North American embassy in Madrid, from 700,000 to 770,000 tons, but the sheer numbers of Spanish tankers entering the Caribbean to pick up loads had also increased.¹⁹

Since, as Feis reasoned in December 1942, only 230,000 tons of petroleum had been exported to Spain in 1942 and the Spanish economy had continued to function, a reduction of 541,000 tons in 1943 pose no hardship to Spain.²⁰ Other members of the IPOC dissented, and no decision could be reached. In fact, Smith had agreed to the 541,000 tons as the maximum that the Spanish petroleum fleet would be capable of transporting and, most importantly, the quantity was granted in during the uncertainty surrounding the results of Allied operations in North Africa.²¹

The posture of the IPOC's chairman, Herbert Feis, was in good measure a result of anti-Franco pressures from trade unions like the National Maritime Union, but also involved an attempt to cover itself before some imminent investigations of the Committees of Foreign Relations by the House of Representatives and the Senate on their policy toward Spain.²² These investigations were promoted by sectors within the United States that could not comprehend supplying petroleum to a country so friendly to the Axis. Herbert Feis was also of the opinion that the more petroleum supplied to Spain, the stronger Spain

would feel and the less likely it would be to agree to cut its supply of other products to the Axis.²³ As he warned the IPOC (as reflected in the minutes of the meeting): “he wished the Spanish figure to be revised downward and if the IPOC did not see fit to decrease the petroleum quota, he would have to take up the matter with the Secretary.”²⁴ Such a decrease would be facilitated by the fact that Spain was unaware of the quota of 541,000 tons agreed upon by Smith and the State Department.

In subsequent meetings, the Feis proposal became progressively more acceptable, and on February 11, 1943, a more or less general consensus was reached by the IPOC and the State Department that an excess of petroleum products was going to Spain. According to Feis, in a meeting called by Undersecretary of State Welles on February 11: “All present agreed that the tide was running too fast; that less oil should be sent to Spain from then to April, to lower the level of Spanish stocks.”²⁵ Moreover, the State Department did not trust the information that it received from Madrid about the state of petroleum reserves in the hands of the Regime.²⁶ The State Department feared that Spain was stockpiling petroleum products so that, in case of the entry of German troops to attack Gibraltar and later move to North Africa to help General Erwin Rommel and his *Afrika Korps*, these products could be supplied to the German Army. It also believed that Spain was stocking a higher level of petroleum than was strictly necessary to allow for basic economic functioning, so that it would be capable of producing, transporting, and selling more petroleum products to Germany and the Axis.

But, above all, since the beginning of the war, the State Department suspected that Spain was actually siphoning part of the petroleum products that it received from the United States directly to the Axis. Such transfers actually occurred, although only intermittently, and under the auspices of the Spanish Navy, which acted with a certain autonomy. This had created more than one problem for the Spanish Commissary for Liquid Fuel of the Presidency of the Government and the Foreign Ministry. It was obvious that America’s suspicions were never verified; if they had, it is fair to assume that the IPOC could have acted much more forcefully. The repercussions would have been unthinkable if the U.S. government had known that, in 1942, the Spanish Navy’s tanker *Pluton* had transferred its entire load of 4,000 tons of fuel to German ships, by orders from the Naval minister—as a gift. As the Undersecretary of Foreign Affairs told Jordana on December 23, 1942, it had created “a delicate problem of verification of stocks, which, in addition, had given rise to additional difficulties of accounting and regularization of payments, since the Department in question (the Naval Ministry) refused to pay to CAMPSA the value of that cargo, alleging that the Navy did not utilize it, nor charge the Germans for it, which created an overdraft in CAMPSA’s accounts of approximately two and a half million pesetas incurred by it. This sum was not only not shown in its coffers but could not be reconciled in their accounts. In addition, even though the Americans never referred concretely to this especially annoying case, Colonel Roldan, Commissar of Liquid Fuel, tended to believe that it

represented clear evidence that the motives of those making the verifications were suspect.²⁷

But the fear that Spain would produce more war materials based on receiving more raw petroleum from the United States had another important implication. The U.S. and the U.K. were involved in a competition with the Axis to preemptively buy up Spanish goods destined for Germany.

This economic battle had been raging since the end of 1941, and it had necessitated the creation of a commercial consortium to deal specifically with these purchases from Spain—the United States Commercial Corporation (USCC), homonym of the older United Kingdom Commercial Corporation. These preemptive purchases were an enormous drain on U.S. coffers. The cost was to be compensated by a surcharge charged by the U.S. on its petroleum exports to Spain. Simply put, if Spain received more petroleum, it would produce more goods that could be sold to the Axis, and U.S. preemptive purchases to contain this extra production would further inflate the USCC's bill.

The star product of all this preemptive buying was wolfram, a strategic mineral in the production of tungsten. The Spanish government benefited from Axis–Allied competition by scandalously increasing the price of the mineral through export taxes.²⁸ To counter this move by Spain, the U.S. correspondingly increased the price of its petroleum products by 100 percent, as well as increasing the cost of ammonium sulphate (for fertilizer) and cellulose.²⁹ The great increase in the price of U.S. petroleum alarmed the Commissary of Liquid Fuel and, above all, Minister Jordana, who was in absolute disagreement with the surcharges on wolfram applied by Minister of Commerce and Industry Carceller.

Jordana petitioned the Ministry of Foreign Affairs in this respect:

[It has been indicated] repeatedly and long the dangers that lurks in the unjust rise in prices of Spanish export items to markets whence we have to import our vital products, running the risk, that, as a perfectly understandable reaction, the country producing these goods would seek natural compensation in their own quotations. This would lead to a small number (particularly for wolfram, an extremely small) of particular interests becoming rapidly and fabulously enriched by taking advantage of the war situation. The entire country would have to bear a new general rise in the index of living due to the inevitable repercussion of a rise in transport, cotton, ammonium sulphate, and other absolutely basic merchandise which will be reflected in the general level of the economy.³⁰

The combined pressures of the press, Congress, and a public whose opinion was highly critical of the policy of sending supplies to the Franco regime united to influence IPOC's, the U.S. State department's, and the Roosevelt administration's decision to reduce the number of tankers carrying oil from the United States to Spain. This criticism had increased since the beginning of 1943, as military operations and the course of the war continued in favor of the Allied forces. Influential political commentators, such as Walter Lippmann and

Walter Winchell, had increased their pressure in favor of a hardening of U.S. policy toward the Franco regime.³¹ The general public was coming around to the view that had been always maintained by liberal newspapers such as *The New Republic* and *The Nation*.

To this was added the great impact of Thomas J. Hamilton's successful book, *Appeasement's Child: The Franco Regime In Spain*,³² which appeared in February 1943. The author, a seasoned journalist who had been the Madrid correspondent for the *New York Times* between 1939 and 1941, presented an exhaustive analysis of the U.S. policy toward Spain, calling it weak and appeasing. He advocated an increasingly hard line against the Franco regime, decisive support by the United States for the Spanish republican government in exile, and the eventual reinstatement of that government after the war.

Hamilton's work agreed with the toughened policy of the U.S. State Department and was applauded by the liberal press. The book's detailed and enjoyable account³³ presented a number of supporting "facts"—some real, others erroneous—for American criticism of the regime, and received a lot of acclaim. In his success contributed the news of the alleged petition of Franco's ambassador in Washington Francisco de Cárdenas to the US government to censor the book.³⁴ This period also saw the great success and popularity of the film *Inside Fascist Spain*, which showed conditions inside the country.³⁵ Jordana himself added to the furor by suggesting, in a speech given in the middle of April 1943, the necessity of reaching a negotiated peace between the Allies and the Axis. In the United States, this move was seen as one inspired by Germany,³⁶ which in reality was not at all the case.

The impact of these popular anti-Franco attacks on U.S. State Department policy was explained to Hayes by W. Perry George—in charge of the Iberian Desk at State, and whose son was one of Hayes' secretaries:³⁷ they were "virulent and almost invariably foundationless." He showed his impotency before them when he said that "there was little that could be done for fear of exposing our entire position and jeopardizing the tasks we have set ourselves to do."³⁸ With respect to Hamilton's influential book (George knew and respected the author), George believed that Hamilton either did not fully understand the State Department's policy toward Spain, or else had written a version that would sell better. The fact remained that neither the State Department nor the Roosevelt administration did anything to refute the book's version of the truth. Even in the face of such criticism, internal division existed in Washington in respect to the Franco regime.

Against this background of increasing criticism of the policy to supply Spain, ambassador Hayes' actions also came under scrutiny. The most prominent was Hayes' speech to the American Chamber of Commerce in Barcelona, delivered on February 26, 1943. In it, Hayes mentioned that the Spaniards were better provided with gasoline than were Atlantic coastal cities of the United States—a population that was bearing the brunt of fuel rationing due to military exigencies. The speech, given to commemorate the twenty-fifth anniversary of the founding of the Chamber, was

entitled “Reciprocal Trade and Spain’s Developing Economy.” The text of the speech was widely circulated by international news agencies throughout the Americas:

During my nine months’ sojourn in Spain, what has more persistently impressed and gratified me has been the multiplying signs that the economic renaissance of Spain is really being effected Very much has already been done . . . thanks principally to the vigor and vitality of the Spanish people and to the wise direction of the Spanish Government which, while fostering the works of Peace at home, has held aloof from the war abroad It may therefore be not amiss for me to remind you that the United States may claim some credit for the improving condition of the Spain’s economy. Although the United States, since it was brought into the war, has not been able to supply Spain with many of the manufactured goods and repair parts which it used to export, and although it would obviously be unable to supply them as long as the war lasts, it has gladly agreed to increases in the movement of other and immediately needful commodities. One of these is petroleum. As a result, I am happy to say that, during the last four months of 1942 and to date in 1943, the flow of gasoline and other petroleum products from America to Spain has equaled the full capacity of the Spanish tanker fleet and that already by January first of this year stocks were sufficiently accumulated here to enable the Spanish authorities to increase gasoline rations, to put more trucks on the highways, and recently to start street buses running again in Madrid. At the present time, the amount of petroleum products available to Spain is appreciably higher than the quantity available, for nonmilitary uses, to any other European country and is considerably larger than the present per capita distribution to the people along the Atlantic seaboard of the United States itself.³⁹

Hayes added that:

[S]o long as the war lasts, and is kept away from Spanish lands, the United States stands ready to continue and extend any help it can to Spain, which itself is doing so much, with such obvious success to develop a peace economy that can and will carry this country safely into a future period of world peace.

Although Hayes’ intention had been internal Spanish propaganda directed toward the Franco regime and the public to increase their liking for the United States, the repercussions backfired against him in the United States.

Hayes’ posture toward the Franco regime was immediately utilized by the liberal and anti-Franco press to press the U.S. State department to consolidated its policy against the Franco regime. Anti-fascists factions within the United States advocated a complete severance of relations with Franco and his fascist Spain. These factions had opposed Franco since his victory in the Spanish Civil War, and they were ever ready to criticize the State Department and some of its high functionaries, men like Sumner Welles, Dunn, and of course Hayes and his Madrid clique (whom they sometimes referred to as “Catholics”—in short, committed pro-francoists).

In the Congress, particularly in the House of Representatives, Representative Bender, from Ohio, utilized the speech not only to counter Hayes but also to speak out against "our State Department's continuing relationship with the appeasement groups and with fascist sympathizers." He demanded the formation of a committee that would investigate the Department regarding its policies toward Russia, Spain, and North Africa.⁴⁰ Representative Rogers from Massachusetts, for his part, demanded that the President be requested to give information about the quantity of gasoline supplied to Spain and other countries in the last two years.⁴¹ In the Senate, Robert R. Reynolds (a Democrat from North Carolina and chairman of the Military Committee) labeled the gasoline export program as a "damned outrage,"⁴² while John A. Danaher (a Republican from Connecticut) responded to a question on Franco by affirming that "the time has come when we must consider not only the preservation of American principles but the preservation of American health."

The liberal daily *The New Republic* affirmed that Hayes' Barcelona speech marked "a new low in the appeasement policy of the State Department" while "America has now been put on record as approving the bloody and malodorous Franco regime."⁴³ This period moreover saw the launch of an attack on the supposed "Catholic influence" in the State Department and the White House, one described "as a powerful and even decisive factor" at the time when U.S. support for republican Spain ceased during the Spanish Civil War and now in favor of Franco viz a viz U.S. policy in North Africa. One contributor (signing himself PM) to *The New Republic* wrote that the "distinguished professor" (i.e., Hayes), who had so eloquently written "on the evils of nationalism and the corrosive force of materialism . . . perhaps [because] he likes Franco's regime because it is a fascist military clique rather than a national government that truly represents the aspirations of the people. Perhaps he likes it because it has squeezed Spain dry of food and the ordinary means of sustaining life and therefore has no "materialism" left. Perhaps, being a Catholic, he likes it because he represents an alliance of political Catholicism and fascism."⁴⁴ For his part "PM" denounced the "disgustingly fawning speech of appeasement at its Munich worst."⁴⁵

To the IPOC, these reactions were like rubbing salt into wounds. In the words of Feis, Ambassador Hayes was "out of accord with the feelings of both the American government and the American people. They were not pleased that Spain was doing so well while they were in the fires of war. They were not grateful for Franco's artful caution or eager to see his regime carried safely into the future. The Ambassador's remarks seemed to many to have gone beyond his title and his task."⁴⁶

Hayes tried to justify his speech by explaining that it formed part of his propaganda initiative, undertaken in December 1942, to counter the pro-Axis influence of the German embassy, the Spanish press, and the propaganda machinery of the FET y de las JONS (headed by the vice secretariat of Popular Education), which had launched a campaign against the United States and its

allies following the success of Operation Torch and Allied advances in North Africa.

The propaganda offensive Hayes sought to balance was directed by the new German ambassador, von Moltke—who had replaced a certain von Stohrer, who was reputed to be “rather soft” in Berlin—as well as by press attaché Lazar. Hayes had worked energetically in response to this German assault, sending a personal letter of protest to Jordana and paying weekly visits to Jordana for three months, criticizing the Franco government’s permissive stance toward Germany’s spread of information that painted the United States as a communist country, spoke ill of its war effort, and proclaimed the invincibility of the Axis. In addition, Hayes organized the screening of the film “Gone with the Wind” in several big Spanish cities, ensuring that, in the capital, the screening was attended by the Archbishop of Madrid and the Jordana family—despite efforts by the German embassy to discourage it and the activities of falangist elements, who had placed nails on the roads to flatten the tires of the attending public. On January 15, 1943, Hayes presented a speech in the Casa Americana of Madrid entitled “The United States’ Objectives for the War,” which was attended by ambassadors of Allied and Latin American countries, as well as by several highly placed Spanish officials; the infamous speech of February 26, in Barcelona, was simply one more blow in the campaign Hayes was directing against German anti-Allied propaganda.

Hayes had not anticipated U.S. reaction to his speech. Years later, he would write that “of course, as I expected, certain journalist and radio commentators in the United States, particularly those who had long been more concerned with waging civil war in Spain (from a safe distance) than with fighting Germany, tore phrases loose from their context and deduced from them that I and the State Department were engaged in most nefarious ‘appeasement’ and that the United States should instantly break off all relations with the Spanish government—and by implication, leave the country to the Axis. This barrage back home struck me as both humourous and pitiful, although it undoubtedly gave aid and comfort to our German enemies in Spain.”⁴⁷

In the face of this scandal, Undersecretary of State Sumner Welles read a statement on March 1, 1943, in the House of Representatives—in response to its petition for information made to President Roosevelt—with which he tried pacify public opinion and justify U.S. policy toward Spain. He explained that commerce with Spain was reciprocal, was carried out along with Great Britain, and that, in the case of petroleum products and with the exception of packed lubricants, all products sent to Spain came from the American continent but not necessarily from the United States. His efforts were to reassure the U.S. public that supplies sent to Spain were neither to the detriment of the United States, nor were these shipments negatively affecting the American population. Welles also insisted that the quantities of supplies sent were just sufficient to allow for the basic functioning of the Spanish economy, and were not enough to allow Spain to accumulate stockpiles. He reiterated that, at the start of Operation Torch, the President had given the Spanish government

“unqualified assurances that no action would be taken by our forces which would call for any departure by the Spanish Government from its neutrality in war.” Welles also recounted that, “the Spanish Government, on our invitation, gave us unqualified assurances that, for its part, the Spanish Government was determined to continue its policy of neutrality and that it would resist by force any foreign aggression against its territories from whatever source.” He concluded by “affirming that, above everything else, for the U.S., the foreign trade in general and particularly with Spain was subordinate to the conduct of war.”⁴⁸

This was the public and official response of the State Department to Hayes speech; in private the Undersecretary subtly reprimanded Hayes, telling him that “it was unfortunate that we did not have an advance of your speech.”⁴⁹ The Spanish issue was by no means ordinary. And, as Secretary of State Cordell Hull himself wrote to Hayes, “despite the care with which we are following the matter, there is more criticism of this oil program to Spain than of any other matter of foreign policy under my direction.”⁵⁰ In a subtle tone of reprimand, Hull wrote: “It occurs to me from my reading of your recent telegrams that you may not be giving full weight to the importance of public opinion and judgment here which I believe would view most unfavorably any increase in the actual shipment of oil to Spain over that the highest quarter of 1942.”⁵¹

THE PROPOSAL TO REDUCE THE SUPPLY OF PETROLEUM PRODUCTS TO SPAIN

The firestorm ignited by Hayes’ February speech of Hayes slowly died out in the press, but Feis and the IPOC, with the support of the Board of Economic Warfare (BEW)—the agency in charge of the economic operations of the war and led by Vice President Henry Wallace—was poised to act. On March 23, the IPOC decided the cut in the supply of petroleum to Spain in the second trimester and for the rest of 1943. This resulted in the State Department’s order to the Madrid embassy to reduce departure permits to Spanish tankers, an order that, as we mentioned, Ambassador Hayes ignored. Two days later, the BEW also ordered a revision of the entire U.S. commercial policy with Spain.⁵² In particular, it decided that the quantity of petroleum products to be sent in the first trimester of 1943 could not exceed 100,000 tons, which meant a considerable decrease of more than 135,000 tons every trimester to the amount agreed upon in December 1942 by the petroleum attaché in Madrid, Walter Smith. The reduction was based on a recent estimate of Spanish consumption, which was 30,000 tons monthly (90,000 a trimester), the excess of which (45,000), the IPOC considered was going to fill the country’s reserves.⁵³

The decision was approved by the State Department, but upon implementation it was found that the authorization for receipt of Spanish oil tankers exceeded not just the now decided-upon 100,000 ton limit, but exceeded even the previous 135,000 ton limit. This explains the April 17, 1943 State Department’s request⁵⁴ (with the approval of the BEW), that the Madrid Embassy

restrict departure permissions to only two of the five tankers proposed by Spain, in order to delay the next loading period (May 4–5). In Madrid, Hayes and Smith contested the figures presented by the State Department; Smith in particular asked that no reduction be authorized until he went to Washington to plead Spain's case. Meanwhile, Hayes ignored the order from the State Department and authorized all five tankers to leave Spain for the United States.

The IPOC worried that this move to reduce petroleum exports to Spain would be seen as being in conflict with the policy being pursued by the embassy in Madrid. Feis and State Department Special Assistant Thomas Finletter appealed to the Assistant Secretary of State Dean Acheson, requesting him to inform the Secretary of State and consult with the Joint Chiefs of Staff to determine if they had any objections to the reduction in the number of boats. The telegrams sent to Hayes to announce the measure reiterated the reasons Hayes himself cited in his recent speech. He was told that "inherent to this decision is recognition that the importation of almost exactly 100,000 tons quarterly has enabled the Spanish government during the past 6 months to maintain its domestic economy at a reasonable wartime level. As you have pointed out in several dispatches . . . the operation of rail, truck, and bus service has improved, motor car gasoline rations have been moderately increased, and the internal food situation ameliorated."⁵⁵ Indeed, Hayes was assured, the fundamental policy toward Spain had not changed—which was true—and he was reminded that "in view of the fact that a 541,000 ton annual figure has never been revealed to the Spaniards, it is assumed here that there is no reason to believe that the Spanish authorities would interpret the contemplated restraint on their loadings as effecting any commitment on our part under the supply-purchase arrangements,"⁵⁶ although the IPOC placed little trust in the Embassy, and they were inclined to feel contrary to the embassy's policy.

On March 28, 1943, the Joint Chiefs of Staff responded to this query: They had no objection to the reduction of the supply as it was not a military issue but a political one. Because Hayes had disobeyed orders by not reducing the numbers of tankers that would arrive in the United States in April, now the State department ordered him on the March 29 not to authorize the departure of any tanker for the loading period of May 19–20.

HAYES' NONCOMPLIANCE AND VICTORY . . . UNTIL THE NEXT ROUND

The tone of the State Department telegram that contained the order for Hayes was informal; it merely "suggested that no sailings for loading on these dates be approved pending arrival of further instructions."⁵⁷ The ambassador latched on to this phrase in order to authorize the departure of the five tankers. Afterward, he justified his actions by saying that he had acted "in exercise of the discretion given to me."⁵⁸ There ensued a conflict over the next few weeks in which the

U.S. ambassador to Spain questioned the propriety of the State Department's orders in regard to Spain.

Secretary of State Hull's first reaction upon hearing about Hayes' defiance of the State Department order was to allow things to cool down naturally. He was aware that, given Hayes' academic background and his close relations with President Roosevelt, an internal conflict between State and the Madrid embassy would have grave repercussions. In addition, public opinion was hot against any Spanish support.

Hull's subordinates, including Acheson, convinced him that he could not let the matter rest. Therefore, in the first telegram that Hull sent to Madrid after the start of this issue, he said that "your interpretation . . . and your consequent authorization of the sailing of the five tankers may have the result of necessitating refusal of authorization to load at Aruba for a part at least of this fleet on the May 19 loading date. Such action, of course, is less desirable than postponing the departure of two or three of these tankers."⁵⁹ Hull reiterated that no fundamental change in the policy "of supporting reasonable wartime economy in Spain is contemplated, or is it complaced in providing reasonable quantities of petroleum and petroleum products for the implementation of that policy. Now with the continuation of military operations in north Africa . . . it is my opinion, concurred in by BEW, that imports of petroleum and petroleum products during the second quarter into Metropolitan Spain should not be in excess of the importation rate of the past semester." And he informed Hayes that "two days ago, the Joint Chiefs of Staff informed me, in reply to a letter which I addressed to them, that no military reason existed why my proposal not to exceed this past rate of export should not be placed in effect."⁶⁰

Hayes' response surprised the State Department, being a *de facto* refusal to collaborate with policy and Hayes' own insistence on questioning the directives he had received. Instead of one reply Hayes sent across a torrent: three in two days to be precise. He argued that "I do not agree that proposal to limit petroleum supplies to 100,000 tons this quarter adequately implements our policy toward Spain. The Department has not yet given me any reason for so limiting supplies and I can think of no reason myself. . . . In my opinion and in the opinion of my military staff such reduction does effect a change in our Spanish policy precisely at a time when it is producing increasingly favorable results." He recommended "very strongly that the five tankers whose sailings I have authorized within the discretion granted in your [telegram] be permitted to load."

He underlined the inopportune nature of the order, received "at this time when Jordana has been able to arrange altering bitter opposition by the Germans and the falange for the evacuation to north Africa of French refugees, nearly all on military aid . . . (850 had crossed Portuguese border en route to North Africa and that 200 Poles had already been evacuated to Gibraltar), thus the timing of the proposed reduction of petroleum program could not conceivably be worse, and after we have been able with Jordana to arrange for informal French representation here more successfully than any other neutral

country, would constitute a major defeat for Jordana and might prejudice his usefulness to us if not his entire position within the Government.”

To Hayes, not only did the measure seem inopportune, he had been surprised and disturbed on not having been consulted beforehand: “I am surprised and disappointed that the Department went so far as to submit proposed reduction in supply program to Joint Chiefs of Staff before obtaining Embassy’s opinion which you and the Joint Chiefs of Staff have a right to hear before making such important decision.” It was not, he explained, as if he would have refused the possible reductions of petroleum supply to Spain, but he considered control over the petroleum supply a tactic to be used only when absolutely necessary. In this regard he said:

I have always had much in mind that it might be desirable to reduce petroleum supplies to Spain under given circumstances and we are in a position to take military advantage of the situation which might arise as a result, and I should appreciate if you would read my dispatch [of last 2nd April] . . . and show it to the President. But such reduction should fit into a political, economic, military plan, carefully studied and agreed to by the Department, Joint Chiefs of Staff and Embassy in advance and it should not derive from a mere impression that a reduction in the program is in some unexplained way necessary in view of our military operations in North Africa, particularly when our military men on the spot who are in the best position to determine the relationship between the two things strongly oppose on military grounds any reduction in the program at this time.

To support this point, he cited the recommendation made by Colonel Hohenthal, the military attaché of the Embassy—made, it should be remembered, on Hayes’ insistence.

His criticism did not stop there. He went on to censure the frivolous nature of the State Department’s directive toward Spain when he said:

I cannot believe that the Department would revise its Spanish policy on basis of popular impressions of Spain (which derive partly from a failure in the United States to make clear the military advantages of our policy) instead of on the basis of the careful evaluation of the Spanish situation submitted by the embassy (to which I hope the Iberian Committee and BEW as well as Joint Chiefs of Staff have access) which demonstrate that Spanish neutrality has already been of great military assistance to us in conducting our North African operations and promises to be of greater assistance to us in the future. Otherwise the Embassy’s continual patient efforts to bring not only the Spanish people but the Spanish Government over to our side would be frustrated.

Hayes believed that the evaluations of the Spanish situation—as well as the predictions—made by the Madrid embassy since Pearl Harbor were accurate. Thus, he believed that, barring a change in circumstances, U.S. policy toward Spain should remain the same, and that any changes to policy should come only after agreement between Washington and the embassy.⁶¹

He further criticized the order that sought a postponement of the tankers' sailing, saying, "I shall do my best to comply with your request," but he added, "I deem it most unfair, unfortunate, and inopportune."⁶² He stressed that the fundamental question to be kept in mind when considering the petroleum issue was "if we can obtain greater advantages from a liberal than from a niggardly policy." In Hayes' opinion, the original 541,000 tons of petroleum agreed upon had allowed for an improvement in the transport of food and other products in Spain, and reducing the flow now would negatively affect agriculture. But above all, the petroleum achieved much more than expected from the point of view of politics and in furthering the interests of the United States: "It has helped to strengthen elements in the Government favorable to us and converted many others to our side," which translated into successes like the "acceptance of our guarantees at the time of North African landing . . . ; Spanish determination to resist any Axis aggression; release of all our military internees, mostly military; return to us uncompromised of important secret military equipment; consent to establishment of French North African representation; and, on the economic side, smooth functioning of our broad program which has been damaging to Axis." All that had moreover translated "into public goodwill which extended from lowest class to highest, excepting only a minority in the Falange which still clings to hatred of democracies and which would like to see our program fail." As a consequence, he reaffirmed that "our military personnel [that is, Hohenthal] have informed War Department that they now consider Spain a potential ally rather than a potential enemy" which, as we know, was in fact the nucleus of the policy that Hayes and the Madrid embassy were propagating.

Hayes believed that the "excess" importation of petroleum that Washington detected was simply the result of a drop in importation during the preceding two trimesters, caused by the fact that some of the Spanish tankers had been dry-docked for repairs. The quantity approved in December 1942 represented only 60 percent of the normal amount needed by Spain before the war.

Although the communications from the State Department stated that, because the Spanish were unaware of the exact figure of petroleum products agreed-upon in December, no diplomatic harm could come of a reduction. This was a crucial point, because the IPOC suspected that the Madrid embassy was fighting unflinchingly to maintain the agreed-upon flow of petroleum to Spain because it had indeed informed Spanish authorities of the amount to be expected, instead of maintaining the secrecy that the State Department and IPOC wanted.

But Hayes did not stop there. At the same time that the State Department was replying to his communiques, he wrote a personal letter to President Roosevelt. In that, and totally avoiding referring directly to the problem, he chose to focus on the incident of his Barcelona speech. He said:

My Barcelona speech, which was printed and widely distributed here, has been influential, I am sure, in gaining friends for the reciprocal trade policy and for the

principles of the Atlantic Charter. I regret more than I can say that its incidental reference to petroleum supplies from America caused such a furor back home. I can only plead that if the journalistic critics of our Spanish policy know the real facts about the situation here and were as intent upon winning the present war against the Axis as they are upon continuing the seven-year-old Spanish Civil War, they would be more charitable and less voluble. Politically speaking, General Franco will continue in power for a time. The Monarchists are too divided and the republicans too cowed. Eventually however, the widespread popular dislike and hatred of the Falange will compel a radical change of regime. If Franco gets rid of the Falange in time (which I imagine he won't), he may be able to lead an evolution toward a more liberal government and to retain a place in it. Otherwise, he will be forcefully ousted along with the Falange.⁶³

This barrage of arguments, criticisms, questions, and denials from Hayes had the effect in Washington of outraging Hull and the more anti-Franco sectors of the State Department, led by Acheson, as well as men like Herbert Feis, Thomas Finletter, Henry Labouisse, and Livingston T. Merchant⁶⁴ of the IPOC, who considered themselves, in the words of Feis himself, "the true custodians of our Spanish policy and programs," not Hayes.⁶⁵

Perry George told Hayes what had happened inside the State Department when his telegrams had been received. Specifically he explained to Hayes the meeting among, Hull, James C. Dunn, Feis, Finletter, Thornburg (of the Petroleum Section) and George himself to deal with the issue. The supposed discretion that could have been granted to him in the telegram of 29th wasn't like that, but instead produced a confusedly written telegram that did not respond to the directive issued. But the important thing was that the entire issue was just "the old story of division of feeling" toward the Franco regime. Perry pacified the ambassador when he said that, "for your comfort I may say that the issue is not yet definitely disposed of."⁶⁶

Those who continued to demand the cut in petroleum supplies to Spain persisted. On May 5, Dean Acheson had a long telephone conversation with Admiral William D. Leahy, in which he asked the admiral if he believed the 135,000 tons proposed to be loaded on the five Spanish tankers should be allowed to proceed, or if the tankers should be sent back to Spain empty. Acheson also told Leahy that new authorizations could raise that quantity to 170,000. Leahy's reply was that, at 135,000 tons, the matter was political, not military and he had no objections; however, at 170,000, the matter became more strategic and the opinions of the Joint Chiefs of Staff should be sought.⁶⁷

For his part, Hayes continued to mobilize efforts in support of his stance, appealing now to the British embassy in Madrid in a long interview with Sir Samuel Hoare, head of the embassy there. The result of this interview was that Hays demanded that the U.S. State Department take into account the telegrams sent by Sir Samuel asking Washington to postpone decisions regarding the prohibition or restriction of petroleum supplies to Spain until the Joint Chiefs of Staff had evaluated the situation.

Hayes then introduced a new argument: the preemptive purchases of wolfram from Spain was successfully barring Germany from obtaining a large portion of this strategic mineral. To maintain this success, the United States should, Hayes stressed, keep Spanish petroleum supplies at the usual level and not create new problems.⁶⁸ Acheson tried unsuccessfully to obtain from Admiral Leahy some opposition to this statement as well.

In light of the wolfram situation, the State Department informed Hayes that it was reconsidering authorizing the loading of the five tankers⁶⁹ and it asked for several further clarifications.

The first was that Washington supposed Hayes was not advocating for procuring for Spain more petroleum for the single trimester than the quantity obtained after dividing the total agreed upon in December—541,000 tons—by trimesters: that is, 135,250 tons. Great Britain, he was reminded, was not asking for a larger quantity. Hayes was also reminded that Washington expected him not to authorize the sailing of any Spanish tankers for the loading period of June 3–4. He was further reminded that 100,000 tons did not represent a reduction with respect to the quantity sent to Spain in 1942, since it was the same quantity as received by Spain in each of the last two trimesters of that year.

Finally, it was made clear to Hayes that the whole mess had originated from his noncompliance with a sentence of a telegram from the Secretary of State on April 27, 1943 in which Hayes was “clearly warned of the possible necessity of ‘a very extensive postponement of nominations for the late May and early June loading dates.’”⁷⁰

A week later the secretary Hull finally authorized the loading of the five tankers, while clearly ordering Hayes not to authorize the sailing of a sixth one that had been requested. Hayes was also pulled up short, with Hull telling him that “I have agreed to the loading of the five tankers (which will bring the second quarter shipments well above the first quarter rate) because the mailing authorizations leave me no alternative, but I do not wish any further authorization for second quarter sailings to be given, “and I regard it of utmost importance that the prescriptions for the Department respecting all tanker movements be scrupulously adhered to.” Hull’s tirade did not stop there: “It occurs to me from my reading of your recent telegrams that you may not be giving full weight to the importance of public opinion and judgment here which I believe would view most unfavorably any increase in the actual shipment of oil to Spain over that of the highest quarter of 1942.” Hull then told Hayes, as already cited at the beginning of this chapter, that “Indeed, despite the care with which we are following the matter, there is more criticism of this oil program to Spain than any other matter of foreign policy under my direction.”⁷¹

Uncharacteristically, Hayes replied to the secretary with extraordinary vehemence, informing his superior (and the highest ranking authority in U.S. foreign relations) that he had indeed informed the Spaniards that he could

not authorize the sailing of the sixth tanker, but that he could not understand why the U.S. was not going to authorize more sailings nor loadings for the entire month of June. He added the following elaborate diatribe:

I am quite alive to the importance and weight of public opinion in a democratic country like ours, but when much of that opinion is so badly misinformed as it is about contemporary Spain I doubt whether in critical war times it should be the main determinant of our Government's foreign policy. To reduce the petroleum program by over a fourth below what was agreed to, last December, in order to cater to misinformed public opinion is actually an admission that our policy toward Spain has been wrong. Moreover, I cannot believe that such reduction will satisfy that section of public opinion which would deprive Spain of any and all petroleum. Nor can I believe that the more enlightened American public opinion regardless of its attitude toward the present Spanish government, desired to deny to the people of Spain ready access to foodstuffs and other necessities, which much be produced and transported by the aid of petroleum products.

For the ambassador, providing Spain with sufficient petroleum to cover its basic needs was key to U.S. and British political and economic policy toward that country. To decrease supplies now risked weakening the economic and political gains they had thus far obtained from the Franco regime. Hayes believed that the petroleum supply would prove an important weapon in the future, in gaining new concessions from Spain⁷² or to precipitate a strategic crisis should it be required. But, he believed, such actions should not have been taken during wartime nor in this manner.

Hayes vehemence was based on his fear that a reduction in petroleum supplies to Spain could be the first step toward provoking an economic crisis in Spain that would lead to the overthrow of the Franco regime.⁷³ And, as we have seen, although there was no lack of desire in public opinion, Congress, or the American press to see the Franco regime toppled, there is no evidence to indicate that this was the intent of Acheson and the anti-Franco faction that was pushing the petroleum issue through the State Department.

Acheson at State did not back down in the face of Hayes' reaction of Hayes; he continued his efforts to find military backing for the proposed reduction. But when admiral Leahy put in writing and sent to State a summary of the conversation he and Acheson had held on the fifth May, the most important point that he made was, "It is also the [Joint Chiefs of Staff] opinion that, as a principle, no compelling military reason is foreseen why the Secretary of State should not follow his proposal to restrict the Spanish imports to 100,000 tons of petroleum products during the second quarter of 1943."⁷⁴

The breaking point was achieved when news reached the State Department that Hayes had authorized the sailing of a new tanker, not along the usual route to extra-U.S. ports, but for Philadelphia itself, to pick up a cargo of lubricants, the only petroleum-derived product that the U.S. supplied to Spain directly. Hull's reaction was forceful. He authorized the loading of the boat—"reluctantly and against our wishes"—but explicitly prohibited Hayes

from authorizing any other sailing without having obtained a clear approval beforehand from the State Department. Further, such approval should be requested for each boat in particular and at least ten days before its sailing date. Hayes was further forbidden to either commit to or discuss with the Spaniards future sailing authorizations without getting them first approved by the State Department itself.⁷⁵ Hayes' discretion in the matter had ended.

Contrary to all protocol, and surely unprecedented in the history of the U.S. diplomatic service, Hayes responded to his superior, arguing that the Spaniards increasingly feared a U.S. military invasion and that the reduction of the petroleum supply would increase such fears. Fears which, moreover, were being exploited by Germany. And, Hayes pointed out, there existed the danger that Franco, to protect his regime and the falange would seek German help. In Hayes' opinion, it seemed to him very dangerous to play with the weapon of petroleum supply in these circumstances. He minimized the State Department's concern over U.S. public opinion and also its fears that excess Spanish petroleum could eventually be used against Allied forces in North Africa. The objective of the embassy, he affirmed, was to continue to keep Spain out of the war and eventually win her to the Allied cause.⁷⁶ In summary, Hayes urged the State Department to call to Washington petroleum attaché Smith, with the objective that he could personally explain the success of the Hayes' petroleum program.⁷⁷ This he achieved, with Smith arriving in Washington during the first days of June 1943.

Even before Hayes' forceful reply to Hull, W. Perry George had written a personal letter to Hayes in which he advocated a more moderate behavior. He told him in particular that "In the telegraphic exchange over the past fortnight I have felt that the tone of the telegrams in both directions has degenerated pretty badly and I take the great liberty of mentioning in this connection that a more temperate tone and something less like a heavy bombardment in matters of this sort would make my task considerably easier and would strengthen your position."⁷⁸ And he added: "I must say for your information that the embassies' apparent disregard of the Department's request troubled the waters considerably." George believed that the fact that Spain received 100,000 or 135,000 tons of petroleum products every trimester was not the fundamental issue; what it was essential to avoid was the appearance of anything that Spain might perceive of as "sudden." For that reason, State had always wanted to maintain the figure of 541,000 tons approved in December 1942 as tentative. George therefore advocated taking a range of actions that would not provoke problems with Spain. And although he personally did not believe it, the State Department held the impression that the Spaniards knew about the figure of 541,000 tons because the Madrid embassy, not complying with orders, had communicated it to them, as well as all the terms of the internal agreement of December 1942. As a consequence, State believed, the Spaniards had understood that the 135,000 trimestrial supply was fixed, and due to this and in order not to create a conflict between the two countries, Hayes had authorized the sailing of the tankers.

The truth was that the Spaniards did know the figures. And although Hayes and Smith did not admit as much, the IPOC confirmed his suspicions on June 9, 1943, when the Spanish petroleum attaché to the embassy in Washington told this to a high official of the State Department. What was more, he even produced a copy of the agreement, with the figures. According to Feis, it was at that moment that he fully understood the obstinacy of Hayes and the Madrid embassy.⁷⁹

Either as a consequence of the personal letter of W. Perry George or acting on his own opinion, Hayes started to show a more conciliatory attitude toward the State Department. In a letter written to secretary Hull and to George himself, he wrote that "I certainly had no thought of disobeying any instruction of yours in the matter. The telegram [in question, that he had not complied with] . . . merely "suggested" that the sailings not be authorized, and other telegrams at the same time made clear that the new decision in Washington was tentative and not yet been agreed to by the British or the chiefs of staff. It was obvious, moreover, that any reduction finally decided upon could be effected by withholding subsequent sailings of Spanish tankers."⁸⁰

Hayes ultimately wanted no cuts made in the petroleum supply to Spain, and to bolster his arguments he explained the situation of the Franco government during the period of the tanker controversy. According to Hayes, in April, just as the State Department's order was received to reduce the number of tankers authorized to sail, Spanish Foreign Minister Jordana was under attack from falangist ministers, and to further complicate matters, this was occurring against the backdrop of Allied victories in Tunis. If the flow of allied petroleum had been reduced or cut, then, "it might well have been the knock-out blow for a foreign minister notoriously favorable to us." That the situation had later improved, Hayes attributed to the fact that the cuts in petroleum supply had not been implemented.

His thesis, he reiterated, was that the U.S. should not abandon, in the future and under certain circumstances (as for example, if the Regime refused to fulfill future Allied demands) the weapon of petroleum supply to Spain. But he did not believe that this would be necessary if Jordana remained pro-Allies. Moreover, Hayes stressed, the State Department should understand that stopping petroleum to Spain could result in the toppling of the Franco regime, and such a powerful weapon should only be used after seriously weighing its consequences. Most definitely, Hayes contended, the Madrid embassy should be given "A measure of discretionary power to reduce, or to threaten to reduce, petroleum imports below the maximum figure whenever the exercise of such power might appear advantageous in important pending negotiations."⁸¹

It would be fair to say that Hayes was assured of the correctness of his opinion in view of the success he achieved over this small battle of the tankers. He, along with Beaulac and the rest of the Madrid embassy staff, wanted to ensure that the embassy would play a leading role in political decision making in Spain, by virtue of the fact that it was "in the field" and knew the Spanish

situation first-hand. Hayes' desire for this role in policy making had germinated five weeks earlier.

One could imagine that, in this entire issue, the role of the U.S. Madrid embassy and Hayes part in it had taken as a model of inspiration their English colleague Sir Samuel Hoare, who held a very important position in Hispano-British relations. A very respected professional politician in London, since his arrival in Madrid in mid-1940, Sir Samuel had been intervening in not simply the implementation of the U.K. policy toward Spain but also in its planning and design.

However, the political clout of the two ambassadors in their respective countries varied considerably. Hoare had been one of the heavyweights of Neville Chamberlain's conservative government and of the Conservative Party. He was an ex-Lord of the Admiralty and ex-Secretary of the Home Office. Earlier, under Baldwin, he had served as Secretary of the Foreign Office for a few months in 1935, and immediately before being sent to Spain, had been named Lord of the Privy Seal and Secretary _____ with a seat in the war cabinet. Hoare was an experienced politician, who enjoyed great influence in the political and military circles of his country, and who had been sent to Madrid with the special mission of stopping Spain from entering the war on the Axis side. His influence was very high in the London's decisions with respect to the Franco regime.

Hayes, on the other hand, was a respected professor. He had been named to his post on the advice of Undersecretary of State Sumner Wells, and had received the approval of the American Catholic hierarchy through Cardinal Spellman. On the strength of this support, Roosevelt had appointed him ambassador to Spain. And therein lay Hayes' only possible advantage—because he was a direct presidential appointee, and lacking the usual *esprit de corps* of the professional diplomat, he believed he held a special portfolio that allowed him to ignore those hierarchical directives that he considered wrong. He felt that his status as a presidential appointee, which he had accepted patriotically and voluntarily, and at considerable personal sacrifice, protected him from sanction.

Despite the magnitude of the diplomatic and political victory he had just achieved in his battle with State, Hayes could not begin to compare himself with Hoare's status in London. Hayes' beliefs, which owed much to the opinions of Beaulac and others on his Madrid staff, led him to clearly and decidedly⁸² refuse to fulfill an order from Washington that he considered highly incorrect, although he masked his noncompliance by pretending misunderstanding.

Paradoxically, by winning this issue, Hayes had opened a Pandora's box. His opponents in the department had learned their lesson and would not lose another battle to him again. Secretary Hull had been deeply offended by Hayes' disobedience, which he considered yet another example of the humiliating situations in which he saw himself placed due to President Roosevelt's incorrigible habit of nominating nonprofessional ambassadors and encouraging them to act

with decision and autonomy, with the ultimate backing (not always genuine) of his support.

By mid-June 1943, the State Department put an end to the controversy and established, with British agreement, the quantity of petroleum products that would be sent to Spain for the rest of the year. This would be accompanied by an increase in the controls to be exercised by the embassy over the stocks in Spanish hands. At the same time, it was made clear to Hayes that the lowering the quantity of supply was necessary to achieve the objectives that the United States wanted from the Franco regime. This meant supply between 50 and 65 percent of the average rate of Spanish consumption during the years 1933–1935—that is, 833,000 tons. U.S. policy was not concerned with helping the Spanish economy grow, which the State Department believed (and in direct opposition to the ambassador's opinion) would indirectly benefit the Axis.

The Secretary of State worried that the quantity agreed to in December 1942—a maximum of 541,000 tons—would be made known to Spain, and that Spain would believe that it was a fixed quantity. Even more worrying to Washington was the Spanish assumption—no doubt confirmed by Hayes speech in Barcelona—that they could import all the petroleum that their fleet was capable of transporting. The Secretary continued to emphasize to Hayes the importance U.S. public opinion's influence in the matter—an influence that Hayes discounted.

Secretary Hull wrote to Hayes in this regard that:

Public opinion was and has been a factor. In order to retain the measure of support necessary to continue a policy toward Spain which, to say the least, is unpopular in many quarters, it is clearly necessary that that policy be operated so that it could be defended against informed as well as ill-informed public opinion. There is a large body of informed public opinion which in the Department's judgement will support the programme for Spain if it is patent we have given the very least necessary to attain our end.

By the same token that support would be lost if it could be demonstrated that we were being generous for the sake of generosity.⁸³

He added that the reduction ordered for the second semester was based on the idea that Spain was accumulating stocks and that, during a period of important military operations in North Africa. It was an uncertain argument, as we have seen: The Joint Chiefs of Staff had, on being consulted, considered the question of petroleum supplies to Spain a political question, not a strategic one. But the State Department's ultimate objective had nothing to do with trying to win Spain as an ally. It wanted merely to fulfill the strategic objective of keeping the Axis away from Spanish materials and keeping Spain out of war.

Hayes response was one of grudging acceptance—he continued to push for a change of policy toward Spain—but acceptance nonetheless.

This should have pacified the Secretary of State. However, the conflict continued to fester with the more anti-Franco sectors of the department. As W. Perry George wrote to Hayes, he feared “a particularly bad time lately

with the BEW and with our oil jugglers,” and the idea of decreasing the 100,000 tons of trimestrial supply continued to garner a lot of support. Besides, the BEW maintained “the erroneous view which was to some extent the popular view that now that the Tunisian campaign was over—[on May 14, with an Allied victory]—the Allies need no longer be concerned with Spain and may get tough.”⁸⁴

Conscious now of having made important enemies in the department, Hayes respectfully asked Hull to consult the Madrid embassy before any kind of change in supply was agreed to. He again denied that the Spaniards had been informed by the embassy of the quantity of 541,000 tons, reaffirming that they had deduced it themselves (which was not true). And, he said that he had already warned Spain that the quantity of petroleum received by it would not be according to the capacity of its fleet.⁸⁵

Despite his acceptance, Hayes remained deeply worried for the future of relations between the two countries. He wrote to George that the Tunisia campaign was but a prelude to other more important and critical issues in the development of the war in the Mediterranean, and that Spain’s strategic position made it fundamental that it maintain neutrality. For that reason, it had to be steered toward maintaining a benevolent neutrality toward the Allies. Hayes believed that Spain should be pulled into the Allied camp. In his own words, revealing his position and that of the Madrid embassy, he wrote:

Of course I don’t like the existing political regime in Spain. I didn’t like it before I came. I have since had no reason or occasion of becoming a convert to it. But on the other hand, I have never lied, and still I don’t like the existing political regime in Russia. Yet if we can have Russia as our ally, why not? We Americans have enough to do, I should think, to defeat and disarm Germany and Japan and to preserve liberal democracy in our own continent, without intervening in Russia and Spain and establishing by force of our arms the sort of government which would be to our liking in these countries. I’m quite convinced that the Spaniards can be relied upon to take care of Spain when they deem the time propitious, and that in due course they will oblige the present Regime to transform itself, if not to abdicate completely.⁸⁶

His was a different position from that espoused by State. The U.S. State Department wanted nothing of incremental increases in supplies to Spain nor of a policy of attracting Franco to the Allied side. As a result, in just a few months, another round of tensions arose between Washington and the U.S. Madrid Embassy—resulting in a grave conflict between the two countries—because of anti-Franco politics in some segments Washington.

**THE U.S. AND ITS ROLE IN SPAIN WITH RESPECT TO THE
REFUGEES AND EVACUEES OF NAZI EUROPE AND IN WAR
PROPAGANDA AND ESPIONAGE**

Several other issues were also relevant in the relations of the U.S. with the Franco regime within this same period. These were the support of refugees,

the propaganda campaign of the Office of War Information (OWI), and the espionage and intelligence work done by the Office of Strategic Services (OSS).

THE REFUGEE PROBLEM

Following the occupation of Vichy France by German troops on November 11, 1942, three days after the Allied landing in North Africa, a trickle of clandestine departures began from France to Spain that would last more than two years, until August 1944, when the south of France was liberated by the Allies. This exodus far exceeded that caused by the defeat of France in June 1940. The largest contingent of the evacuees was comprised of French men of military age seeking to reach the North African colonies already liberated in order to unite with De Gaulle. Another factor in the exodus was the Vichy government's passing of a compulsory work service law for the unemployed, taking effect in the spring of 1943⁸⁷ In addition, many hundreds of refugees of other nationalities were also crossing the border: Poles, Dutch, and Belgians, as well as Americans, Britons, Canadians, and Australians, mostly the crew members of planes shot down over occupied land who had been able to avoid capture. Alongside these were the so-called stateless people, mostly displaced Jews from both France and other European nations, fleeing the Nazi terror⁸⁸ The clandestine routes across the Spanish border utilized *passequers*, guides who frequently formed part of evasion networks organized by the French, Belgian, and Dutch resistance movements, or that operated for money. On their arrival in Spain, the refugees were housed in prisons or village warehouses in the Pyrenees and the border provinces, but also in concentration camps and larger prisons, the most important of these being the Miranda de Ebro (Burgos), which housed 13,000 foreigners between October 1942 and October 1943.⁸⁹ Other prisons used to house refugees included Figueras, Lerida, and Irun, among others.

Although the exact figures are still unknown, the total number of Second World War refugees passing into Spain was estimated at 80,000, of which 50,000 were detained by the francoists.⁹⁰ The statistics from that period (1942–1944) show that of the 40,110 detained, 22,762 were French; 3,253 stateless; 3,018 Poles; 2,723 British; 2,176 Italians; 1,509 Palestinians; 962 Belgians; 562 Canadians (although many French people assumed this nationality); 223 Americans; 453 South Africans; and other numbers of Czechs, Romanians, Germans, Austrians, Bulgarians, Greek, Dutch, and Yugoslavians.⁹¹

The pattern of entries was uneven. It has been estimated that, in early 1943, anywhere from 120 and 200 people entered Spain every day. In any case, the great flood of refugees occurred in that year. From early 1944, however, a much more effective German-run border control scheme reduced the flow of departures very drastically, by about 80 percent. And although it seems paradoxical given the dictatorial and fascistic character of the Franco regime, for all these refugees, reaching Spain meant regaining liberty.

Since the beginning of this second flood the U.S. Madrid embassy worked in a two-pronged way: attending to the needs of the refugees, and obtaining permission from the Spanish government for their transit to North Africa. For the first, they utilized State Department funds and the President's Emergency Fund, to which the authorities of Free France also contributed.⁹²

Although authorities of the Franco regime contributed to the care of refugees, departure permits were much harder to arrange. In February 1943, Hayes obtained from Jordana the first departure permit for a contingent of refugees from Cadiz to North Africa, but after one month, strong pressure exercised by the German embassy made Jordana refuse others, suggesting instead that the departures be made from Portugal, which they were.⁹³

Finally, in April 1943, owing to an increase in the flow of refugees, Spain closed its border, fearing the entry of exiled Spanish republicans and the agitation that they could create. However, intense pressure from Hayes and his threats of economic sanctions achieved a reopening within two weeks, as well as refugee departures from Spanish ports. According to Hayes, during 1943, a total of 16,000 French people were helped to reach North Africa from Spain.⁹⁴ Naturally, the U.S. embassy took special pains to evacuate U.S. and British pilots, as well.

The evacuation of the Jews was a bigger problem, and one that, by 1944, would become a serious issue for Hayes. If the *razzias* of July and August 1942 had pushed many Jews to try to reach Spain, the German occupation of the Vichy zone and the general deportation notice decreed in December 1942 provoked many more Jews to flee. The tide of Jewish refugees continued in a trickle throughout 1943, then increased in the first half of 1944.⁹⁵ By that time, an estimated 3,000–5,000 stateless Jews were in Spain, and the Spanish government was pressuring for their evacuation outside of Spain. In April 1943, the Allies were faced with the dilemma of where to send them.

A proposed plan to evacuate refugee Jews to French North Africa was developed by the Allies, but eventually abandoned, on the advice of Admiral Leahy, who believed that the influx of refugees there would cause logistic problems for the Allied supreme command in that zone and also stir up trouble with the Arabs.⁹⁶ Leahy's opinion was reinforced by President Roosevelt's own reluctance to the plan. As he told Secretary of State Hull, "I know, in fact, that there is plenty of room for them in North Africa but I raise the question of sending a large number of Jews there. That would be extremely unwise."⁹⁷ Nevertheless, later in the same year, after being made very much conscious of the situation of the Jews in Europe, Roosevelt would change his attitude and be much more receptive, leading, in January 1944, to his creation of the War Refugee Board.

THE PROPAGANDA ISSUE

American war propaganda in Spain was dispensed by the OWI, an agency created by the President in June 1942 and kept under the direction of CBS

journalist Elmer Davis. As with the issue of refugee aid, tensions soon arose between the Madrid embassy, the OWI, and the espionage organization of the OSS.

At heart were the actions undertaken by the OWI and OSS independent of the embassy, and their resistance to or outright refusal of any kind of supervision—supervision which the embassy wanted in order to further its own mission. In this, Hayes would find support from the State Department and from W. Perry George, as well as substantial opposition from the heads of some agencies in Washington.

Two controversial issues centered on the OWI: its collaboration with the anti-Franco opposition, and its spread of negative information about the Franco regime in the United States.

One problem for Hayes was the attitude of the OWI and OSS agents arriving in Spain. As the ambassador explained years later, he tried to make clear to many “untrained arrivals from OWI and OSS and some of their officials back home . . . that we were in Spain not to fight Spaniards or overturn their government, but to help win the war against the Axis and to enlist all possible support,” and he encouraged them to maintain strict neutrality in all their actions.⁹⁸

The first embassy–OWI encounter happened in early 1943, when Hayes requested that Washington send out a replacement for his delegate Paterson. Hayes wanted Emmett Hughes, an old subordinate of Paterson, a Catholic journalist, and an ex-student of Hayes himself. In response, the OWI sent inspector Perry Winner instead. Winner and the ambassador immediately clashed over the treatment of information that the OWI broadcast about Spain. Winner was of the opinion that the information should be more critical of Franco, while Hayes promised Jordana that he would try to soften it. Davis, the director of the OWI, ended up intervening in the controversy.⁹⁹

From then on, there ensued a sordid battle between the OWI and the ambassador that included the publication by “PM” in December 1943 of several articles criticizing Franco, the regime, and the appeasement policy practiced by Hayes and his “Catholic clique” (to quote Hughes). Hayes believed that the OWI had instigated the publication of these scathing articles and immediately requested that the OWI delegation be put under the command of a State Department official or that it be closed. In his own words, “it is much better for us to undertake no big propaganda in Spain than to carry on poor or injudicious propaganda which can only be harmful.”¹⁰⁰ His efforts achieved nothing; moreover, his problems with the OWI continued during the so-called *Battle for Wolfram*, when Hayes promised Jordana in writing to try to soften or stop American press attacks on Spain. The dispute would continue throughout 1944, although from September 1944, OWI activity subsided as Spain lost importance in the Allied strategy.

The embassy’s problems with the OSS were even more serious, and might have resulted in a serious diplomatic rupture with the Regime if not for the

climate of increasing understanding between Hayes and Jordana. Once again, Hayes requested that the OSS delegation be suspended.

Many OSS agents in Spain worked under cover as oil observers; that is, control agents responsible for the distribution of the supply of petroleum products, so that no products from America strayed to the Axis. In reality, none of them devoted themselves to this task, carrying out instead intelligence tasks in Spain. They worked in concert with networks in France to inform the Allies on the situation of German troops there, and to collaborate in the evacuation of the crews of shot down planes and other military personnel. In addition, they maintained contacts with clandestine anti-Franco opposition both inside and outside Spain, a fact that worried a tired Hayes who insisted on a strict policy of nonintervention in internal Spanish affairs.

The OSS agents did not share Hayes' views, and incidents with Spanish authorities were frequent. In one incident, when the francoists arrested several Spaniards accused of espionage, they were found to be in the pay of the OSS delegate in Barcelona, Joseph Define. To avoid the possible arrest of Define, OSS director Colonel William Wild Donovan ordered Define to seek refuge in Portugal, thus leaving Barcelona Consul Makison and the embassy itself in disrepute. A further incident, in September 1943, saw two OSS agents arrested and imprisoned for black marketeering.

Faced with all this Hayes complained to the State Department that these actions compromising "the Embassy's fruitful efforts to make Spain a friend, rather than an enemy of the United Nations." He proposed a restructuring of the service, which would include moving a major part of its tasks to the office of the embassy's military attaché, stopping of intelligence work in France and transferring it to the espionage services of Free France in Spain headed by the efficient Colonel Malaise; and leaving to OSS control only the distribution of petroleum products, monitoring of the borders, and counterespionage—but only when this was carried out in conjunction with the British intelligence service in Spain, which appeared to Hayes to be much more serious. In the State Department, W. Perry George also proposed that the activities of the OSS in Spain be suppressed.¹⁰¹ For Hayes, the OSS was "by far the weakest and worse conducted of all our manifold activities in Spain, diplomatic, military, propagandist, economic, and commercial"¹⁰², and he saw their men as little more than overgrown Boy Scouts. All Hayes efforts achieved nothing, but as in the case of the OWI, with the conquest of France, the activities of the OSS in Spain were considerably reduced.

CHAPTER 2

SPAIN'S RETURN TO NEUTRALITY AND THE HISTORICAL BACKGROUND OF THE BATTLE FOR WOLFRAM: THE LAUREL INCIDENT (JULY–DECEMBER 1943)

There were also many, within and without Government circles, inside and outside the Department, who sought the collapse and overthrow of the Franco regime at any and all costs.

—Bert Allan Watson, *United States–Spain Relations, 1939–1946*, p. 254

DURING THE SUMMER OF 1943, the course of the war was being reversed in Europe, with the initiative falling to the Allied forces. In the east, the defeat of German forces at Stalingrad in January marked a turning point, and the defeat at Kursk in July and August signaled a change to a defensive position for Axis troops. In the Mediterranean theater, the defeat of the Axis at Tunisia in May was followed by the invasion of Sicily in July, and two months later, in September, the invasion of the Italian peninsula.

Benito Mussolini was divested of power and dismissed on July 24, 1943, after being replaced by Marshal Badoglio, a man who ceded to the Allies on 3 September. In the north, however, a new fascist state was established, the Italian Social Republic, led by an SS commando sent exclusively by Adolf Hitler to assume the title of *Duce*.

The leadership of the Francisco Franco regime was profoundly shaken by these historical change, which signaled great repercussions for Spain. An authoritarian coalition of supporters of the abdicated Spanish monarchy,

seeing Spain's future unfolding against a backdrop of Allied victory, pushed for Franco to begin steps toward restoring to the throne Alfonso XIII son, Juan de Borbón and Battenberg. This faction hoped that the restoration of the monarchy would allow the formation of a new political regime, one not identified with fascism, that would act as a shield to protect those who had fought against Franco in the Spanish Civil War.

In March 1943, Juan de Borbón had written to Franco, admitting defeat. But, in early August 1943, a few days after the fall of Mussolini, Franco received a telegram from Don Juan that seemed a kind of ultimatum. In his own words:

The events occurred in Italy may serve as a warning . . . the cortes instituted by Your Excellence could perhaps be used as a tool in the process of urgent transition from the Regime to the restoration of the monarchy that Your Excellence, both publicly and privately, has repeatedly proclaimed as a natural outcome. . . . My conscience demands that I make this ultimate call to you, to avert this danger. If again it is in vain, each of us must assume, without equivocation, our responsibility in history.¹

In June, this influential sector, led by Juan de Borbón and comprising a group of 27 members of Spanish Cortes working within the Spanish Parliament, had asked for a restoration of the monarchy: They had been immediately expelled from office and punished by Franco. After the surrender of Italy, the monarchists repeated their call for a restoration of the monarchy, this time joined by seven of the twelve lieutenant generals on active duty.

Every effort was in vain: Franco not only had very little intention of retiring, but he had plenty of room to maneuver. He had the support of an entire group of generals who were promoted to that position during the war and a large proportion of army officers as well, all of whom were extremely loyal and considered him as their true leader, unlike those who had petitioned for the restoration, who had always considered him simply "first among equals." El Caudillo could call upon as many 10,000 activists from the Falange Española Tradicionalista y de las Juntas de Ofensiva Nacional-Sindicalista (FET y de las JONS), and Jose Luis de Arrese, the general secretary of the party, was extremely loyal and submissive to him. Franco had, in addition, the support of other sectors of the social and political bloc that had supported the uprising and were committed to the objectives of the recent civil war. Thousands of Spanish people were faithful to the regime and its leadership; Franco was not about to back down or end the New State, which he had created.

But that the Spanish Head of State was not willing to step down to make way for a king does not presume that, in light of recent events in Europe, he was unaware of the need for a shift toward real neutrality in Spanish foreign policy. Spain's Minister of Foreign Affairs, Francisco Gomez Jordana y Souza, had been gradually, haltingly, but steadily moving Spanish policy in the direction of abandoning its earlier pro-Axis stance of *non-belligerence*. As the

Foreign Minister said in mid-October, "the current circumstances have led us to maintain neutrality; though it did not appear in the *Boletín Oficial*, we no longer hide from any of the belligerents the fact that we practice this neutrality with the utmost meticulousness."²

During the National Council of the FET y de las JONS, held on October 1, Franco himself, in his speech, repeatedly referred to Spain's policy as one of *neutralidad vigilante* (watchful neutrality). And, later that same day, at the official reception that welcomed members of the international diplomatic body accredited in Spain, leaders of the party appeared not in the uniforms of the FET y de las JONS, but in that of the Spanish Navy.

It was not all words and grand gestures. Spain refused to diplomatically recognize the new regime in Italy and, more critically, it decided to withdraw its Blue Division from the German Army. This decision regarding the Blue Division came after heated debate within the Spanish government on September 24–25, 1943. Ultimately, Franco supported the initiative toward neutrality espoused by Jordana.

A few days later, on October 7, Jordana met with Portuguese dictator Oliveira Salazar to reaffirm Spain's ties with its neighboring country of the Iberian bloc. Earlier, on August 18, Portugal had reached agreement with Britain to allow British and Commonwealth ships to use Portuguese bases in the Azores; this agreement would be formally signed on October 8.³ A few days after the signing, on Columbus Day, October 12, 1943, Jordana, in a speech, reaffirmed Spain's friendship with Portugal, the significance of Catholic Spain in the world, the spiritual twinning of Spain and Latin America, and—most importantly—Spain's neutrality in the ongoing war.

The regime's decisions regarding Spanish neutrality and the withdrawal of its Blue Division had been heavily influenced by Allied pressure, particularly from the Anglo-American ambassadors, and most importantly from U.S. Ambassador Carlton J.H. Hayes. Although, shortly after assuming leadership of the Ministry of Foreign Affairs, Jordana had insisted to the Allied ambassadors that Spain was impartial in the conflict and was determined to remain neutral,⁴ in practice this was not always the case. Hayes had taken advantage of the Allied occupation of Italy to launch a full-scale diplomatic offensive against the Ministry and, indeed, against El Caudillo himself, to get Spain to shift its policy toward effective neutrality and to withdraw its Blue Division from the German army.

British Ambassador Sir Samuel Hoare also moved in this regard. Hayes, in Jordana's presence, put the two issues—Spanish neutrality and the continued presence of the Blue Division in the German forces—before Franco during an interview held on July 28, 1943 (within days of the Allied Italian occupation). When El Caudillo insisted that Spain was in fact a neutral country, Hayes disagreed. He told Franco that the Spanish policy of *non-belligerence* was not understood as true neutrality abroad, and that it was seen as nothing less than the formula used by Mussolini before he involved Italy in the war alongside Germany. Franco had no reply.

Next, Hayes expressed his perplexity about the presence of the Blue Division on the eastern front and wondered why Spain, which had been opposed to Soviet interference in its own affairs, was now intervening in Russian affairs.

Franco interrupted, reaffirming that Spain's goal was not to fight Russia, but rather to use the Blue Division to advance Spanish will to fight against communism and its horrors. He reminded Hayes that Spain had signed the Anti-Comintern Pact, March 1939. And he pointed out that, after learning of the Nazi-Soviet Pact, August 1939, the attack by the Nazis on Catholic Poland had horrified Spain. As for the possible Russian attack on Finland at that same time, he put forth that Spain had considered deploying a Spanish troop to help the invaded country. He added that there was historical precedent for the involvement of Spanish divisions in the conflict, pointing to the Spanish volunteers who had fought against France during the Great War (an argument that seemed even more improbable than the hypothetical Spanish soldiers fighting in Finland, given that the World War I volunteers Franco mentioned, mostly Catalans, had fought against Germany, not France).

The ambassador politely replied that Franco's views were indeed interesting from a historical point of view, but he brought the argument back around to the presence of the Blue Division on the eastern front. How, he wondered, was it possible to distinguish a war against communism from a war against the Soviet Union? He asked if El Caudillo had "considered what would happen if the USSR itself declared war against Spain?"

Franco admitted that the situation was unusual, but that it was useful for Spain to have a military presence in Russia, mainly to collect information. This was, of course, a very shaky argument, and Hayes responded by pointing out that such a task could be performed perfectly well by the military Attaché to the Spanish Embassy in Berlin.

It was then that General Franco explained to Hayes his theory of the "three wars" fought within the Second World War.⁵

In Franco's opinion, the "first war" was that fought by the United States and Britain against Germany and Italy. In this war, Spain remained neutral. The "second war" was that fought in the Pacific Theater, and in that war, Spain wished to cooperate with the United States. The "third war," according to Franco, was the war against communism. Franco believed that there was a possibility of a Soviet victory in this "war" which, coupled with well-organized Communist groups within various European countries, constituted a direct threat against Western civilization. Franco then revealed his anxiety on one particular question: The possibility that Germany and Russia would join forces and turn against the Anglo-American alliance.

Hayes argued that a large proportion of the European population willing to fight against all forms of totalitarianism was either Nazi or Communist. He asked if Franco truly believed that a Spanish army division was enough for the fight against communism that he had described. Would it not be better for Spain to remove any reasons that might provoke the USSR to declare war

on Spain? And, on the contrary, should not Spain collaborate with moderate governments in its own interest?

Franco had no response to these arguments. Hayes then took the focus of the conversation to the Americas, claiming that Spain's interests were more closely tied to those of Latin America than to Europe since, in Latin America, there existed a strong revulsion against Hitler. Spain, in his opinion, should take advantage to get away from Germany. Franco agreed, even more so when the ambassador assured him that U.S. suspicions regarding the extremely pro-Axis Hispanic policy promoted during the government of Serrano Suñer had disappeared after his leaving office. El Caudillo justified Spain's early pro-Axis leanings, recalling Spain's strong emotional ties with Germany for its assistance in the civil war but, he admitted, "this debt, of course, had long since been paid." Throughout the interview, Franco was extremely friendly to Hayes, and bade adieu to the ambassador while invoking fond memories about U.S. President Franklin Delano Roosevelt.

Hayes did not ease the pressure in the weeks following. For his part, Jordana was eager to see these two issues settled in favor of the United States because they were in fact a fundamental part of his own policy toward effective Spanish neutrality. However, one problem would delay the adoption of the withdrawal order for the Blue Division. As Hayes complained bitterly on August 28, although he had put forward the U.S. petition with discretion, British Ambassador Hoare had disseminated the news to British press and radio that he would meet Franco on August 20, in La Coruña, to ask for the withdrawal of the Blue Division, and he was spreading this news to provoke immediate protest on part of the German and Italian ambassadors.

According to Jordana, the withdrawal of the Blue Division had to be a voluntary act, one freely adopted by Spain, and in no way seeming to be a concession to Allied pressure. Otherwise, Jordana insisted, Spain would lose credibility. He soothed the U.S. government by assuring it that the withdrawal would indeed take place.

Hayes, surprised by the British action, asked the British Embassy about the causes of what he assumed was an information "leak." Hoare said that the initiative was taken on the part of the BBC, and he related it to the "over enthusiasm of boys in press section."⁶ The withdrawal was eventually decided upon in late September, and Hitler accepted it on October 10, 1943.⁷ But its effective implementation was another issue altogether.

THE QUEBEC CONFERENCE (AUGUST 17–24, 1943) AND THE FORMATION OF A FRAMEWORK FOR SPAIN'S NEW POLICY TOWARD THE ALLIES

On August 17–24, 1943, the first Quebec Conference was held. This was a secret meeting, under the code name of Quadrant, at which Allied leaders Roosevelt, British Prime Minister Winston Churchill, and Prime Minister

William Lyon Mackenzie King of Canada gathered in Quebec City, the Citadel, and Château Frontenac.

Among the topics discussed in this conference, one proposal by the U.S. Joint Chiefs of Staff was the adoption of a stronger policy against Spain. The harsh U.S. proposal argued that:

Spain is assisting the Axis with her economic resources and even with armed forces. The United Nations have endured Spanish official approval of Axis war aims and denunciation of our own with an attitude of conciliation. At the present moment we find Spanish troops defensively disposed against us, with little or no disposition facing our enemy. We are forced by this disposition to maintain large forces ready to protect our lifeline through the Straits of Gibraltar and constantly to plan for immediate provision of additional forces to hold Gibraltar should Spain permit a German offensive through her territory. Indications are that Franco is realizing the final United Nations' victory and is tending toward a position of real neutrality.

The proposal concluded:

The time is now ripe to take full advantage of our present position and adopt a stern and frankly demanding policy toward Spain. The United Nations should require Spain, for the price of wartime economic assistance and postwar friendship, to:

- (1) Shift the bulk of her defensive forces from Morocco and Southern Spain to Northern Spain.
- (2) Cease military and economic aid to Germany.

The British Joint Chiefs of Staff reviewed the proposal, and it gained the approval of the Combined Chiefs of Staff on August 20, at the 113th meeting of the Combined Chiefs of Staff.⁸ The British government in general agreed to the proposal, but with grave reservations:⁹

1. We have examined the suggestion put forward by the United States Chiefs of Staff (C.C.S. 303 paragraph 10 2) that the time is now ripe to take full advantage of our present position and adopt a stern and frankly demanding policy toward Spain.
2. We can say at once that we agree entirely with the sense of this suggestion. The only point at issue is exactly how far we should go.
3. We feel that it will be agreed that:
 - a. The Spaniards, with Germany on their doorstep, will not be persuaded to take any military action which appears to threaten Germany and which might bring on them German retaliation. Any action or threat on our part to coerce them in this direction. would merely tend to unite them against us.
 - b. From our point of view, it is most undesirable that we should press the Spaniards to a point which might impose upon us any military commitment in support of diplomatic or military threats.

In consequence, they accepted one American proposal, but opposed the other:

4. We suggest therefore that it would be unwise to go so far as to press the Spaniards to transfer the bulk of their defensive forces to the North, which they would be most unlikely to do.
5. We suggest that our general policy should be to deny the enemy his present privileged position in Spain, and to supplant him there to as great an extent as possible, thus transferring to the Germans the anxiety that has hitherto been ours.

And, from the British military chiefs:

In pursuance of this policy, we suggest that we should now intensify pressure by economic and political means in order to obtain the following objectives:

- a. Discontinuance of supplies of raw materials to Germany. The most important material which Germany obtains from Spain is wolfram, of which commodity Spain and Portugal supply the largest proportion of German requirements. A note on the wolfram position by the Ministry of Economic Warfare is attached.
 - b. Withdrawal of the Blue Division from the ranks of the enemy.
 - c. A modification of the present distribution of Spanish forces in Morocco so as to remove any suggestion of distrust of the United Nations.
 - d. Cessation of the use of Spanish shipping for the benefit of our enemies.
 - e. Denial to the enemy of secret intelligence facilities.
 - f. Facilities for civil aircraft of United Nations.
 - g. A more benevolent attitude toward escaped Allied prisoners of war.
 - h. The strictest interpretation of international law toward enemy personnel and naval and air units.
 - i. Elimination of objectionable anti-Allied propaganda and increase in pro-Allied propaganda.
6. Owing to the resentment which we are likely to cause if we interfere directly in Spanish internal affairs, it would not be in our military interests openly to promote the restoration of the monarchy since such interference would be likely to cause serious disorder in Spain, of which the Germans might take advantage by infiltration.

We should, however, welcome and encourage the formation of a less anti-Allied Government.

It was, as can be seen, a detailed program, accompanied by a note on the subject of wolfram. That note stated that, upon obtaining the cessation of wolfram supply to Germany, its effects on Germany's weapon production would take six months to be noticed.¹⁰

The approved measure stagnated, and was relegated to a sort of stand-by status. On the issue of wolfram, the United States was the first to move with regard to its seizure, using not its military but rather civilians from the Foreign Economic Administration (FEA).

However, before pursuing the issue of wolfram, which is the subject of this book, we should examine the repercussions of the resignation of U.S. Undersecretary of State Sumner Welles, a personal friend of Spanish Ambassador to Washington Francisco de Cárdenas and a moderate with reference to Spain. As well, we will examine the changes that occurred within the U.S. administration as it pursued its policy of the preemptive purchase of strategic materials, including wolfram. These two events—and especially the second—led to a hardening of U.S. policy toward the Franco regime. Combined with the Laurel Incident and a granting of Spanish credit to Germany, this constellation of issues constitute the history of the Battle for Wolfram.

THE RESIGNATION OF SUMNER WELLES AS U.S. UNDERSECRETARY OF THE STATE

On September 25, 1943, the resignation of Sumner Welles, Undersecretary of State, took place. At its root, it was an effective dismissal. There were signs of animosity between U.S. Secretary of State Cordell Hull and his immediate subordinate, a man appointed by President Roosevelt in 1937 and with whom he had planned and formulated a large proportion of U.S. foreign policy, with the exception of that dealing with Japan, which Hull managed until the attack on Pearl Harbor in December 1941.

Welles was a personal friend of Roosevelt since their college days and was, above all, a man in the confidence of the president. Through Welles, the president bridged the gap existing between himself and Hull, who Roosevelt needed for his enormous influence in Congress and his high level of acceptance among the public. Roosevelt had, however, neither confidence in nor rapport with Hull. Hull was in ill health (he suffered for years from tuberculosis, a fact that was kept secret from the public), and he required frequent time off to rest (a total of six months in 1942). Hull's frequent absences allowed Welles to take over the functions of the Secretary of the State, and he carried out much of the businesses of the office, offering public statements and making many decisions with the help of the President or in compliance with State Department guidelines, often without Hull being consulted.

In the face of this strange situation, Roosevelt was found to be very hostile toward the diplomatic corps.¹¹ Moreover, since the attack on Pearl Harbor, the President had excluded Secretary Hull from any strategic military discussions, which humiliated Hull profoundly.¹² As a result, the relationship between the Secretary of State and his subordinate deteriorated into one of deep bitterness. Hull was especially outraged by the fact that Welles often acted autonomously and that, above all, he possessed direct access to the White House.

Hull, with the invaluable assistance of William C. Bullitt, a staunch enemy of Welles and former ambassador to Germany, sought the dismissal of his opponent. He succeeded in September 1943, after Welles—on the basis of rumors originating from an incident that had taken place three years ago, in September 1940—was charged with allegedly being homosexual. (While

traveling by train on the Southern Railroad in September 1940, Welles had been found drinking and soliciting sexual services from black porters for money. President Roosevelt was immediately informed and ordered the Federal Bureau of Investigation (FBI) to investigate. He was later informed of its veracity by FBI director himself, J. Edgar Hoover, in January 1941. At that time, Roosevelt decided not to take any action, despite the administration's proven hostility toward homosexuals.¹³

Bullitt and others were working to divulge this information to the public, despite Welles' repeatedly denying the charges. (Hull was not the only one who disliked Welles; Associate Justice Felix Frankfurter wanted to replace him with Assistant Secretary of State Dean Acheson.) When Hull heard about the FBI investigation, he feared that the rumors would become public and reflect badly on the State Department—but, above all else, he saw this incident as a way to terminate the career of a man he hated.

By early 1943, the situation between Hull and Welles within State had deteriorated. The President continued systematically to marginalize the Secretary of the State, not even bothering to tell him about the conclusions reached at the Casablanca Conference (14–24 January, 1943). Hull was not even consulted regarding the demand of unconditional surrender from the Axis.¹⁴

Hull determined to speak with the President about expelling Welles from office and avoiding the scandal that could break out at any time due to Welles' private life. But Welles also had influential friends in Washington, and on April 8, 1943, renowned political columnist Drew Pearson asked for Hull's resignation in his column "Washington Merry-Go-Round." Another well-known columnist, Walter Lippman, argued publicly for Welles and against Hull.¹⁵ Even British Foreign Secretary Anthony Eden preferred Welles to Hull.

When Hull was told that Welles had encouraged Pearson's public call for Hull's resignation (which is uncertain), he began to systematically recruit others to his crusade. He first approached Francis Beverly Biddle, the U.S. Attorney General, who refused to submit the case to the president. When Hull discussed the matter with Harold Ickes, Secretary of the Interior, however, Ickes agreed that Welles had to go. They could not risk the negative publicity should the rumors of Welles' homosexuality be made public; and, since the President counted on Hull's presence in Congress, he would have no choice but to expel the Undersecretary of State.

Leo T. Crowley, newly appointed director of the FEA,¹⁶ was also approached by Hull. Crowley agreed to cooperate with Hull on this matter, although, as we will see later, he disagreed with the State Department's Spanish policy—a policy managed by Welles and one that he, Crowley, wanted changed.

Finally, because Hull was unable to discuss the matter directly with the president, a congressman ultimately triggered Welles' resignation. Rumors about Welles' alleged homosexuality reached Republican Senator from Maine, Ralph Owen Brewster, a member of the Senate Special Committee to Investigate the National Defense Program. He met directly with Hoover and Hull, then went

to the U.S. Attorney General and told him that either he (Biddle) would deal with the charge, or the Senator would promote an official inquiry on behalf of his committee. The issue had reached a critical point because a Congressional investigation now could jeopardize the Democratic nominee's chances in next year's presidential elections.

The White House would not surrender easily on the matter and took several steps to quell the rumors. First, White House Press Secretary Stephen Early called Bullitt to account for spreading rumors and for releasing information regarding the train incident to a journalist from the *Washington Herald*. Bullitt's reply was that he had tried unsuccessfully three times to convey his concerns directly to the president, and that he was reluctant to discuss the matter with a subordinate. Bullitt added that the case of Welles would prove to be Roosevelt's Achilles heel, for the president had always surrounded himself with "yes-men."

Attorney General Biddle met with the Chairman of Brewster's Senate committee—Harry S Truman, future vice president and later president of the United States—who assured Biddle that the matter would not be divulged. Crowley also took up the issue with U.S. Republican Party leaders in Congress, who promised not to bring the case before Congress. For at least a few months, it seemed as if the issue was resolved; certainly, President Roosevelt believed the matter was ended.¹⁷

Hull continued to plot with Bullitt and Brewster. Rumors regarding Welles' alleged homosexuality were already so widespread that Washington began to fear that the enemy would soon learn of it, with devastating propaganda results. Finally, Hull asked the *New York Times* to publish a front-page article detailing the internal problems of the U.S. government, and especially within the State Department.

On July 16 and again on August 15, President Roosevelt lunched with Hull, presumably to discuss Welles' resignation. On August 16, the president called Welles in to convey Hull's request for his resignation. He offered Welles two possible honorable solutions: the embassy in Latin America, or a position with a special mission to the USSR. Welles refused both and resigned later that day.¹⁸

During the months that elapsed between the filing of the resignation and its acceptance by the president, columnist Drew Pearson launched a campaign in which he effusively praised Welles, questioning Hull's competence and referring to an alleged campaign against those who, within the State Department and like Welles himself, allegedly favored the treatment showed to the USSR ahead of other anti-Communists and showed their solidarity with Spanish loyalist factions and General Charles de Gaulle in France. The matter of Welles' alleged homosexuality was not raised in the press. Pearson's campaign was rebuffed by the administration, which put pressure on media owners and prohibited Pearson from responding to official counterattack. The affair faded from public attention, and the incident of General Patton slapping a soldier

in Italy wiped the matter off the front page of American consciousness and relegated Welles to oblivion.

Welles visited the President at his home in Hyde Park on September 20, 1943. He told him that he was reluctant to accept the mission in Moscow, because from "what you have told me, Secretary Hull's feelings with regard to myself—unjustified as they are—would make any such relationship impossible. He would be constantly imagining that I was threatening his legitimate jurisdiction, or undermining his authority, and [the] possibility for the success of what you desire accomplished would be seriously jeopardized."¹⁹ On September 25, after returning to the White House, Roosevelt officially accepted Welles' resignation as Undersecretary of the State, giving as his reason the poor health of his wife. The White House said in an aseptic press release that his colleagues acknowledged the resignation "with deep and sincere regret."²⁰ Henry Morgenthau, Jr., Secretary of the Treasury, and other senior officials expressed their regrets to the former Undersecretary. Welles' resignation left the State Department in an embattled situation. No one would share responsibility for decisions made by Welles, and no one cooperated with him. Hull had won his battle, but the administration would suffer from the victory.²¹

Cordell Hull did not nominate a successor for Welles, and his poor health and lack of qualifications did not permit his direct management of foreign affairs.

The successor to Sumner Welles as Undersecretary of State frustrated the hopes of those within the State Department who had secretly applauded the attempt by Hull and Bullitt to depose Welles. The nominee was of Edward R. Stettinius Jr., administrator of the Lend-Lease program, a man with experience in dealing with foreign governments but without diplomatic training. His name had been suggested to the president by James Byrnes, the second most important adviser to Roosevelt after Harry Hopkins, who was known to some as the "Assistant President." Roosevelt gracefully accepted the proposal, especially because it did not come from the State Department: The White House was determined to continue to keep Secretary of State Cordell Hull out of the loop of major and important decision making.

CHANGES IN U.S. ADMINISTRATIVE POLICY CONCERNING ECONOMIC WARFARE AND ORIGIN OF THE BATTLE FOR WOLFRAM

Internal changes in U.S. administrative policy regarding economic warfare contributed to the outbreak of the Battle for Wolfram waged between United States and Spain, which became one of major conflicts to erupt in U.S.–Spanish relations during the Second World War.

By presidential order, Welles' resignation took effect on September 25, 1943, the very day that, by executive order, Roosevelt created the FEA, an organization in which various government agencies dedicated to foreign

economic affairs and economic warfare would cooperate. The FEA was made part of the Office of Economic Warfare (OEW), which had been created by Roosevelt on July 15, 1942, and in which the commercial entities of the Rubber Development Corporation, the Petroleum Reserves Corporation, and the Export-Import Bank were incorporated.²²

The FEA was headed by Leo T. Crowley, who was also head of the OEW. The creation of the OEW had been the culmination of a long struggle for control of economic operations abroad engaged in by Vice President Henry Wallace, who was head of the Board of Economic Warfare (BEW), and Jesse Jones, Secretary of Commerce. The controversy reached its peak in February 1943, with the president intervening to abolish the BEW and establish the OEW in its place. Crowley was a supporter of Commerce Secretary Jones. One of Crowley's first acts as head of the FEA was to advocate for a change in economic policy toward Iberian Peninsula.

Apparently,²³ the concrete initiative for change came from J. Royden Dangerfield²⁴, a staff member of OEW, who convinced Crowley of the possibilities of success for Allied interests in a stronger and more durable economic policy toward Spain. He himself wrote the draft letter, claiming authorization, and addressed to U.S. Navy Admiral William D. Leahy of the Joint Chiefs of Staff on October 7, 1943.²⁵ In it he argued that the effectiveness of the program of economic warfare in the Iberian Peninsula was withering away due to military, economic, and political reasons. If, in early 1942, the Joint Chiefs had argued that it was necessary to allow the Peninsula to maintain minimal economic activity so that it would not be tempted to join the Axis—and it was based on this argument that U.S. supply policies to Spain had been derived—now the main objective of economic warfare in Spain and Portugal was at all costs to prevent Germany's acquisition of Spanish and Portuguese wolfram by means of Allied *preemptive purchases*. Although this strategy forced the enemy to limit its use of wolfram in the production of armor-piercing shells, the German steel industry continued to make use of this strategic material.

Crowley was convinced that Germany could not be deprived of wolfram simply through trade competition. Besides, time was running out: Allied operations demanded that Germany be completely deprived of the mineral. If 500 tons were prevented from reaching the Germans now, he argued, it would cause Germany more damage than being deprived of 2,000 tons later. Therefore, Crowley asked the Joint Chiefs to change their policy in January 1942. In Director Crowley's words, "the time has come for the United Nations to utilize their economic bargaining power for the purpose of securing positive action on the part of the Portuguese and Spanish Governments for the imposition of exports limitations or prohibitions on the export of strategic commodities from the Peninsula to Germany."²⁶

Even before this letter was sent, a controversy was being generated within the administration. The OEW's Dangerfield had sent the draft to Livingston Merchant, the head of the Blockade and Supply Division, to garner his opinion, and he also sent a copy to W. Perry George, head of the Iberian Desk

of the State Department. In his letter, Dangerfield anticipated that, following their poor wheat harvest, Spain would plead with the U.S. to be allowed to buy and ship wheat from Argentina. Dangerfield believed that Spain should only be allowed to do so if they put a total embargo on exports of wolfram.²⁷ George opposed both the content of the letter and the propriety of OEWF-FA sending proposals to the Joint Chiefs without first putting them before the State Department. In addition, he argued that there had been no change in the military situation to warrant such a change in policy. Moreover, if the Allies continued their Mediterranean campaign and deployed more troops there, the strategic importance of the Iberian Peninsula would increase, and it would be impossible to demand anything that might disturb Spain until it was sure it was safe from German invasion. And further, George insisted, before making any changes to U.S. policy in Spain both Ambassador Hayes and Colonel Hohenthal, military attache in Madrid, should be consulted.²⁸ In George's final opinion, barring a change in the progress of the war, the British would not agree to these changes either.

But George did not stop there. When he realized that Leahy had already received Crowley's letter, he urged the new Undersecretary of State Stettinius to send another letter to Leahy, espousing the opposite course. The letter was drafted by George himself of behalf of Stettinius, and it explained that the policy of the U.S. State Department toward the Iberian Peninsula was to keep Spain and Portugal neutral, and this had been achieved in part by virtue of making them realize their economic dependency. George insisted that this was not the "appeasement" alleged by certain sectors of the government (such as the FEA) and by some factions in the U.S. press.

George explained that trade between the United States and Spain was mutual, and that it also benefitted the Allies (particularly Britain, which depended on major imports of Spanish potash, pyrites, and citrus) by leading Spain progressively away from Axis influence. It was, therefore, necessary for the United States to continue to supply goods to Spain at a minimum level and avoid any change that might produce large-scale disturbances that could encourage Germany to invade Spain, or persuade Spain to ask Germany for financial aid.

George concluded his argument by saying that, "Mr. Crowley's letter if considered merely on economic warfare grounds has considerable merit, but we have come a long way in Spain, and feel that from a political standpoint prudent demands that we continue the current economic policy."²⁹ That same day, Stettinius discussed the matter with the President.³⁰ Everybody agreed that the FEA's initiative should be neutralized.

However, on October 12, 1943, Spain asked the Iberian Peninsula Operating Committee (IPOC) for 100,000 tons of wheat, thus confirming earlier predictions, and Dangerfield urged that agreement to this request be contingent on the total embargo on Spanish exports of wolfram or, at least, on a limitation of their exports to Germany.³¹ In the face of such unanimity of opinion among the IPOC, OEWF, and FEA, Secretary of State Hull recommended

that Ambassador Hayes communicate to the Spanish government the United States' acceptance of the sale of wheat, but "in the light of prevailing circumstances and the necessity of presenting the strongest possible case to the allocating authorities, the Department very strongly desires in exchange for this gesture a Spanish undertaking to stop all exports of wolfram to Germany." And, Hull added, "We are extremely anxious to produce greater results in the field of economic warfare in Spain, and therefore for the continuing implementation of general policy toward Spain it will be necessary for you to extract from the Spaniards every possible concession in this field."³²

It was clear that change was afoot in Washington. The OEW and FEA were in favor of adopting more difficult policies for Spain, and this view was being echoed in quite a few offices of the Department of State, and all in harmony with the anti-Franco tune that prevailed in other agencies, such as the Treasury Department and the War Department.

With respect to the latter, the U.S. War Department's anti-Franco campaign was common knowledge. As a British diplomat, in a letter written on October 4, 1943, to his superiors in London mentioned, "about once every quarter the U.S. War Department start a brief campaign in favour of toughness to Spain. I have always suspected that a number of American press correspondents who were with the republicans during the Spanish Civil War are now in the U.S. War Department dressed up as majors and colonels."³³ Not only was Henry L. Stimson, the Secretary of War, a notorious anti-Francoist, but Robert Patterson, his Undersecretary, was also known for his staunch opposition of trade with neutral countries.³⁴ All these issues were manifested in the proposal presented at the Quebec Conference.

A book entitled *Falange, the Axis Secret Army in the Americas*,³⁵ written by anti-Franco journalist Allan Chase, was intended to create a political setting that would be conducive to adopting a stricter stance toward Franco's Spain. It got rave reviews. In it, Chase expounded the alarming view that Spain was nothing but a Nazi colony, created by the rebellion of some generals led by Nazi General Wilhelm Von Faupel. Chase believed that its instrument, the Falange, with its activities in Latin America and the Philippines, was agitating from Madrid for the continuation of Nazism, once it had been defeated in Europe. The book's echo reached Congress, and Representative Coffee, a Democrat from Washington State, urged the House "to delegate to a special committee the task of investigating the menace of the Falange and the role of Spain as an Axis satellite in this war."³⁶

News arrived in mid-October from the Blue Division that a portion of it, known as the Blue Legion (*Legión Azul*) would remain in Russia.

It's said regarding withdrawal of D.A. that if during the first weeks of October of 1943 reaction of Hayes and U.S. Madrid Embassy was such that everything was in a good shape and Jordana was not taking Spain to effective neutrality but to a more and more benevolent attitude toward U.S. and Allies after winning its fight against more pro-Axis sectors of government and even Hayes urging the minister to announce publicly about the withdrawal and

cease attacks from press of pro-Franco against URSS and that the war against Russia will not be denominated as a "Crusade."³⁷ The withdrawal had not begun, was not unduly with the work of the department's own army and especially it had initiated the creation of this new unit, the *Legion Azul*, a shelter for the volunteers of the Division who wanted to quit the latter and join the other one.

The creation of this smaller voluntary unit was not announced to the Allies and, in fact, Jordana appeared to oppose its creation at the same cabinet meeting, on September 24, in which the decision was made to withdraw the Blue Division. But the will of General Carlos Asensio, Minister of Army, was imposed to allow the creation of a permanent legion of 3,000 volunteers. Jordana very reasonably considered that the creation of this legion would greatly diminish Allied satisfaction with the withdrawal of the Blue Division. What happened was even worse than he feared.

The news of the Blue Legion reached the U.S. in mid-October,³⁸ and President Roosevelt himself made use of the response to an earlier letter from Hayes to express his concerns. He erroneously believed that the initiative for the establishment of this unit had been a German effort:

It has been suggested that the Germans may form a sort of foreign legion, in which they will incorporate any members of the Blue Division who may decide, of their own free will, to continue fighting. It seems a little far-fetched to me, to suppose that any considerable number of these Spaniards would wish to remain on, specially as the voluntary character of their enlistment in the first place was subject to very considerable doubt. I wonder if this may not be a maneuver to maintain the Blue Division on the eastern front under another name.

He warned,

Spain stands to lose in such a game. . . . I think it would be well for you to keep this reality before the Foreign Minister, in the hope that the Spanish Government will yet clearly remove this awkward and ill-advised feature of Spanish foreign policy, albeit tardily, in the interest of the future of Spain's foreign relations. If this situation could be completely corrected, and a statement issued by the Spanish Government, the effect would be more beneficial than any we may expect from half measures carried out secretly.³⁹

On the issue of wolfram, Hayes and the U.S. embassy in Madrid were in agreement with the U.S. State Department on raising the issue of the cessation of wolfram exports.^{40,41} They disagreed completely, however, on how this plan should be carried out.⁴²

Instead, Hayes proposed a more ambitious plan related to the strategy of the Embassy to attract Spain to the Allied cause. By virtue of this strategy, Spain would prohibit exports not only of wolfram but also of other materials like fluorine, strontium, and zinc. In return, The United States would remove the surcharge on petroleum products to compensate for the loss of Spanish income.

The United States and Britain would then agree to buy Spanish products totalling the amount of lost wolfram income in 1943 (excluding the value of Spanish taxes). And, indeed, if any trade imbalance did occur, the Allies would compensate Spain in gold.

The State Department, which, in the words of a prestigious analyst, “was not much attracted by this accommodating policy,”⁴³ did not respond immediately. After five days, Ambassador Hayes reiterated his proposal.⁴⁴ He put forward three possible objectives to get Franco to agree: first, the ending of wolfram exports; second, a military, economic, and political incorporation of the regime with Allied forces, including the USSR, which would deter Germany from invading Spain; and third, derived from the first, a widening of the list of products whose sale to Germany was prohibited, but counterbalanced by Allied reimbursement in the form of the sale of arms to Spain and a willingness to support Spain in case of invasion.

In the opinion of the ambassador, it also meant that “Spain would probably insist on consideration at the peace conference at least equal to that of nations which had broken relations with Germany, but were not geographically exposed to German retaliation as Spain has been.”⁴⁵ This served to increase the level of disconnection between Ambassador Hayes and the dominant anti-francoist stance in Washington.

Undersecretary Stettinius studied Hayes’ proposal and postponed responding to it. Instead, he asked Hayes not to communicate anything about his proposal to Jordana.⁴⁶

In reality, Jordana was already aware of Hayes’ proposal, and the issue sparked a diplomatic incident, the Laurel Incident, which was ultimately utilized by the Roosevelt administration to justify hardening its policy toward the Franco regime and that would lead to the Battle for Wolfram. This event provoked the worst crisis between the United States and Spain during the course of the Second World War: A five-month embargo on oil exports to Spain, with the aim of forcing her to cut off supplies of wolfram, a vital strategic war materiel, to Germany for its use in weapons production.

THE TRADE OF WOLFRAM BEFORE THE BATTLE

Before detailing this diplomatic incident, a brief exploration of the economic and strategic importance of wolfram is in order. Ninety-five percent of European wolframite production came from the Iberian Peninsula, with Portugal producing more wolfram than neighboring Spain. This mineral was not traditionally mined; deposits were accessible at ground level, and Portuguese, Galician, Extremadura, and Leonese peasants regularly augmented their incomes by digging up wolfram and selling it.

The start of the Second World War saw a remarkable growth in the exploitation of existing deposits, and in the exploration for new veins. Before that time, only 65 percent of the available wolframite (wolfram oxide or WO_3) was being marketed.

By virtue of having the highest melting point of all metals, and the highest boiling point among all chemical elements, wolfram—or tungsten, as it is also known—was exceptionally important in its ability to provide extraordinary durability to quite a few products, such as incandescent light bulb filaments and special-use steels. It was used in the manufacture of machine tools, for shielding and hardening missiles, and as an alloy in steel. Tungsten was also used to seal engine valves and as a catalyst in the production of synthetic fuels and oils. It was widely used in the manufacture of aircraft engines and rockets.

Such a multiplicity of uses and the fact that it was required in smaller quantities than other metals (such as chromium or nickel) to produce alloyed steel made wolfram highly prized. (To underline its continuing importance as a strategic material, the United States still maintains a permanent strategic reserve of wolfram that is equal to six months' worth of production.)

Apparently, the Germans were the first to use wolfram during the Second World War to strengthen the tips of rocket-propelled grenades in order to increase their armor-piercing capabilities. It has been argued that the early success of German General Erwin Rommel in Africa was due to the use of such projectiles.⁴⁷ Germany also used it in their electrical industry and in the manufacture of synthetic gasoline.⁴⁸ Before the war, Germany obtained most of its wolfram from China, which even today remains the world's largest producer. Out of 14,200 tons of wolfram imported by Nazis in 1938, nearly 9,000 came from China, some 1,295 from India, and 658 and 119 tons from Portugal and Spain, respectively.⁴⁹ Since Germany obtained the least amount of its supplies from the Iberian Peninsula, this source was not considered that important.

This picture changed radically from 1941–1942 onward, after the German attack on the USSR. Germany could no longer bring in Chinese wolfram using the Siberian railway. Consequently, although small quantities continued to arrive from China, thanks to Japanese collaboration, the Iberian Peninsula supplies became increasingly important, at the same time that German demand also increased.⁵⁰ When the United Kingdom became aware of this, it began, in 1941, to compete with Germany for the mainland market. In 1942, United States joined the competition, creating the United States Commercial Corporation in the image of the United Kingdom Commercial Corporation. The joint Anglo–American program of preventive purchasing of Spanish wolfram during the second half of 1942 had already dedicated considerable sums (\$10 million from a total of 54 million) to the acquisition of wolfram.⁵¹ In 1943, the Allies were able to capture a greater amount of Iberian wolfram than were the Germans. In this year, the mineral had become, in terms of its value, the most valuable of exported Spanish products.⁵²

The preemptive procurement of wolfram by the Allies prevented Germany from using it for military purposes. Unlike the Germans, for whom the purchase of wolfram was strategically necessary, the Allies did not depend on wolfram for their war production. They used it, but since 1941, the British had been receiving large quantities of molybdenum from the United States, a mineral that can be used as a substitute for wolfram.⁵³

Two other fundamental questions concerning the wolfram issue: Why was it only in 1943 that Dangerfield and Crowley agitated for an embargo of wolfram exports from the Iberian Peninsula? And why was the conflict focused more on Spain than on Portugal, which actually had the capacity to produce more wolfram?

Some answers to the first question have already been mentioned: the creation of the FEA, which enabled Crowley to put forward his new anti-Franco initiative; a growing interest by anti-Franco proponents in changing U.S. economic policy toward neutral and nurtured countries, such as Spain; and finally, a desire to put an end to the extremely costly preemptive purchases of wolfram from the Iberian Peninsula, which were draining Allied coffers.

In Portugal, the price per ton was 150,000 crowns fixed by the government in March 1942.⁵⁴ In Spain, as the price of the mineral rose steadily since 1939, its price between January and June 1943 was 142 million pesetas, excluding taxes.⁵⁵ Thus, if, in 1942, the price of one ton of Spanish wolfram oscillated between 125,000 and 160,000 pesetas, in 1943, it fluctuated between 170,000 and 275,000 pesetas, reaching a maximum of 285,000 pesetas per ton. This was merely the culmination of the steadily rising cost that started with the beginning of the war: from 7,500 pesetas in 1939, to 15,250 pesetas in 1940, and to 25,790–65,000 pesetas in 1941. Such prices were a result of competition between Germany and the Allies, but Spain opportunistically added a huge burden to it, increasing the price of wolfram to 100,000 pesetas⁵⁶ per ton by law in January 1943.⁵⁷ Portugal also overloaded these exports, by 70,000 shields.⁵⁸ As Dangerfield himself later explained, the wolfram operation cost the Allies, in its entirety, about \$170 million, for 9,000 tons of Portuguese mineral and about 6,000 tons of Spanish—amounts that, in the market before the war, would have cost only \$15 million.⁵⁹

Due to the aggressive purchasing campaign that the Allies had pursued since early 1943, they not only had succeeded in acquiring more wolfram from Spain than Germany (3,021 vs. 1,309 tons⁶⁰), they had forced Germany to use their pesetas. Germany was essentially forced out of the wolfram market from early July until September 1943⁶¹ as the Allies continued their high rate of purchase. However, Allied currency reserves were also depleted due to the sustained high prices, reaching a peak of 285,000 pesetas per ton by May.⁶² The Allies had also bought more wolfram from Portugal than did the Germans during 1943, acquiring over 1,663 tons of material.⁶³

The result of this increasingly expensive preemptive purchase policy was that, by September 1943, the OEW and FEA demanded a change in strategy and an end to preemptive purchases by forcing Spain and Portugal to stop selling wolfram, despite the fact that, by then, the mineral was the most important source of income for Spain. The Axis had been driven from the market and, before it regained its monetary strength and forced the United States and Britain to find new funds to continue purchasing wolfram, Dangerfield and Crowley felt a line had to be drawn.⁶⁴ Moreover, by then, Germany was particularly lacking such metals to make alloys since the Soviets had recaptured the

Nikopol manganese mines, the Allies had bombed successfully the Norwegian Kuablen molybdenum plant, and the Turks had ceased shipments of chromium to Germany.⁶⁵

And so we come to the second question: Why was the Battle for Wolfram fought over the Spanish market, and not over both countries of the Iberian Peninsula? The question becomes even more relevant when we consider that Portugal was the leading supplier of the mineral to Germany, ahead of Spain⁶⁶, accounting for 62.5 percent of imports to Germany in 1942 and 61 percent in 1943.⁶⁷ Factually and chronologically speaking, the first U.S. proposal for an embargo had been raised on June 22, 1943, by Bert Fish, the U.S. ambassador in Lisbon.⁶⁸ Portuguese dictator Oliveira Salazar had refused it completely. Although Portugal did not have the ties that Spain had with Nazi Germany, it did have trade agreements with Germany, as well as with the Allies, and it was, like its neighbor, a nondemocratic, anticommunist, semi-fascist dictatorship. Portugal's neutrality, at least during 1943–1944 was very ambiguous, and many of its senior officials felt strong sympathy for the Axis, a fact that worried the U.K.⁶⁹

In the economic sphere, Portugal wished to maintain a careful balance, largely because of the importance of the sales of wolfram to both contenders. In the political sphere, Portugal was more lenient in their relations with the Allies, especially Britain, with which it had maintained an alliance for nearly 600 years, since 1373. Despite this alliance, Portugal did not declare war on Germany in 1939, and despite its being the Iberian country closest to Britain, it remained the most reticent in the case of wolfram.⁷⁰

In August 1943, as we have seen, Portugal reached an agreement with the Allies about the use of bases in the Azores by the British, an agreement that Salazar did not see as being in any way belligerent.⁷¹ Rather, he presented the deal to Germany as being the result of British pressure, and it was accepted as such. Germany continued to purchase Portuguese wolfram. It was not until a year later, in October 1944, that Portugal finally signed the agreement that allowed the Allies to actually use the Azores bases.⁷² In exchange, the ultra-nationalist dictator and his regime demanded the assurance of the Allies with regard to the maintenance of the Portuguese empire and the recovery of Timor, occupied by Japan during the war.

By giving the Allies the right to use Portuguese bases, Salazar had political capital to resist the enforcement of the wolfram export embargo demanded by the Allies since late 1943, and especially since early 1944. Churchill personally wrote to Salazar on this issue on March 15, 1944,⁷³ but Salazar considered the wolfram trade to be a shield against possible German aggression, an issue of national pride, and the right of a neutral country. After Spain agreed to the embargo in May 1944, and under intensifying Allied pressure, Portugal ultimately declared the embargo on June 5, 1944⁷⁴ In this case, the United States would not accept a proposed agreement, as it did with Spain and in spite of its being supported by the U.K., but wanted to enforce a complete embargo on Portuguese exports.

Salazar finally agreed to end the production of wolfram.⁷⁵ By that time, the final negotiations with Portugal in May and early June 1944 were carried out exclusively by the State Department and the Foreign Office, since Roosevelt and Churchill were engrossed in the preparation of the coming D-Day landing in Normandy, which had been postponed from May 1 to the first week of June.⁷⁶

For his part, at the start of the economic warfare surrounding wolfram, Salazar introduced a system of controls on production and prices that had hardened in February 1942, when competition intensified. The relatively low price of Portuguese wolfram allowed Germany to compete with its enemies. All mines in the country (even those in the hands of Allied and German owners) were obliged to sell to the *Comissao Reguladora do Comercio de Metais* (CRCM), which was owned by the Portuguese state, and this commission then sold the ore to potential buyers. This system had, in reality, benefited the Germans.

The Allies bought and spent more, but Germany was able to acquire much of its wolfram from Portugal, rather than from Spain. In addition, the Portuguese CRCM determined that the ores produced from mines that were owned by Allied interests would be sold to the Allies, and likewise, the product of mines in German hands would be sold to Germany. Since fewer of the mines were owned by German interests, this meant less ore for Germany. However, the CRCM also determined that ores from deposits owned by neither the Allies nor Germany would be divided so that, by the end of 1942, 75 percent of these ores would be in the hands of Germany.⁷⁷ In 1943, however, after Allied protests, this amount was reduced to 50 percent.⁷⁸

On the contrary, in the case of Spain, Franco and his government allowed free competition that benefited both the economy and the treasury. Here, buyers could freely reach agreements with producers⁷⁹ who were almost exclusively Spanish citizens, given that foreign ownership of the mines was greatly restricted. Wolfram production in Spain, which was smaller than that of Portugal before the war (400 tons compared to 4,000⁸⁰), was increased according to market demand. Portuguese mineral was even smuggled into Spain, to be sold at much higher prices in the unregulated Spanish market. The high Spanish tax rate on exports negatively affected the Germans more so than the Allies because the Allies did not export as much mineral as did the Germans⁸¹. Allied purchases were made more to deprive the Germans of the mineral rather than for essential wartime production. One of the problems of the Spanish market was the Spanish government's insistence that payment be made in pesetas. This represented a significant and ongoing setback. To obtain pesetas, both the Allies and the Germans, apart from selling products to Spain, had to use other means. On the part of the Allies, they exchanged pesetas for gold, dollars, and pounds, although this currency was soon rejected by Franco's cronies, so that they could strictly limit transactions controlled by them. On the other hand, Germany used Spain's debt, acquired during the Spanish Civil War, to obtain the precious pesetas.⁸² Finally, both the Allies and Germany, to balance out the

high prices they were paying for Spanish wolfram, shamelessly increased the prices of the products sold to Spain, especially of oil and fertilizers on the part of United States.

In the end, the Allied political offensive, led by the United States, was concentrated in Spain. The Allies made use of a diplomatic incident to raise a whole series of political demands—first decided at the Quebec Conference the previous August—and to establish an embargo on wolfram exports. Portugal, although obliged to join the embargo, was spared, citing economic and political reasons. It must be kept in mind that, in Lusophone country, in 1942, the export of wolfram represented nothing less than 38 percent of export taxes, and employed 80,000 people. A portion of these earnings were spent to purchase Allied and German products, especially weapons in the latter case. But nationalist sentiment played a large part in Portugal's intransigence, manifested in the reluctance of Portugal to accept pressure from foreign powers, and the fact that the wolfram trade was considered a test of the neutrality of the country in its dealings with the two belligerents.⁸³

In Spain, the regime was also was getting extraordinary benefits from the trade, competition, and taxes, all of which a possible embargo would cut at the root. Here, too, the wolfram industry employed thousands, and the funds generated paid for imports from the Allies, especially oil, and from Germany, especially arms and fertilizers. The profits would also be used to cross off Spain's debt with Germany from the years of the Spanish Civil War. Spain was, therefore, extremely interested in continuing its wolfram auction.

In fact, wolfram had been part of the negotiations in Spain's trade agreements with Germany, such as that signed in December, 1942,⁸⁴ but it was not part of the later supplementary agreement (the *Acuerdo Complementario*, proposed August 18, 1943) established by Germany, which dealt with supplying weapons to Spain.⁸⁵ The supplementary agreement was dedicated to partly alleviating a huge trade deficit contracted by Germany with Spain, totalling 200 million marks.⁸⁶ According to this agreement, Germany would be granted a credit of 100 million marks in November 1943⁸⁷, with 57 percent of that amount then devoted to the purchase of wolfram from Spain. An agreement that, once known by the Allies, triggered the Battle for Wolfram.

THE LAUREL INCIDENT, THE FIRST CATALYST OF THE BATTLE FOR WOLFRAM

A telegram from the Ministry of Foreign Affairs in Spain to the newly appointed president of the Philippines, Jose Paciano Laurel Garcia (1891–1959), was used by Washington to create a diplomatic incident that would ultimately force the Franco regime into accepting the wolfram embargo, after being threatened with a cut in the supply of petroleum products to Spain if the demand for the embargo was not met.

The Philippines, a former Spanish colony and, at the start of the World War, under U.S. control, was conquered by Japan in June 1942. The Japanese

established a provisional government, made up of ministers from the Philippines, one of whom was nationalist José Laurel, former judge, president of Supreme Court, and a man with great prestige. Laurel was already, even before the war, a staunch supporter of Japan: one of his sons was a student at the military academy in Tokyo, and he had been awarded an honorary doctorate by Tokyo University.

On the basis of such sympathy, Philippine President Quezon had asked Laurel, before he went into exile, to remain in the country and participate in its government under the Japanese occupation. Later, when Japan sought to gain the support of the people of the Philippines by creating the so-called Second Republic, they appointed Laurel chair of National Assembly on October 14, 1943.⁸⁸ He sent a telegram of greetings to Franco, which talked about the establishment of “an independent republican regime.”⁸⁹ Four days later, on October 18, the Spanish government responded to this telegram with greetings to the new president. The telegram stated:

No country like Spain has had for so many centuries so deep relations with the Philippines and these ties of history, blood, and love are indestructible and will remain whatever the circumstances would be. Interpreting the truest sense not only of the Spanish Head of State, Generalissimo Franco, the Prime Minister, and Ministry of Foreign Affairs, but also the Spanish people, I can assure you that the relations between the Philippines and Spain will retain a perfect level of understanding and a warm rapport.⁹⁰

The United States chose to interpret this telegram as diplomatic recognition of the new Philippine puppet government, and, above all, to use it to their own interests. In reality, Spain did not recognize the occupation government of the Philippines and had no intention of doing so: When the Japanese ambassador presented the issue of such official recognition before the Ministry of Foreign Affairs, he was ignored.⁹¹

Washington’s interpretation was that the alleged recognition directly undermined the sovereignty of the Philippines, with whom the United States had a close relationship. In the words of acting Secretary of State Stettinius, “this most ill-advised and unexpected action of the Spanish Government has been viewed seriously here, as constituting a direct affront to the United States and questioning the sovereignty of this country.”⁹² The text of the Spanish telegram was widely disseminated via Japanese,⁹³ German, and Italian radio,⁹⁴ to emphasize an alleged rapport between Spain and the Axis. These radio transmissions, captured by the OWI, were reported to Washington.⁹⁵

It seems that the telegram was a mere formality, one to which Jordana did not impart the slightest importance, since no mention is even made of it in his personal diary. The telegram was apparently sent by José María Doussinague, general director of the Ministry of Foreign Policy as a pro-Axis move from a ministry filled with pro-Allied supporters—although it is not to be assumed that Doussinague had any wish to create a diplomatic incident.

Doussinague, according to American sources, had been fired and then recently reinstated to his post without knowing the reasons.⁹⁶ He had apparently had a confrontation with Jordana over differing opinions, and earlier, he had handed Jordana his resignation, although the Minister had not accepted it.⁹⁷

In any case, the investigation launched by Hayes to exculpate Jordana and try to stop what was rapidly becoming a serious diplomatic incident was doomed to fail, in light of the administration's desire to exploit the situation politically.⁹⁸

The United States would use the Laurel incident, as well as their displeasure over the handling of the Blue Legion, to force the wolfram embargo that had been discussed since September 25, 1942. With the exception of the Madrid embassy, the entire weight of Washington was behind this move. Anti-Franco sentiment was running high throughout not just the government, but the military as well, as evidenced by the opinions of the Joint Chiefs of Staff.

News of the telegram from Jordana to Laurel was broadcast on Radio Tokyo, on October 22, and the OWI immediately informed the State Department. Hayes was asked to supply information concerning the issue.⁹⁹ He immediately sent Counselor Willard L. Beaulac to meet with Spanish Foreign Undersecretary José Pan de Soraluce. Soraluce received Beaulac courteously and told him that the Franco regime had no intention of formally recognizing the "so-called Philippine Republic." Beaulac reiterated the United States' displeasure with the context of the telegram. The State Department then recommended that Hayes write a formal note of protest to Jordana, demanding both its publication and Jordana's reply in the Spanish press.¹⁰⁰

However, five days after this State Department communication with the ambassador, it emphasized that "the Department takes a very serious view of this but before issuing any instructions is naturally desirous of consulting with the appropriate departments of the Government. Department will communicate with you as soon as possible." Hayes was ordered in the meantime to suspend all dialogues with the Spanish Ministry of Foreign Affairs.¹⁰¹

In Washington, when, on October 29–30, Cárdenas, the Spanish ambassador to the United States, met with Ray Atherton, U.S. ambassador to Canada temporarily stationed in Washington, to discuss the Laurel telegram, he was received with a diplomatic cold shoulder.¹⁰²

When, on the afternoon of October 30, Cárdenas finally got to see Breckinridge Long, the Assistant Secretary of State,¹⁰³ he justified the telegram, stating that Jordana had never used any words like "independence," "recognition," or "freedom," and that Spain did not have any "desire or intention . . . to recognize the 'independence' of the Philippines under existing circumstances." Long neither responded nor accepted an apology, but said he would prepare a memorandum on the conversation. Moreover, when Cárdenas told him that "he very much hoped this occurrence would not interfere with the progress of relations between Spain and the United States which had been progressing toward a better understanding," he did not respond.¹⁰⁴ The next day, Cárdenas met

with W. George Perry, to whom he complained about the cold reception that he receiving.¹⁰⁵

This period of tense silence was being maintained by the State Department. On November 3, Undersecretary of State Stettinius reiterated his order to Hayes that he should not say anything about the Laurel incident to Spanish officials.¹⁰⁶ The Ambassador began to fear that things would become terrifyingly complicated.

Meanwhile, U.S. media began to broadcast the telegram. Apparently, the first newspaper to publish it was the *New York Post*, on November 1. According to the newspaper, Washington should have protested to Spain, but not through ambassador Hayes, who, in Madrid, was “chiefly remarkable for historical nauseating effusions about the loveliness of General Franco.”¹⁰⁷ Two days later, the anonymous writer “PM” reported that “at last” the U.S. was officially “rapping the fascist Franco’s knuckles” after he’d received his pats on the back from the Japanese puppet of Philippines.¹⁰⁸ Almost at the same time, news came—erroneously—that Franco had signed an economic agreement with the new fascist regime of the Italian Social Republic. This news was disseminated through German, French, and Hungarian radio. Immediately, the editor of *The Nation* expressed his confidence that the perfidy of Franco would find harsh response from the U.S. administration, while expressing his fear that the reaction would not include “the immediate recall of Ambassador Carlton Hayes, whose mission in Madrid is the Greatest of Diplomatic failure recent years.”¹⁰⁹ The reactionary press was led by anti-Franco instigators, but the news was covered many other, more moderate newspapers. For example, the editor of *The Christian Science Monitor* believed that the message sent to Laurel meant nothing but that “the well-fed little semi-starving dictator of Spain” had just played “his last wrong card.”¹¹⁰ It was “the last straw” for Washington, one that “cleared the ground out from under every last-ditch advocate of time and tolerance with Franco.” Even the editor of *The New York Times*, who defended the policy of Roosevelt administration toward Spain, expressed his concern in an editorial entitled “Franco salutes a puppet,” which read:

Our Government is properly “giving serious consideration” to the action of the Spanish dictator, General Franco, in sending a message of congratulations to the Filipino traitor, José P. Laurel, whom the Japanese have placed at the head of their puppet regime on what is still American soil. This country has been patient with Franco, especially during the civil war days when a large section of American public opinion saw the issue as one between communism on one side and conservatism on the other. The Second World War introduced new elements into the situation. Franco’s former allies, Hitler and Mussolini, became our declared enemies. Domestic communism appealed to us no more than it had before, but we did find ourselves giving aid to Russia against a common enemy. Still we did not turn against Franco. We allowed some petroleum to go to him, at the risk that it might get into German hands. Our Ambassador, Carlton Hayes, assumed a most friendly attitude, and, indeed, so did President Roosevelt. Possibly we gained by this policy. Certainly general Franco refrained

from attacking our exposed flank on the frontier of Spanish Morocco last winter. But General Franco gained, too.

He might have gone from there to do a number of things that would bring him nearer to the democratic world. He could have carried the Spanish people in that direction, including many who fought on his side during the civil war. He could have released political prisoners, restored some of Spain's lost liberties, and, above all, and concerning us directly, been really neutral in this war. He chooses instead to offer us a calculated insult. Obviously our government cannot overlook this action. He who abets our enemies is no friend of ours.¹¹¹

On November 10, the U.S. media published Spain's official explanation of the incident, as it was presented by Ambassador Cárdenas to the State Department the day before.¹¹² In fact, Cárdenas had been trying unsuccessfully to get his message heard since October 29. Cardena's explanatory note stated that the telegram had been a mere courtesy and did not imply any endorsement of the Laurel regime. But far from calming the waters, this statement led to a new adverse reaction from an entirely new sector of the press. *The Christian Century* accused Cárdenas explanation of being "an ingenious tissue of diplomatic circumlocutions," while reminding its readers of "the plain fact is that Franco is against us. He is bound to our enemies by ties of gratitude and ideology, and he loses no chance of giving them aid and comfort."¹¹³ The *New York Post* concluded that it was "high time for Franco appease us,"¹¹⁴ while the *St. Louis Post-Dispatch* demanded "a new policy on Spain."¹¹⁵

But it was not just the press that was raving over the Laurel incident. When, in Congress, echoes of the Laurel telegram and of the alleged economic agreement between Spain and the Italian Social Republic, Mussolini's new regime, arrived, Senator Elbert D. Thomas, a member of the Senate Committee of Foreign Relations, referred to Franco on a radio program saying that "we ought now to call Franco to stern account," describing him as young Hitler and urging the application of democratic principles to relations with Fascist Spain.¹¹⁶ Representative Coffey, in a speech at the Masonic Auditorium in Washington during a celebration of American-Soviet friendship, demanded the severance of diplomatic relations with Spain.¹¹⁷ In the House of Representatives, the Laurel incident was even more firmly criticized by Representative Celler from New York, when he emphasized that "the State Department is the only Department under the Constitution that does not render a report to Congress." He offered a friendly observation on foreign policy toward Franco and Falange, which included an account of the actions and propaganda of the regime that Celler deemed were far from neutrality, and he denounced the actions of alleged "appeasers" within the Roosevelt Administration. Celler's speech was well seasoned with phrases like "in a way our toleration, our coddling, our truckling to Franco . . . is too shocking. It must summarily cease It is a fine sort of neutrality this sort of back-scratching praise of Carlton Hayes, our Ambassador, must cease. It has to cease. If not, we might well crack his knuckles . . . in common parlance; I am for giving a hotfoot to Franco and the

Falange. I would even go so far as to sever diplomatic relations with Spain.” Cellar was merely echoing the familiar anti-Franco line popular in certain environments—“we must get tough with Franco”—while denying the Franco regime’s alleged anti-Communist crusade in the USSR, showing it for the contradiction that it was considering the earlier pact between the latter and Nazi Germany.¹¹⁸

This extraordinary outcry in the United States over the Laurel incident was at odds with the absolute silence that the Franco regime imposed on the Spanish press over reporting the matter.¹¹⁹

In the meantime, as ordered, Hayes suspended all talks with Ministry of Foreign Affairs. Being unaware of what was being decided in Washington, he wrote to Stettinius requesting that the Laurel incident be used to improve the Allied position with Spain and to the detriment of the Axis by acceding to a number of pending claims. He emphasized that any action taken should be done without harming Jordana’s Ministry.¹²⁰ But Washington was not willing to leave the issue solely in Hayes’ hands, with whom some in the administration, Congress, the press, and public opinion disagreed. Stettinius made it clear how the issue would be handled and who would handle it. He explained that the Joint Chiefs of Staff were being consulted, and that their opinion would be considered unquestionable. He added that Washington wished Franco’s government to pass through “considerable anxiety by our refraining from any discussion leading to a liquidation of the incident,” and that this incident should be used to maintain tension and extract concessions from Spain.¹²¹ Hayes was authorized to resume contact with Jordana, which was essential, but he was ordered that, in the meeting, “you should not take any initiative in connection with the Laurel telegram.” If Jordana brought up the case, Hayes should “reply that you are not in a position to discuss this matter other than to say that your government is seriously disturbed at this unexpected and, in our opinion, most ill-advised action on the part of the Spanish Government; you may add that you are being kept informed of the conversations on the subject between the Spanish Ambassador and officials of the Department of State in Washington.”¹²² The ambassador was not allowed to take any initiative. Washington was intent on milking the Laurel incident for everything it could get from it.

Meanwhile, the State Department continued to act. When, on November 3, Cárdenas arrived at State, Atherton received him, but only to tell him that the only satisfactory solution to the affair was for the Spanish government to send a declaration of “complete disavowal” of the message sent to Laurel, and that the State Department would publish it. Cárdenas refused.¹²³

But State had the upper hand. Hull and others there knew that now was the time to demand a cessation of wolfram exports to Germany from Spain, and he knew that, at last, the State Department and the Roosevelt administration would be acting in accord. The matter was no longer one belonging solely to the OEW or FEA, and it was not simply being promulgated by the more hard-line anti-Francoists like Morgenthau, Stimson, and others. The

removal of Sumner Welles, who had constituted an important obstacle to anti-Franco sentiments because of his close personal relationships with both Spanish Ambassador Cárdenas and Roosevelt, cleared the way for a change in policy toward Spain. The agreement was unanimous among the government, and it had received the blessing of the military from the Joint Chiefs of Staff. The proposals of the Quebec Conference were set to be implemented.

The State Department had no intention of bowing to public opinion against Franco, refusing to consider the extreme demands of breaking diplomatic relations with Spain or of taking retaliatory action against the regime. It wanted merely to harness the tidal wave of displeasure that had been growing since September 1943; it wanted to end the extremely expensive preemptive purchase of wolfram as a way to prevent the acquisition of this strategic material by Germany, by forcing Spain to suspend its exports, not only to Germany but worldwide. This demand was announced on November 6, 1943.

In Madrid, Hayes met with Jordana again. The Minister of Foreign Affairs elaborated on his previous explanation of the Laurel telegram and expressed his fears to Hayes that, after having read the November 4 *New York Times* editorial, encouraging a change in U.S. policy toward Spain, that this same action had been decided at the recently concluded Inter-Allies Conference in Moscow (October 18–November 1, 1943). Even as they spoke, a radio news broadcast transmitted from Berlin and Budapest broke the story of the alleged trade agreement between Spain and the new Italian regime.

Jordana vehemently complained that the U.S. news media was being used to propagate absolute falsehoods. Jordana explained that the actions of both Germans and exiled Spanish republicans (the Reds) were aimed at provoking a crisis between Spain and the United States. Jordana told Hayes that if the U.S. intended to use the Laurel incident as an excuse to alter its policy toward Spain, he, Jordana, would have no choice but to resign and retire because his policy of rapprochement with the Allies would have been defeated.

Jordana went on to say that, from the first day of his appointment as foreign minister in September 1942, he had worked tirelessly toward bringing Spain closer to the Allied cause and distancing it from the Axis. He lamented that this effort had cost him prestige within his own government, and that he had had to endure countless protests and threats from the Axis powers. He went on to outline their joint achievements, including Spain's return to neutrality and the withdrawal of the Blue Division. He concluded by saying that although there were a number of outstanding issues with respect to the relations between the two countries, these could be resolved if the United States would open discussion on them.¹²⁴

Hayes took the bait. He informed Washington about the conversation and was told to take advantage of Jordana's telegram against the Axis and to obtain further concessions from the Spanish. Hayes warned in return that, if the subject "should carry too far and [be] used . . . in a way that will further embarrass Jordana personally," Jordana would resign. And, Hayes added, no other foreign minister would be as "constructively friendly" as Jordana had been. Hayes

insisted that Jordana was highly favorable to the U.S. and that this would position would undoubtedly continue; he strongly recommended that any statement prepared by the State Department for release to the press should portray Jordana for the respectful and virtuous figure that he was.

The State Department's response to Hayes came in the form of an initial order to end the impasse and place before the Spanish government two demands: the immediate and complete embargo on exports of wolfram, not only to Germany, but to all countries; and, second, the expulsion of German agents from Tangier, who were informing Germany about Allied activities in the Straits of Gibraltar and across the North African region.¹²⁵ The embargo, however, had to be requested "without furnishing any indication that this Government contemplates any material *quid pro quo*." It went on to specify that, if Jordana "should suggest, in response to your approach, any *quid pro quo* which he considers Spain may seek in return, you should inform him that your instructions do not cover discussion of the matter but you will be glad to communicate to your Government any suggestions he may care to make." In effect, Hayes was forbidden from negotiating with Jordana on the matter. These demands would soon cause an important escalation of tensions in relations between the U.S. and the Franco regime.

Confidentially, Hayes was informed about the previous proposal for compensation on the embargo of wheat imported by the U.S., "the situation had changed radically," as "without some sensational action on the part of Spain, such as a complete embargo of wolfram exports, it is highly unlikely that our supply authorities could be persuaded to make available an allocation to Spain, and lacking such development the Department's questions whether it would be justified in seriously supporting a request for such an allocation." In any case, "it is not desired that in your discussions with the Spanish Government wolfram should be linked in any way we wheat supplies for this country."

As far as the expulsion of German agents in Tangiers was concerned, the U.K. was going to demand it, and Hayes was ordered to contact the British embassy in Madrid. But, most importantly, "the Department is anxious to avoid any unnecessary delay on this account."¹²⁶

But the list of U.S. demands increased, following the military proposals agreed to at the Quebec Conference. On November 9, the very same day that Cárdenas made public in Washington the justificatory note of the telegram to Laurel, Atherton had made it clear that the American public would not recover from the blow if Spain did not provide evidence to clarify the Franco regime's attitude toward United States. When Cárdenas asked what would satisfy that demand, he was told that it referred to the embargo on exports of wolfram but also to the expulsion of the German agents in Tangier, who had been allowed to leave for ships of war interned in ports of the Balearic Islands since September 1943,¹²⁷ as well as for merchant shipping of the same nationality in other Spanish ports. He was also requested to grant landing rights to U.S.

planes on Spanish soil.¹²⁸ These covered nearly all the agreements made at the Quebec Conference.

When Stettinius sent this list to Hayes to submit to the Spanish government, he reaffirmed that the Laurel incident offered the U.S. extraordinary bargaining power, and he stressed that "it is desirable to obtain as expeditiously as possible any concessions the present atmosphere may facilitate that will aid us in the prosecution of the war."¹²⁹ Hayes carried out the orders immediately, and on November 10, visited Jordana to present all the claims, as well as adding two more: the recognition of the rights of U.S. citizens travelling in Spanish ships, and the establishment of direct radiotelegraphic communication between the two countries.

Jordana tried to buy time. He asked for a written memorandum, explaining that all of these demands required an agreement between different ministries at a time when his own position within the government had been damaged by U.S. reaction to a telegram that, although undoubtedly in error, was not done maliciously. Only the resolution of this diplomatic incident through official U.S. acceptance of Cárdena's declaration could significantly improve his position within the cabinet.¹³⁰

Hayes sent this response to Washington, but was ordered by Secretary of State Cordell Hull to reply to Jordana that the Department "is convinced that the explanations given have been advanced in good faith and wishes to believe that the Spanish Government had no intention of implying a recognition of the Laurel regime or of disturbing relations with this country, and that the Department for its part was willing to let the matter rest," but that "a very unfavorable impression has been created in the public mind which can only be corrected by deeds of a nature to restore confidence as well as any unnecessary delay in furnishing substantial demonstrations of good will can only tend to further deteriorate the present embarrassing position." And he made it clear that "the Department considers that no satisfactory explanation can be advanced for this uncalled for and ill-advised action of the Spanish Government. It is very unfortunate that the action was taken and only a complete disavowal could have undone."¹³¹

An angry Hayes advised that the State Department not threaten Spain. He insisted on his October proposal, which was to present a plan of purchase to Spain and in return for cessation of wolfram exports, and, if it was not accepted within a reasonable time, to cut the supply of petroleum products, but in a reasonable and courteous manner, without using threats. He believed that it should be made clear to Spain that oil was not a surplus product of U.S., but one that was required for the war. Oil would only be sent to Spain if the United States could obtain equivalent compensation for it—and that was neither more nor less than the embargo on sales of wolfram.¹³²

The Department appeared to approve this smooth path proposed by Ambassador Hayes. He was informed that his business plan was being prepared, and that State was confident that the other departments of the

administration would approve it, given the interest of the FEA and the State Department itself. Hayes should not, however, let up on U.S. demands for the embargo.¹³³ Two days earlier, on November 13, State had received approval from the Joint Chiefs of Staff for the new strategy of pressure on Spain.¹³⁴

Hayes responded with a new question: What was the use of demanding the embargo of Spain if not of Portugal? Secretary Hull replied that Hayes was to simply follow the plan and that he was not authorized to contest it. Hull reiterated that Hayes should conserve his energies to take advantage of these favorable circumstances for the U.S. and insist on the demand for the wolfram embargo. Washington was sure that it could get it in the wake of the Laurel incident.¹³⁵

On November 18, 1943, Hayes presented the memorandum requested by Jordana, which contained all U.S. demands and expressed Washington's willingness to offer financial compensation, in particular the increase in U.S. purchases of conventional products and "the removal of overpricing on petroleum products and other commodities of United States origin which are now being supplied through the U.S. Commercial Company,"¹³⁶ which was not a mere concession. Jordana responded that an embargo was a very complicated issue, as he had already explained.¹³⁷ Twelve days later, when inquired by the ambassador, Jordana said that nothing had been decided yet and that experts from the Spanish Ministries of Industry and of Commerce were working together on it.¹³⁸ But, in the interim, Jordana had obtained concessions from the Council of Ministers that he believed were enough to halt the principal U.S. demand for an embargo: namely, the permission to land U.S. planes in Spain, the return of Italian vessels, and the expulsion of German agents in Tangier.¹³⁹

Thus, in Madrid, the matter was progressing at a very slow pace that suited the Franco regime's desire to prolong its lucrative wolfram export business as long as possible and that took full advantage of the fact that the U.S. had not set a firm deadline for the start of the embargo. But Washington's growing impatience with the issue began to wear on Spanish Ambassador Cárdenas. On November 22, Secretary Hull met him and began the interview with a torrent of recrimination.

He told him that "the whole favorable atmosphere existing in our two countries' relations was most seriously undermined and injured by the Laurel incident, which no one here can understand." He demanded that the "Spanish Government . . . proceed at once with favorable action" regarding all demands already placed before it. Moreover, "since the Laurel incident many people in this country were wondering whether the Spanish Government was making mistakes in its internal affairs, thereby impeding its own ability to go forward and deal promptly with such requests as those pending on the part of the United States." And also that, "the people of this country have such an implacable hatred for the barbarous conduct of the Japanese murdering American prisoners and otherwise treating helpless Americans in every method of barbarism that they cannot understand why a country like Spain would engage in

such action as the one in question. All of these help him to conclude that this makes it all the more important that there should be expeditious action on the four or five requests of this Government.”

An overwhelmed Cárdenas could do nothing but to respond that “he would advise his Government very earnestly and emphatically in the matter.”¹⁴⁰

The U.K. was reticent about obtaining the embargo through the use of measures like cutting petroleum products supplies to Spain, which put their import of Spanish products—basic to the war effort and to feeding the British civilian population—in peril. Also they were suspicious of politically destabilizing a country in which they had economic and property interests. On December 11, 1943, when Sir Samuel Hoare was asked by a Londoner about the U.S. attitude toward Spain, he revised his previous opinion,¹⁴¹ saying that he was worried about the use of “our *ultima ratio* of economic sanctions.” In his opinion, “it is not so much that an embargo upon oil and rubber would immediately lose us definite economic advantages that we at present possess, for instance our grip on the wolfram market, it is rather that I fear that if the daily life of the country were brought to an abrupt standstill, anarchy of the most dangerous kind would spread like wildfire from one end of Spain to the other . . . In any case, it would almost certainly plunge the country into an orgy of massacre and chaos, and offer a golden opportunity for the many German saboteurs in Spain to exploit to our detriment the general confusion.”¹⁴²

CHAPTER 3

THE BATTLE FOR WOLFRAM (JANUARY–MAY 1944)

THE BATTLE FOR WOLFRAM, was the most important economic battle fought by the Allies in the Iberian Peninsula. Wolfram was vital to German industry. As the German ambassador said to Minister of Industry and Commerce Demetrio Carceller, in March 1943, “wolfram is to us almost what blood is to man.”¹ And, as Ambassador Sir Samuel Hoare wrote to the British Foreign Secretary Anthony Eden after the end of the said fight, “after six months of continuous controversy, the word ‘wolfram’ will probably be written on my tombstone.”² The attempt to deprive German industry completely of this mineral through embargo on exports to all warring factions became the main focus of the relationship between United States and pro-Franco Spain between January and May 1944. During the dispute, differences cropped up between Ambassador Carlton J. H. Hayes and the U.S. Madrid Embassy on one side and Washington on the other, with the latter acting firmly united against the regime.

By December 1943, Washington was already losing patience. As he wrote to his superior Hayes, head of the Iberian Desk of the Department of State and the until recently consistent with their views W. Perry George, it was impossible to exaggerate the growing sentiment in the United States against the apparent Spanish indifference and contempt toward the glittering military and political successes of the Allies. George warned: “If they, with true sense of Spain’s interest at heart, cannot now see Spain clearly, and move swiftly to improve their relations with us, events will overtake them.” Spain was moving too slowly, in the eyes of U.S. government, to put the Spanish house in order. U.S. interests in the country was being harassed, their mail was being tampered with, and the withdrawal of the Blue Division seemed a mere smoke-screen to cover continued Hispanic-Germanic cooperation in other fields. Moreover, according to George, the State Department was not as worried as the ambassador about the possible resignation of Minister of Foreign Affairs

Francisco Gomez Jordana y Souza, Count Jordana. If the resignation was tendered, Francisco Franco would keep Jordana in his post or appoint another minister who, by obligation, would be equally or more favorable to the Allies than Jordana. If he did not, Spain would suffer the consequences of Allied displeasure. In George's eyes, it was already impossible to justify the Spain's delay in meeting American demands. With his letter, George concluded, he did not intend anything else but to prepare Hayes for "the sanctions I feel sure this Government will shortly apply . . . as a practical manifestation of the impatience that is felt."³

The issues causing the hardening of U.S. policy toward the Franco Regime, which we have elaborated in the preceding pages, were joined by a new one: At the first meeting of the Tehran Conference, held from November 28 to December 1, 1943, U.S. President Franklin Delano Roosevelt, British Prime Minister Winston Churchill, and Russian Premier Josif Stalin decided to open a new front in France through a great military landing in Normandy, Operation Overlord. The planned landing was planned to occur on May 1, 1944. Immediately depriving the German war machine of wolfram, as called for by the U.S. military in the Quebec Conference held the previous August and by the Foreign Economic Administration (FEA) in September, was now crucial because the effects of a wolfram embargo on German arms production would take six months to be felt. And only six months were left until the planned launching of Operation Overlord (although D-Day was ultimately postponed by 36 additional days due to weather conditions).

After receiving George's letter, Hayes was alarmed. He replied to both George and Secretary of State Cordell Hull, criticizing the impatience that he felt was guiding U.S. policy toward Spain. He told George that, although he (Hayes) did not like the Franco regime and did not want any nation to live permanently under such rule, he believed the regime deserved respect and that the destiny of Spain should be left in the hands of Spaniards, especially since Franco was pursuing a "benevolently neutral policy toward the Allies." Hayes urged patience, because, he believed, the path of impatience in the form of sanctions would eventually result in "factional squabbling fighting among the [Spanish] "Leftist" groups, disorder and a possible renewal of the Civil War. This in turn, would increase, rather than diminish the opportunities for German intrigue and might well necessitate Allied armed intervention which would be a diversion from the major campaigns against Germany and Japan."⁴ Hayes' stance matched that of his fellow Englishman, Sir Samuel Hoare. For his part, Secretary Hull recounted favorable Spanish acts toward the Allies during Operation Torch, adding that the letter of President Roosevelt to Franco—one in which the president had given assurances that the landing would not affect Spanish North African territories—"had gone far to relieve Spanish anxiety." In addition, the peaceful approach shown by Spain during the Torch landings and subsequent military operations in the region had constituted "a great relief to General [Dwight D.] Eisenhower," and deserved to be taken into account. Moreover, other pro-Allied actions had been carried

out by Spain since Torch: “the Allies had been permitted the lion’s share of Spain strategic materials, had collaborated with Spain in caring for evacuating to North Africa some twenty thousand French refugees—subsequently would assert that 16,000 besides several thousand Polish, Dutch, and other Allied refugees; established informal but close relations with the French North African Government; and all American airmen, over four hundred in number who had landed in Spain had been permitted to leave Spain and return to active duty.”

In addition, Spain “had delivered to the Allies, apparently uncompromised, all secret military equipment for planes force landed here.” And, since October, in response to Allied requests, the regime had “formally proclaimed its neutrality, withdrawn the Blue Division from the Russian front, consented to the unrestricted travel of United Nation’s nationals on Spanish ships and airlines while prohibiting such travel to Axis nationals, and reestablished something like real neutrality in the Spanish press.”

In addition, Spain had (in principle) granted landing rights to U.S. commercial airlines, had interned three German submarines and their crews, and was holding six Italian military vessels in Spanish ports. Out of these, the torpedo boat *Orsa* was in Palma, while the cruiser *Attilio Regolo*, destroyers *Carabinieri*, *Fuciliere*, and *Mitragliere*, and a landing craft were in Mahon from September 10 of the previous year. All of them had taken refuge there after suffering German air attacks while making for Malta, where they hoped to surrender to the British after the armistice of the Badoglio on September 8.⁵

Against all these favorable gains, “the only thing which we have recently asked for and which there is considerable doubt about our getting without a special show of our strength is an embargo on the export of wolfram, but this strikes directly at Spain’s neutrality as well as at her financial and economic interests, and as yet the British appear reluctant to join us in pressing it to a conclusion.”

Thus, at least in the eyes of Ambassador Hayes, the impatience felt in the U.S. could not be derived from the Spanish foreign policy: “It can hardly be then, in truth, the Spanish Government’s foreign policy which arouses impatience with us or merits sanctions by us. On the contrary, the impatience must rather result from the failure of the Spaniards to change their government, to get rid of General Franco and the Falange, and to install another republic or communist regime or perhaps a liberal monarchy.” Hayes believed that Spanish exiles were at the heart of U.S. policy toward the Franco regime: “I suspect that the Spanish republicans, socialists and monarchists in America are heavy contributors to the impatience of our newspapers and to whatever impatience our government may feel.”⁶

George disagreed with Hayes’ position: The United States had every right to expect more Spanish cooperation than it had received during the first part of the war since the neutrality stance of both the Spanish government and the Falange had been detrimental to the Allies, implying that Spain “thought the Axis would win the war” and thus, “is it not logical that we, who now

are obviously winning the war, should expect Spain to cut the Axis adrift and endeavor to come into our camp?" In George's opinion, it was inevitable that, after a long period of patience, the Allies were eager to see their demands met. And he did not believe that most officials in Washington would "take into account the embarrassment Spain may suffer, or the fact that Spain may be induced in some instances into falling short of her neutral duties toward a power with which we are at war."⁷

The difference in opinion was obvious. Hayes was convinced of that excessive economic pressure would result in catastrophic consequences for the Franco regime. Immersed in day-to-day relations with Spanish officials, and proud of the collaborative and supportive environment fostered by Minister Jordana, Hayes feared that untimely pressure from the U.S. government could derail all the work accomplished by the U.S. Embassy in Madrid. Hayes was misled in his belief that the Allies could politically destabilize Franco's regime, since Franco's hold on the country was much firmer than Hayes' talks with the monarchy or other elements had led him to believe. George, meanwhile, represented Washington's detached view that the Spanish regime should be showing clear evidence of a distancing of the Axis. The tide of war and tolerance of economic collaboration with the Axis-aligned countries had changed; Franco's tardiness with respect to American demands was sharpening a situation so far controlled by Hayes.

But a sudden development changed the situation, one precipitated by a decisive collaboration between the U.S. and the United Kingdom to impose an embargo on the sale of petroleum products to Spain until it adopted a ban on exports of wolfram to the two warring parties and complied with all U.S. demands. This decision stemmed from the fact that representatives of the British Embassy learned, in January 1944, directly from Franco's Trade and Industry Minister Demetrio Carceller that Spain had granted a loan of 400 million pesetas (100 million Reichsmark) to Germany the previous November, thus allowing it to resume purchasing wolfram, after its forced withdrawal during the summer of 1943 for lack of pesetas. Carceller may have hoped that this information would stimulate Allied competition, but instead he precipitated a conflict of major proportions.

DIVISIONS IN THE SPANISH GOVERNMENT

Before proceeding, let's look at the situation existing within the Franco government. The U.S. demand for a wolfram embargo in November gave rise to two completely different reactions. While minister Carceller fiercely opposed negotiations with the U.S. over the matter, minister Jordana favored conciliation, fearing Allied reaction of the Allies. Jordana believed that there was a wide margin within which to negotiate, and time to reach agreements. Carceller's argument was economic: Spain benefited from the trade in question.⁸ As argued, the value of mineral exports in 1943 was 1,500 million pesetas, of which the Spanish Institute for Foreign Currency had entered

its equivalent in foreign exchange and Hacienda (the Spanish Treasury) had gained 600 millions. The rest was divided among companies to cover wages and operating expenses. Wolfram was big business, one of the most lucrative of all economic activities in Spain, and Carceller argued that it should not be allowed to slip away under any circumstances. The proceeds from the sale of wolfram even allowed the Treasury to buy gold that could be used to liquidate Spain's war debts with Germany. Minister Carceller also warned of possible German reprisals (the possible sinking of Spanish merchant ships), in the event of Spain's yielding to U.S. demands, and he considered it imperative that the U.S. guarantee commercial compensations, not only during the hostilities, but also after the war.

For its part, the Foreign Ministry defended a delaying tactic and entered into negotiations on issues such as fixing wolfram pricing,⁹ unaware of the pressure being applied by Washington. The Ministry was perhaps lulled by the smooth way in which the matter was being dealt by Hayes, which seemed to imply that a decision could be reached in good time.

For his part, Jordana and his ministry also agreed that a sudden cessation of wolfram trade was unacceptable, an opinion shared by the entire cabinet and supported prominently by Franco himself. Consequently, employing a series of delaying tactics, Jordana worked to maintain the trade in wolfram for as long as possible. For example, in February 1944, the Ministry of Foreign Affairs suggested that, if a reduction in wolfram exports to Germany occurred, then the Allies should be obligated to cover the shortfall by buying the unsold wolfram.¹⁰ It was another thing whether they succeeded. At the same time, Jordana also discussed with Spain's ambassador in Berlin, Vidal y Saura, the possible purchase of a synthetic gas manufacturing plant in Germany, one that could be operational in six months.¹¹

Against this backdrop of maneuvering and negotiation, Carceller, acting on his own and without consulting Jordana, revealed to British diplomats Spain's latest financial agreement with Germany. The Battle for Wolfram had begun. One can interpret Carceller's action as the (albeit misguided) encouragement of competition between the two buyers—Allies and Axis—that would begin from the moment that the Germans reentered the market. Revealing how Spain had facilitated Germany's reentry into the market, was not only not necessary but dangerous, although some Allied governments who demanded the embargo had been told that German wolfram purchases were being facilitated by a credit action from the Franco regime.

The Hispano–German agreement of November 10, 1943 involved the payment of 400 million pesetas (actually 434 million) at a rate of 100 million per month. This arrangement was decided by the Ministries of Foreign Affairs and Trade and Industry as compensation to Germany for their former cut-rate arms sales to Spain, and as recompense toward Germany's war debt.¹² Before the payment was approved, Carceller insisted that the loan agreement stipulated that Germany could use the money freely, as it saw fit. The Ministry of Foreign Affairs, however, through the Director General of Economic Policy,

wanted to limit the way the money could be used, maintaining that one-third of the money would be used to finance Germany's purchase of wolfram, with the remaining amount to be used to purchase Spanish citrus and miscellaneous other products. The Spanish government feared, and rightly so, the reaction of the Allies to a massive Germanic reentry into the wolfram market. And above all, they wanted to keep the loan agreement secret.

THE BATTLE FOR WOLFRAM

Following Carceller's report to the British of these financial negotiations between Spain and Germany, the indignation of Britain's diplomats was high. They immediately lodged a protest with the Foreign Ministry, which was caught by surprise by the revelation. In addition, British Foreign Secretary Anthony Eden, who, according to Hoare, had been reluctant to agree to a possible wolfram embargo, on January 7, 1944, ordered his ambassador in Madrid to demand from Spain an embargo on wolfram.¹³ That same day, the Anglo-American Combined Chiefs of Staff approved the application of measures of economic pressure on Spain, although without actually specifying what these measures should be, for fear of upsetting the status quo. As well, on January 12, U.S. Joint Chiefs of Staff approved a suggestion by Hayes to stop shipments during February 1944.¹⁴ On January 18, Walter Smith, American Petroleum Attaché in Madrid, was ordered to communicate to relevant Spanish authorities at the Commissary for Liquid Fuel that, without giving any explanation for the reason for the measure, no loading would be provided to any Spanish tanker in American ports on February 11–12, 1944. The embargo had begun.

Initially, the embargo followed Hayes' proposal: discreet, without threats, without pressure from the press, of limited duration, and intended to pressure the Spanish government without making the matter public and widespread. The ambassador's plan was that, once Jordana was informed of restrictions to American loading of Spanish tankers in February, he would "undoubtedly ask my assistance in arranging for loadings, then I shall inform him courteously that while I shall do what I can the Spanish Government by failing to comply with pending reasonable requests has placed me in a very difficult position so far as influencing my Government is concerned. I shall urge him of course to comply with those requests." If the cut in February supplies was not successful in forcing Spain to close its wolfram market, it would be necessary "to suspend later loadings." Hayes continued to stress the need to maintain "the most cordial personal relations with Spanish officials," and requested that the State Department "maintain cordial personal relations with Cárdenas."¹⁵

Unlike the genial relations maintained by the America's Madrid embassy, the "cordial relations with Cárdenas" did not materialize. To the contrary, W. Perry George in the State Department, and with the explicit approval of Assistant Secretary of State Dean Acheson, decided to directly confront Cárdenas. When George (by then also Assistant Chief of the Division of European

Affairs) visited the U.S. House on January 26, 1944, George, Charles P. Taft, director of the Office of Wartime Economic Affairs and Henry Labouisse of the IPOC told him that Congress was going to reconsider the whole economic policy toward Spain¹⁶ due to new financial agreement agreed upon between the Spaniards and the Germans, seeing it as an example of utter defiance to U.S. demands for the embargo on the sale of wolfram. It was also made clear that:

We are discouraged with these developments and wonder whether for the sake of Spanish economy we are justified in continuing our sacrifices while Spain continues to immobilize Italian ships, while German agents remain active throughout Spanish territory, while a belligerent attitude continues to be evidenced by the presence of some portion of a Blue Division on the Eastern Front, and while Spain furnishes Germany a right to expect a revival of imports from Spain. We feel that the Spanish Government should give to our problems and to that of Spain's international position its most earnest consideration while we examine the overall relations between Spain and the United States. We feel that it definitely is in Spain's interest to render the fullest possible cooperation to the United Nations. The wolfram embargo, for instance, need not raise a question involving Spain's neutrality if applied impartially. Moreover the Spanish Government cannot say that such an embargo would harm Spanish economy. This is no normal trade or industrial activity and the wolfram market will collapse the moment we withdraw. Wolfram activity has been created by our active competitive buying. The interest of Spain should be to prick this bubble at once and attend to the traditional trade of Spain with the United States, having in view a sound economy and postwar trade. *Later on such an embargo will have no interest for us, and we require it now* [emphasis added]. The net result of further delay on Spain's part will be damage to the normal trade and other prospects of Spain. As the Spanish Government has sometimes stated, there are involved political considerations of extreme importance, but the Spanish Government seems to have in mind a problem of deterring Germany from aggression against Spain, while we look toward the long range interests of that country after Germany's defeat.¹⁷

The previous day, and with the opinion that the suspension of tanker loadings in February would not be sufficient to stop the export of Spanish wolfram, the Secretary of the State ordered Hayes to encourage both the U.S. Commercial Corporation (USCC) and the U.K. Commercial Corporation (UKCC) to continue buying all possible mineral for at least the next two or three months, utilizing all possible methods and trying to increase the price so that it would be overwhelm German competitors.¹⁸ On January 27, 1944, the suspension of petroleum loading onto Spanish tankers was also decreed for February 21 and 22.¹⁹

Although Hayes wanted the matter handled with utmost discretion, information leaks were broadcast by U.S. radio and print media. Already by January 28, a radio station had announced the cut of supply of petroleum products to Spain,²⁰ and the next day the *New York Times* and other newspapers with feeds from the Associated Press announced that all shipments of petroleum products to Spain for February had been suspended.²¹ The

newspaper also quoted a headline in the London *Daily Express*, which read “Allies Give Franco a Month to Decide.”²² Apparently the leak had occurred from the office of the FEA, which was not surprising.²³ An alarmed Hayes immediately complained to Washington of these attacks in the press and on radio, claiming—correctly—that they would lead to increased resistance by Franco regime to accept U.S. demands. He also took the opportunity to reiterate his opinion that the fall of the Franco regime caused by economic pressure exerted by the Allies would result in a new Spanish civil war that would create problems for Allied military plans for Europe²⁴ that year.

But the news was disseminating like wildfire, and all the State Department could do was issue an explanation in the form of a press release, also on January 28. The United States’ intent to embargo Spain, starting in mid-February, was now made clear, publicly and openly, and it caused havoc within the Franco regime. This was precisely what Hayes had feared, anticipating that such a wound to Spanish pride would fan ultra-nationalist francoist sentiment and that the results of such a trade embargo might possibly backfire. Although the ambassador and his embassy staff were not mistaken in their assessment that the challenge would provoke an escalation of nationalist resistance in the cabinet, they were undoubtedly incorrect in thinking that Allied economic pressure would provoke another Spanish civil war, being entirely unaware of the level of control and violence exercised by the victors of the previous civil war on the vanquished, which was far greater than Hayes and his staff believed. In addition, the U.S. embassy erred in relying too heavily on input from Jordana, who continually promoted a pro-Allied position that acted as an efficient smokescreen for his extreme Francoist “spanishism.” As the situation escalated, Spain’s response was based on Allied blows.

The text of the January 28 communiqué from Washington was transparent, and it cut deep against the Spanish position. It began by explaining that: “The loadings of Spanish tankers have been suspended through action of the State Department, pending a reconsideration of trade and general relations between Spain and the United States in the light of trends in Spanish policy.” All because

The Spanish Government has shown a certain reluctance to satisfy requests deemed both reasonable and important by the State Department, and concerning which representations have continuously been addressed to the Spanish Government for some time past, namely that certain Italian warships and merchant vessels continue interned in Spanish ports, Spain continues to permit the export to Germany of certain vital war materials such as wolfram, Axis agents are active both in continental Spain and in Spanish African territory as well as in Tangier, some portion of the Blue Division appears still involved in the war against one of our Allies, and reports have been received indicating the conclusion of a financial arrangement between the Spanish Government and Germany designed to make available to Germany substantial peseta credits which Germany unquestionably expects to apply to augmenting espionage and sabotage in Spanish territory and to intensifying opposition to us in the Peninsula.

This last speculation about what the Germans would no doubt do with the peseta credit they received emphasized Washington's perception of Spanish "aggression," a perception fueled both by the peseta credit itself and by public opinion. The communiqué ended by saying that "this action has been taken after consultation and agreement with the British Government."²⁵

Things were looking very bad for the regime: the impetus for the embargo seemed to have changed, and the State Department's statement did not specify if it was limited to February or would continue longer. But it also augured badly for Hayes and his precautions. Jordana told the American ambassador that Spain was preparing a counterproposal, and he had, only a few days earlier, told Hayes that the Spanish government was still not decided on what limits would be set on German use of the pesetas loaned to them in the November agreement of credit.²⁶ Jordana immediately complained of what he perceived as a sudden change in U.S. attitude, that the sudden publicity given to the conflict between the two countries was unexpected by Spain, in light of the diplomatic dialogue they had been engaged in. He revealed that he had given orders to restrict fuel consumption, and that neither pressure from the Allied media nor a reduction in fuel supply were the proper paths toward achieving what the United States intended from Spain. And, he added that "the American Government should know that Spanish people are more easily influenced by kindness than by a whip. Tactics now being followed do not indicate an easy solution for pending problems, several of which were otherwise just about ready for resolution."²⁷ But even as Jordana said all this, he also in the same breath requested Hayes to intercede with the U.S. government.

Hayes, who shared in part Jordana's desire for discretion, replied that the United States had the right to act in this way, considering how long it had waited for an affirmative Spanish response to its demands, and the null result obtained. But he did acknowledge that he, too, had been taken by surprise by the events.²⁸ According to the Spanish version of the encounter:

The Ambassador, visibly affected by the statements by the Minister and lacking apparently opposing arguments . . . states that he really does not know what to add . . . He insists again that he had no knowledge that his government intended to continue the eventual embargo of oil supplies to Spain after February, adding that, of course, he would do all in his power to find the best solution by appealing to the U.S. president's cabinet . . . if only he had been able to announce to the American public that he had found a solution to one of the outstanding issues, which, considering the momentous importance attributed to them in the United States, would have greatly facilitated things, and certainly would have avoided the present situation.²⁹

Hayes then asked for a temporary embargo on exports of wolfram.³⁰ He wrote to Washington, insisting that the U.S. and British press stop its anti-Franco attacks, and assured Washington that British Ambassador Sir Samuel Hoare was undertaking similar efforts.

The State Department replied by reproducing a telegram from Foreign Secretary Anthony Eden to Hoare, dated January 19, in support of cutting oil supplies.³¹ However, on February 5, the State Department ordered the Office of War Information (OWI) to stop shortwave broadcasts containing attacks against Spain.³² For its part, the British Broadcasting Corporation (BBC), urged by its government, also decided to moderate, but not eliminate, its critical position toward Spain.³³

However, outside the official network, the press, especially the anti-Franco sector, continued to make use of the issue. The *New Republic* published an article entitled "Showdown with Franco's Axis,"³⁴ and *The Nation* devoted itself to spreading fears of the influence of Franco's activities in Latin America as a result of his relations with the Germans.³⁵ On January 31, Cárdenas reported to Jordana that reports were appearing in the U.S. stating that the Joint Chiefs of Staff had allowed the imposition of economic sanctions on Spain, as long as they imposed no danger of changing the military situation in Europe.³⁶

It was clear that the United States intended to completely stop Spanish wolfram/tungsten exports, especially in light of the military's interest in the matter once the Normandy landings were decided. As Secretary Hull wrote to Hayes:

Our primary concern is to cause a cessation of wolfram exports. In view of Germany's tight position in ferro-alloys, every ton of wolfram now reaching Germany our military authorities say can be translated directly into terms of American casualties. This is therefore of extreme importance and urgency and should resolutely be pressed for. The Department would be very reluctant to entertain any proposed compromise which would permit the continued export of wolfram.³⁷

Hull goes on to say:

We do not feel that the sacrifice incident to us supplying Spain is justified, so long as Spain permits the export to Germany of an item which is of vital importance to her war effort and which is directly converted from the raw material into actual American and Allied casualties. . . . It is simply a question of whether we can continue to supply Spain with what she needs so long as she continues to supply the enemy with a material so vitally needed by the enemy in order that he may continue his war against us.³⁸

Although absolutely unfounded, Franco believed that the impending fuel embargo was being undertaken in response to Soviet pressure on the United States and Great Britain³⁹ (fears communicated from Hayes to Hull,⁴⁰ and which Hull flatly denied). U.S. pressure achieved a limited effect. The Spanish cabinet agreed with Jordana's opinion that the Allies seemed to be seeking a pretext to invade Spain. According to Jordana, Spain would not succumb to pressure, but would be willing to negotiate. In fact, at the Council of Ministers held on February 2, 1944, Franco agreed to negotiations, thus constituting a

success for Jordana, and he also agreed to suspend all exports of wolfram,⁴¹ which gave Jordana yet another success. (We may recall that this was what Hayes had asked of the Foreign Minister on January 29.) Spain decided to negotiate on the basis of its position to export to Germany the same quantity of wolfram sent in 1943,⁴² which was not exactly what the Allies wanted. The daggers were clearly out.

CARCELLER AND SMUGGLING

Meanwhile, within the core of the government, the opposing arguments of Jordana and Carceller on the use of credit by Germany continued, with Franco acting as mediator, although he actually was close to the Minister of Industry. The breakdown, personally as well as politically, between the two ministers was complete.

A first government proposal, which was not fulfilled, was that it could not be decided as to what the Germans could use the credit for until the two ministries reached an agreement.⁴³ Another proposal, which was fulfilled, was that the Minister of Industry and Commerce would paralyze all exports of wolfram, whatever their destination, while negotiating with the Allies.⁴⁴ But what was also accomplished was a major illegal export of wolfram to Germany in which, unexpectedly, Carceller himself was involved.

Carceller had taken the initiative on January 27, 1944, to propose to Becker, of the Ministry of Economic Affairs at the German embassy in Madrid, that since the smuggling of wolfram to Germany was widespread, he could do the same. Moreover, anticipating that German accounts would be blocked in Spain, Carceller proposed that they set up in Switzerland a security deposit of 20 million Reichsmarks, preferably in gold, that would allow Germany to continue purchasing wolfram.⁴⁵ Carceller assured Becker that this was not difficult. In mid-February, Secretary of Commerce José María Lapuerta and the German Finance Ministry reached an agreement to liquidate the debt of Spanish civil war, which would generate funds for the Germans, who need still more pesetas, as the temporary embargo of wolfram sales had triggered a further price increase.

Minister Carceller, along with Treasury Minister Benjumea Burín, negotiated a parallel diplomacy that was kept secret from Jordana, while hoping for the Count's early resignation.⁴⁶ As explained by Rafael García Pérez, Carceller apparently only discussed the war debt negotiations with Benjumea, who undertook to inform Jordana. He did so in very general terms, keeping the specific content of the negotiation secret, so that the foreign minister would end up hearing about the outcome two months later, from the German ambassador in Madrid, once events were already very advanced.⁴⁷ Of course, the Germans agreed happily to Carceller's plans. Their need for wolfram was great, and Adolf Hitler himself had ordered, on January 21, that priority be given to the purchase of wolfram.⁴⁸ The Germans were also confident that Jordana would end up falling, and Carceller's policy would triumph.⁴⁹

The entire affair was most likely a test by Franco to determine the true opinions of his cabinet, because it is difficult to believe that he was unaware of these secret negotiations. That in the end he decided to support Jordana did not mean that he would forbid Carceller to act, especially since he was working to maintain for as long as possible Spain's lucrative wolfram business. Carceller's plan would eliminate Spain's war debt and obtain gold in payment for the mineral. Carceller was campaigning hard for Jordana's resignation, trying to get Jordana expelled from the council of ministers. He failed in this, but, riding roughshod over the agreement of the council of ministers, he did help the Germans to smuggle from Spanish territory no less than 491 tons of wolfram from January to April 29, 1944.⁵⁰ To get the mineral out, the Germans not only counted on Carceller and the Ministry of Industry and Commerce, but also on the Directorate General of Customs, the Finance Minister Benjumea, RENFE (the state railway network), and the Spanish consulate in Hendaya. Carceller personally approved the plan by which the wolfram was camouflaged as lead, according to ambassador Dieckhoff.⁵¹

JORDANA'S ACTIONS

In February 1944, as Jordana and his ministry staff realized the seriousness of the situation from the joint reactions of the Allies to the news of the monetary credit granted to Germany, they began working to get oil shipments resumed after the partial embargo, avoid confrontation with Germany, and win the cooperation of the two Allied ambassadors.

Jordana's moves since the beginning of the crisis were sophisticated. He enlisted the aid of the Portuguese ambassador, Theotonio Pereira, begging him to meet with Franco and intercede on behalf of Allied demands. Pereira did so, in a three-hour interview with Franco on January 26. Eventually Pereira asked him to meet the British and American ambassadors to demand the cessation of media campaigns against Spain.⁵²

Once Jordana received the assurances requested from the two Allied ambassadors, which, in the case of Hayes, created new problems for the ambassador in his dealings with the OWI, Jordana presented a new proposal to the two ambassadors on February 3, 1944: The Spanish government was ready to announce the removal of the German Consulate in Tangiers, the expulsion of German agents from the Protectorate of Morocco, and the drastic reduction of their numbers in Spain in order to end the espionage and sabotage that had been developing. Spain was also willing to immediately withdraw the remaining Blue Division from Russia (the Blue Legion, which had voluntarily opted to continue fighting) and that part of the Air Force that constituted the Blue Squadron. Spain was further willing to reach an agreement on the issue of Italian merchant shipping, but considered this a more complex matter than the military ships of the same nationality and basically a legal issue not a political one. As for the matter of tungsten, it was tabled. Hayes was told only that ongoing negotiations within the Spanish government would end successfully,

but that Jordana could not yet anticipate when. Jordana also offered to buy weapons and aviation gasoline from the U.S. And in exchange for all this, Jordana called for the lifting of the oil embargo and the issuance by the State Department of a statement that would allow the Spanish government "some face saving," presenting the agreement not as the result of an imposition, but as a mutually agreed-upon decision. The proposed declaration should focus on these three points:

Suspension of petroleum shipments had been only temporary for the month of February.

Suspension had not been a weapon of pressure or in the nature of an ultimatum.

Specific problems raised were now in the process of diplomatic negotiations and on the way to solution.⁵³

Hayes was basically in agreement, and the next day he proposed to Washington that they accept Jordana's plan, although, aware of the difficulty of doing so on the terms suggested by the Spanish, he made some changes to it. It was the Spanish Foreign Ministry who accepted that:

Italian warships will be released promptly.

All but two Italian merchant ships will be released promptly, Spain to have the use of the remaining two under terms to be agreed upon.

Licenses for export of wolfram to Germany will be withheld for at least one month pending outcome of negotiations for a wolfram embargo.

German Consulate in Tangier will be suppressed and German espionage and sabotage agents will be expelled from Tangier and Spanish Morocco. German espionage activities in Peninsular Spain will be energetically suppressed and agents engaged in such activities will be expelled.

All remaining Spanish soldiers will be withdrawn from Germany and German-occupied territory. After assurances are received from Foreign Minister that foregoing will be carried out, the Secretary will make a statement such as suggested by Jordana, possibly in reply to a question at a press conference, the statement later to be issued as a press release.

In exchange,

Petroleum shipments will be resumed. [And he added] I shall make clear to the Foreign Minister that they are likely to be suspended again if the commitments are not satisfactorily carried out or if satisfactory agreement concerning wolfram is not reached and I shall warn him that if they are again suspended the resulting situation will be more serious than the present one.

This plan, he explained, had the support of the British embassy in Madrid.⁵⁴ The next day, Hayes reported praising the temporary suspension of Spanish

exports of wolfram that the Foreign Secretary had advanced, so that the amount exported to Germany would not exceed that of 1943.⁵⁵ This pleased both Hayes and Hoare, and for Hayes, it was a confirmation of his thesis and his own proposal for a limited embargo.

THE UNITED KINGDOM IN SEARCH OF COMPROMISE

But before the U.S. State Department could consult with the British, Hayes requested a meeting in Washington among members of his embassy, the State Department, and the FEA to advocate the acceptance of the counterproposal of the limitation of wolfram, rather than its embargo, pushed by Spain. By searching for commonalities and moving past the bottlenecks in which the negotiations were stuck, the United Kingdom wanted to end the conflict with Spain. The meeting was held on February 5, 1944. Thorold and Bridge were present on behalf of the British Embassy in Washington; Stone, J. Royden Dangerfield, and Riefler for the FEA; and Culbertson, Fleming, and Labouisse for the State Department.⁵⁶ The Americans collectively refused to accept the British proposal, stressing that “the Department placed the demand for a wolfram embargo at the top of the list of our demands against Spain.”⁵⁷ They did not care what quantity of export Spain was allowing, which they said would surely increase. They estimated that Germany had imported 1,400 tons of wolfram from Spain in 1943 (actually 1,309 tons was actually imported,⁵⁸ we know today).

The British wanted to allow 60 tons per month, which to the Americans seemed excessive. It was proposed to accept a maximum Spanish total export of 400 or 500 tons per year—the pre-war amount—of which half would go to the Allies and the remainder to Germany.⁵⁹ Since Germany had already imported 300 tons in early January 1944, it should get nothing further.

The British argued that it was more important to end German espionage activities and to see the withdrawal of troops from Russia than it was to embargo wolfram, indicating that they did not place the same importance on the mineral as the did the U.S. The British reiterated that some compromise should be reached, because a total embargo would be impossible to achieve. So, although there were points of disagreement, the Allies remained united in their stand toward Spain.

The Spanish Foreign Ministry learned of the combined support that both Hoare and Hayes were giving to their counterproposals, and when Jordana sent Cárdenas to meet with Undersecretary of State Edward R. Stettinius Jr., on the same issue, he went so far as to say that “he [Cárdenas] had been advised by his Government that they thought the British Ambassador and American Ambassador were favorably inclined to permit as much wolfram to be exported to Germany in 1944 as exported in 1943.” There Cárdenas ran into a wall. The U.S. undersecretary said that “there was a misunderstanding on this point and . . . he [Cárdenas] must understand once and for all that we would remain

firm in our position that all wolfram exports should cease.”⁶⁰ The Spaniard asked if it “would it be possible for your government to make a statement easing their position—something along with the line of stating that our February action on petroleum was temporary only and that shipments would resume in March and that February action was not designed to force them into a position that they were not already willing to take,” to which Stettinius did not answer. It was the opinion of the State Department, as presented in a statement that Secretary Hull himself wrote to Hayes, that if it were not for Jordana’s delays—wasting three months without answering U.S. demands—Spain could have averted the problem it now confronted. Hull made it clear that the supply of oil to Spain was a sacrifice for the U.S. war economy and was not justified, in so far as it supplied material to the enemy and was detrimental to the Allied cause.⁶¹

Over the next few days, Hayes tried to convince Secretary Hull of the soundness of the British proposal, which supported the commitment to Spain. Eventually, however, the Secretary responded specifically that the Department was “unaware (repeat, unaware) of any pressure from London to agree upon a compromise.”⁶² And he reiterated—and ordered Hayes to make clear to both Jordana and to the British ambassador—that the U.S. government was not going to resume oil supplies until it had achieved a total embargo on exports of wolfram. On the 15th, Hayes visited Jordana and conveyed this message. He said that

The United States Government . . . is far from being satisfied with the state in which it is currently finding the problem . . . although it has produced the best effect the temporary embargo decreed . . . by Madrid, the U.S. government will not find satisfaction in relation to this issue until the embargo is finally enacted by the Spanish government . . . whatever its destination, even in the case of purchases made by the Allies. It is considered in Washington that the supply of petroleum products and other staple materials . . . has contributed to a great extent to Spain’s re-establishing and effectively developing its economic balance. Not to be forgotten that such raw materials and manufactured goods . . . were needed by the [U.S.] economy in its war effort, and to meet their domestic needs. And so justifies its claim that Spanish shipments are cleared of wolfram to Germany, taking into account the paltry importance of such a product for the Germany military effort, and that its maintenance involves an important step contributing to the losses suffered by military Allies in its fight against the enemy forces.

He announced that

Until a final and satisfactory resolution [on the subject of the embargo] will arrive, the provisions to carry out oil shipments to Spain the next month of March will be suspended. Just like that [was] obliged [U.S. government] to suspend all shipments of petroleum products in Spain is not as decreed by the Spanish government.⁶³

But the Anglo–American internal disagreement was a fact and continued to be so. To try to solve it, President Roosevelt telegraphed the following on February 15, 1944, to British Prime Minister Winston Churchill:

I believe that as a result of our suspension of tanker loadings the Spanish situation is developing satisfactorily and that if both our Governments hold firm we can obtain a complete and permanent Spanish embargo on the export of wolfram to any country. Our information indicates that the Germans are very short of wolfram and that supplies obtained at this time can be directly translated into terms of British and American casualties. We have had indications of a disposition on the part of your Ambassador and ours at Madrid to accept some compromise short of a complete embargo. I do not consider it satisfactory and I see no danger that our joint insistence upon a complete embargo before resuming loading of Spanish tankers will produce any serious reaction in Spain which would adversely affect the Allied position. The establishment of a complete embargo would be entirely within Franco's announced policy of neutrality and I hope you will send instructions to Hoare to stand firm as we are doing to Hayes. We know that the Portuguese are watching the Spanish situation carefully and our insistence upon the embargo should have a helpful effect in obtaining satisfaction with regard to wolfram from [Portuguese dictator Oliveira] Salazar.⁶⁴

It must be noted that, in Roosevelt's reference to the U.S. ambassador, he was making clear to Churchill that he was not in accordance with Hayes position in Madrid. Moreover, the President, with the D-Day landing plans in mind, was prepared to do what he felt necessary prevent wolfram from contributing to an increase in Allied casualties.⁶⁵ The suspension of wolfram exports was already affecting the German war industry.

In Madrid, Jordana continued to insist on his position. He conveyed to Hoare, as he did to Hayes, that if the Allies insisted on the total embargo on wolfram, there was nothing Jordana could do, because the Spanish government would not accept it. Another solution, he said, "would be to limit and condition the distribution of wolfram so that, saving the principle of respect for the sovereignty of Spain, they were allowed to limit the output of that product to any country that were not with the Allies so that they had not been in serious danger and that the Spanish government offer, saving the matter of principle, be willing to negotiate and provide possible facilities. But this should show Hoare the spirit of his government's decision to dispense the Allies of these punitive measures because, apart from delaying the resolution of outstanding issues, long-lasting and increasing, will be the deepest wounds that have occurred in Spain, so sensitive as to affect its honor, and the harder it then delete the resentment that these injuries have occurred."⁶⁶ Hoare then proposed, as a possible solution, to take into account that Germany had already received during the first six weeks of 1944 approximately one half of all the wolfram it had imported in 1943, and this could perhaps be counted on to not allow Germany to obtain more wolfram from Spain for the remaining first

half of 1944. Jordana said that would mean a ban on wolfram, and he still refused. But he added he would be open to considering any other resolution that the British might offer.⁶⁷ The British again chose to cling to this slender promise.

To Hayes, Jordana insisted that the embargo would violate the neutrality of Spain, but that Spain was willing to compromise on other issues. He used as arguments the services that Spain had performed for the Allies and that “nothing is gained by coercion; on the contrary, coercion creates a hostile atmosphere in Spain, tying the Government’s hands and preventing a prompt solution of pending matters on reasonable terms which would be accepted by the Spanish Government with the same good faith which it has always shown in its relations with the Allies.”⁶⁸ By making Spain out to be the victim, he hoped to gain time.

UNITED STATES AND THE CONTINUED EMBARGO

Stettinius’ response to Jordana’s proposal was curt and seamless. Washington neither understood nor accepted what Jordana had said about Spain doing a great service to the Allies by not interfering with Operation Torch, nor did the U.S. admit that it was coercing Spain. The point was that economic cooperation was not reciprocal, and that the declaring of an embargo on exports of wolfram to all contenders in the war did not violate neutrality. Moreover, Spain should be aware that oil shipments were suspended indefinitely in view of the nonexistence of progress in the talks. In addition, Hayes should have told Jordana that “this question is one in which the American public and press is evincing considerable interest and we do not know how long their present patient attitude can be maintained. So far, in answer to all inquiries, we have replied that the question is still under discussion; obviously we cannot continue to give this answer indefinitely.”⁶⁹

Franco’s ambassador in London, the Duke of Alba, visited him to inform Franco that the U.K. was not placing the same importance on the issue of embargo of wolfram as the United States,⁷⁰ thus contributing to strengthening Jordana’s position. Spain could cede, yes—but not completely—and save face. Meanwhile, in Washington, Cárdenas was still trying to get a statement from the State Department saying that it would ease its position toward a petroleum embargo for Spain. But both Stettinius and James Dunn refused; it might be forthcoming after Spain agreed to the embargo.⁷¹

Finally, on February 18, 1944, Jordana informed Hoare—in a communication that is significantly less hostile than that between Spain and the Americans—of a new proposal to break the impasse: Spain did not accept the total embargo on exports of wolfram because it meant a violation of its neutrality that Jordana’s government would never accept, no matter the consequences. However, “if . . . the Allies would be conciliatory and would promptly resume petroleum shipments, Spain would agree to limiting wolfram exports to an insignificant quantity of no real military value to Germany then Spain,” Spain

would then ensure that the “Spanish Legion . . . [nor] any other Spanish armed force . . . be allowed to serve in the war and no individual Spaniard enlisting in the German Army will receive any pay or aid of any sort from Spain.” Further, Spain would close the “German Consulate in Tangier and . . . expel its staff including all members of German Military Mission in Morocco.”

Moreover, Jordana assured the British that, in the British ambassador’s words, the Spanish government was serious “about taking the most stringent measures to prevent acts of sabotage and espionage against us throughout Spain and to punish their perpetrators. Besides it was equally desiring to accept the British proposal concerning Italian merchant vessels namely that all except two will be released as soon as they are ready to sail and that the two will be held by Spain for its use under charter pending decision as to their ownership through consequent negotiations or arbitration.” As for the issue of the Italian warships, Spain was willing to submit the matter to arbitration, a proposal that Ambassador Hoare apparently accepted, given the low value that the British Admiralty placed on the Italian ships.⁷²

Informed of the proposal by Hoare, Hayes wrote immediately to Washington. He presented it as a clear victory for the United States, with the possible exception of the issue of the Italian warships. But, knowing the position of the Roosevelt administration, Hayes did not directly advocate the acceptance of wolfram proposal, but noted instead that “the Department is interested principally in depriving Germany of wolfram rather than in broader objectives unknown to me.” He reminded Washington that Spain had already indicated that its reserves could withstand the oil embargo for a period of four to six months, and that during that time, it would probably allow for continued export of wolfram to Germany, a country that had to import 225 tons, and in January, it had already received 300. He argued instead that, if agreement was reached, and based on what Jordana had told Hoare, Hayes, and the Portuguese ambassador, it seemed possible that Spain would halt exports for the first half of this year and, from July 1, drastically limited them. Otherwise, he warned, a complete embargo would not prevent smuggling.

The State Department was again immovable. W. Perry George told Guy Thorold and R. E. Barclay of the British Embassy, after they told him that “the United States had embarked upon a unilateral policy of insisting upon a complete and permanent embargo,” that the position adopted by the United States was granted joint Anglo–American accord at the highest level. They argued that America had given an ultimatum to Spain that Churchill had never agreed to nor ever would.⁷³

In another interview that Stettinius and James F. Dunn had with the Spanish ambassador, Cárdenas was again told that the Department would not make any statement nor accept anything less than a complete embargo.⁷⁴

On February 21, 1944, Hayes again met with Jordana, who further elaborated his proposal. Jordana reiterated that his government was willing to carry out:

A quick negotiation that led to the minimum possible limit to the export of wolfram to Germany, giving the country a percentage of reduced production [of the total Spanish production, which we now know was of 3,618 tons in 1943⁷⁵], although this would undermine the Spanish government's earlier agreements with the government of the Reich.

Jordana reiterated that the Spanish Government could limit wolfram exports to Germany but that, in that case, the rest of the Spanish production would have to be acquired by the Allies at a fixed reasonable price, set by mutual agreement.. He added that the quantity of wolfram exported to Germany in compensation for the weapons, machinery, and other products that Germany provided to Spain, had great flexibility under the agreement between the two nations. For example, in the previous year, it did not exceed 23 percent of total Spanish exports. Hayes believed, therefore, that using the system advocated by Jordana would make it possible to reach a feasible, reasonable agreement on the quantity, and this would lead to a harmonious solution. And, he added that the small quantity that was delivered to Germany would have negligible impact on the overall fate of the war, especially when considering the extraordinary military power that the Allies claimed to have.⁷⁶

But the version of the interview that Hayes sent to the Department of State differs slightly. According to the American, Jordana had said that "the one possible way out of the wolfram trouble was to arrive at a quick arrangement: namely, for the American Government to accept a limitation of Spanish exports at a figure to be negotiated, possibly at 10 percent of the total 1943 exports." This represents a remarkable shift, since in the previous version, Jordana's proposals were somewhat indefinite and dealt with some percent of total production, not export. "Such a concession to us by Spain," Hayes continued "would involve Spain in a vast deal of trouble with the Germans, to say nothing of the other pending questions on which Spain was prepared to make concessions to us but which the Germans would regard as indicating hostility to them." Hayes repeated Jordana's figure: "what the Spanish Government proposed was to agree with Great Britain and the United States on a limitation to, say, 10 percent of wolfram exports to the Allies agreeing to take the rest at very reasonable prices to be fixed by negotiations."⁷⁷

In fact, both Hayes and Hoare agreed with the substance of the proposal by the Spanish Foreign Minister, which allowed for a drastic reduction in wolfram exports to Germany while continuing the temporary embargo. They moved fast, with the United Kingdom again leading the way.

A FIRST FRUSTRATED AGREEMENT

In London, once Hoare's final recommendation arrived, things moved rapidly. The British embassy in Washington sent a communication to the State

Department and on the 21st, Prime Minister Churchill himself wrote to the President recommending approval. He said specifically that

A settlement which I should myself regard as eminently satisfactory can now be reached on all points, if we act quickly. This settlement would include the complete cessation of Spanish wolfram exports to Germany for six months. If all goes as we hope, I do not think we need anticipate much difficulty in maintaining this position when the six months have elapsed.

The Foreign Secretary is telegraphing in greater detail to the State Department. I hope you will agree that we should immediately clinch matters on the above basis, which I am sure would represent a major political victory over the enemy.

The State Department agreed, emphasizing in its memorandum to the President the importance of the embargo in the critical next six months of the war:

We would be in favor of having tanker loadings resumed for Spain if we could first secure in addition to the other concessions we desire from the Spanish Government a dependable arrangement which would prevent shipments of any wolfram to Germany for the coming six months. We consider the next six months as an extremely important period in the conduct of the war and before the expiration of that time we could re examine the situation with a view to continuing some arrangement to keep wolfram out of German hands.⁷⁸

Roosevelt, aware that the Allies would already be in France by then, as well as of the need to maintain unity with the United Kingdom, agreed.⁷⁹ In his response to Churchill on the 23rd, he told him that “it is very pleasing to know that a settlement of our current controversy with Spain promises to be accomplished quickly.”⁸⁰ In the British Parliament, Foreign Secretary Eden said that

We have never asked for anything in Spain except a strict neutrality and honorable. In the dark days of the war, the war really black, when we were alone, the attitude of the Spanish government not giving permission to transit through Spain to our enemies was greatly advantageous to us. It was also especially true at the time of the release of North Africa. But time has passed and we believe successful draw the attention of the Spanish on certain practices that were helping the Germans. Since the war has turned against the Germans and that Italy has fallen, we believe, in accordance with the Americans, that Spain could no longer rely on his alarm at the concentration of German forces on its border as a reason to treat to appease Germany by breaches of neutrality. Therefore, as Spain is now stronger and safer position to preserve its identity of any invasion or undue pressure by Germany, we believe that now was the time of requesting it more rigorous in its duties. This we have done. In Conjunction with the United States we have made a number of requests. We hope that Spain will accept them. There is no intrusion in the Spanish sovereignty in the submission of these requests. Of course, we are under no obligation to share our limited oil resources if we decide not to.⁸¹

It seemed that the Battle for Wolfram was nearing its end. Undersecretary Stettinius informed Hayes about the summary of the British agreement between Hoare and Jordana:

To expel from Tangier the German military agents and German Consulate.

To put a drastic stop in Spain and North Africa to the espionage activities of the Germans.

To dissolve and repatriate Spanish units on the Russian front and not to allow any new units or reliefs to leave Spain.

To settle on terms agreeable to us and the British the question of the Italian merchant chips.

To refer to arbitration the question of the release of the Italian warships.

To give every facility for assuring a drastic limitation of the exports of wolfram. . . . Jordana has agreed to consider the possibility in practice that exports of wolfram to Germany should be reduced to a point which would in fact result in no shipments at all being made during the next 6 months.

He added that "it is our understanding that the 6 months' period would begin to run from the date of agreement with the Spanish Government and that between now and such date no wolfram will be exported." If this was accepted, the deal would be signed by the U.S. and, once it received assurances that Spain was not going to export wolfram—legally or illegally—within the next six months, the United States would authorize the loading of petroleum products to Spanish tankers.⁸²

When Hayes informed Jordana of the six-month condition, Jordana said he could not accept without the approval of his government. According to Hayes, the minister again referred to "the limitation of exports of wolfram to Germany to be based on total export licenses issued during 1943" and that "exports to Germany during 1944 would be drastically reduced to as low as 10 percent of total exports during 1943, and that within that figure there would be included the shipments made during January this year."⁸³ Moreover, when the State Department informed its embassy in London about the conversation, it mentioned that "Jordana confirmed German wolfram supply 1944 to be limited to perhaps 10 percent of total exports 1943 (estimated at about 3,100 tons) with January 1944 included in the reckoning."⁸⁴

In his memoirs, Hayes insists on the figure of 10 percent on exports, not production, as well as the 3,100 tons mentioned.⁸⁵ But Jordana never cited that quantity. When Hayes told him that "information in our possession indicated total exports for 1943 were about 3,100 tons, Jordana remarked that he did not have before him the exact figures."⁸⁶ In any case, the figure was not quite accurate, as we now know, since the total of Spanish wolfram exports to Germany and the Allies in 1943 was actually 4,330 tons, and the Spanish production of wolfram in 1943 was 3,618 tons.⁸⁷ As we shall see, Jordana

specifically denied having specifically mentioned the percentage quoted by Hayes, 10 percent.

On February 29, 1944, Hoare visited Jordana. The Spanish minister was upbeat, and he took along with "his proposals to the government, the conversations with the two ambassadors, so that they be kept in consideration in the Council of the next day, so as to resolve how to proceed." He also admitted to Hayes that he had been, if not pessimistic, then deeply upset by the conflict, but that he was now confident of solving all problems that had led to the rarified atmosphere between the two countries in a full and effective way, so that future dealings would develop within an environment of cordiality and mutual understanding for the good of both countries.⁸⁸ In fact, Jordana intended to bring the entire set of proposals before the council.

For his part, Hoare, in a final interview with Jordana before the said meeting of the Spanish government, informed him of the express wish of the British cabinet that "once an arrangement which is satisfactory to both sides of the problem they are working on, it does not have new requests or aspire some other concession by Spain, being in the best position to facilitate, to the extent of their capabilities, the economic development of our country, not only in regards to the current time, but also and especially for the postwar period."⁸⁹

But Germany was also proposing countermeasures to the Spanish ministers, in an effort to prevent stop the embargo. First, through major smuggling operations undertaken with the collaboration of Carceller, Germany was able to overcome the temporary suspension of shipments of wolfram decreed by Spain. In addition, the Reich officially made diplomatic gestures against Jordana; On February 25, 1944, the German ambassador alleged that the temporary suspension of shipments of wolfram breached of the economic agreements of December 16, 1942 and August 18, 1943 that had awarded Germany the right to buy unlimited quantities of the mineral, freely exported. In particular, he protested the suspension of an application to export 209 tons of ore presented a few weeks earlier. Also, in response to a Reuter's news article appearing on January 22 and stating that the United States had decided to continue the implementation of the embargo on oil shipments to Spain, the German ambassador said that Spain had argued that it could not completely stop its shipments of wolfram to Germany, although it had offered to reduce it to a minimum, a symbolic gesture that the British government accepted, but that Washington continued to insist that wolfram shipments ceased completely as it prepared for new economic sanctions against Spain.⁹⁰

JORDANA'S DEFEAT WITHIN THE GOVERNMENT

In the midst of this German diplomatic counteroffensive in Madrid, Jordana presented his proposal before the Cabinet meeting held on February 29–March 1, 1944. The proposal was rejected. According to Jordana's diary:

Wednesday, 1 March 1944. Extremely stormy Council of Ministers, offering reasonable solutions to end once and for all the international conflict in which we find ourselves, I met a decidedly hostile environment from ministers of the army [general Asensio], Labour [the Falangist José Antonio Girón de Velasco], Agriculture [falangist and brother of the Falange founder, Miguel Primo de Rivera], and Party [José Luis de Arrese Magra, minister-secretary general of Falange Española Tradicionalista y de las Juntas de Ofensiva Nacional-Sindicalista (FET y de las JONS)], and the obstinacy of the Industry [Carceller] and of others, not entirely agreeing with my proposal. It should be warned that before the Council, I had a long conversation with the Generalissimo to convince him of the appropriateness of what I proposed, but he did not however support me with all the warmth, that to my belief, he should have done in principle. That attitude led to heated discussions that again put forward difficulties of all kinds which I had been fighting since I became a minister, and how taxing it was for me in these very trying conditions to continue to play my extremely difficult role, in which I did not have any other encouragement than the constant uphill task of fighting against the whole world, for which I earned the prospect of being replaced with another person with whom he had more things in common. As a result, although the most intransigent among them ceded, they would not fully accept what was proposed by me, which created a very difficult situation for me, as this will condition my laborious and very difficult negotiation, and force it backwards, instead of moving forward, and being incomplete, leaves only a delicate strategic base, still in the process of accepting my points of view.⁹¹

Although it is impossible to know exactly the terms of the discussion, as the minutes of the cabinet meetings of the Franco government are still not available, it seems that there was a disagreement over the quantity of wolfram that could be exported by Germany. In the previous council of February 2, it was agreed that Spain would export the same quantity as in 1943, set at 900 tons.⁹² The Jordana proposal apparently suggested allowing the Germans to import either a certain percentage of total production or of exports made in 1943, or as Carceller told the Allies later, the amount would be based on the 700 tons that had been exported in that year, a proposal that entailed a reduction of the said 900 ton earlier agreed. Furthermore, in the face of the suspension of all shipments for six months or until completion of the first six months of the year, the council saw this as a hidden embargo (as it actually was), which was rejected by the ministers, who were led by Carceller. This temporary embargo bothered even Franco and explained his lukewarm defense of the Jordana position. That he considered removing Jordana is suggested by the words, not exactly transparent, of Franco himself:

What I did not mean to say in the Council, so as to not provoke it to dismiss Jordana in the middle of the conflict, is my uncompromising stance of absolute rejection of the wolfram thing. That in this Council he had tried and agreed to give the same amount as last year, when the matter up came to the first Council, it was already in the proposal, and without taking me into confidence, he,

under stress and dangers hurriedly told them about further reductions. To which I showed my displeasure.⁹³

The suspension of all consignments for six months was a target of criticism because it had not been previously discussed by the cabinet.⁹⁴ What offended the majority of the council was that Jordana had, in their opinion, exceeded his brief. Apparently the only people who supported the Minister of Foreign Affairs were the Minister of Navy Admiral Moreno, and in a lukewarm manner, Franco himself. Carceller proclaimed victory for his policy of defending the continuation of the wolfram business and the freedom of Spain to continue in its neutrality.

The council of ministers frustrated Jordana's and the Allies expectations of an immediate agreement. It agreed to initiate a process of formal negotiations with the U.S. and the U.K. on wolfram, with the participation of representatives of U.S. and British embassies. Also, it agreed to start another attempt to renegotiate with Germany the trade agreement of August last, one that had been violated by the export limitation.⁹⁵ At issue was the quantity of wolfram that could be sent to Germany during 1944. All other items of the agreement—Italian ships, German agents, the retreat of the Blue Legion, and the Tangier Consulate were resolved—at least in theory. The implement of a wolfram embargo, however, was another matter. Meanwhile, the temporary embargo continued to benefit, at least on paper, the Allies.

The decision to prolong the agreement process came as a complete and colossal shock to the British and American ambassadors. The version that Jordana gave Hayes about what had happened was limited to explaining that the problem had been the quantity of wolfram that Spain intended to allow to be exported to Germany. In Hayes words, the Council had apparently told Jordana, that they "perceived a discrepancy between our [the Allies] request and the 10 percent proposal on the one hand and the agreement with Germany on the other. At the time, he assured him that the Council was quite willing to reach an agreement sufficiently favorable to us to constitute a friendly gesture toward the United Nations and a generally unfriendly gesture toward Germany."⁹⁶ The American embassy complained strongly, accusing the council of ministers of taking a backward step.

With Hoare, Jordana was more explicit and critical of the Allied demands, which were giving him much trouble. He denied having ever agreed to the 10 percent reduction, the disputed quantity that the council had used against him after some minister had surely learned of it from the British or American embassies. He argued that:

Never has been room to suppose that the Spanish Government was in accord with the policy of allowing only 10 percent exports to Germany, because he never talked with precision of percentages but always in general terms of regulating, and limiting to the extent possible, the export of wolfram to the said country. It is unfortunate then, that they should give such a figure of 10 percent as a

basis for the arrangement. Only in conversation with the Ambassador of United States, on the 28 of February, had he spoken of exporting only during the first half of current year 300 tons, which have already been exported in the month of January and . . . therefore . . . nothing more should have been exported in that semester and, during the second, one small quantity of export could be granted. In addition, the Allied countries would buy the said product. This 10 percent quantity was unacceptable, as it in fact took into account the embargo, but that he would report to the Government, as he did.

The Spaniard complained that

The Allied formula comes in spite of the reasoning which they may have wanted to argue against, to go back to where they started: the conflict began when the Allies demanded an embargo on the exports of wolfram, and the formula that they proposed after a month and a half of negotiations, virtually demanded, with respect to Germany, an effective embargo although the word was not used.

He continued to argue on the issue of 10 percent, reading to Hoare a paragraph from the minutes of their conversation of February 28, 1942. It said that

The Ambassador of the United States admits clearly that the application of the formula that he advocates, by virtue of which the export of wolfram to Germany will be limited for the year 1944 to 300 tons (which is more or less 10 percent of the total figure [of exports of the year 1943] planned), would be matched by an embargo of such exports, as far as this country is concerned.

For Jordana,

To accept as a limiting formula the figure to 10 percent, which has never been proposed, is a possibility that remains totally out of the terms of concessions to which this Spanish Government can reach; because one must say it again, such a supposition would amount to accepting the embargo, as Spain would risk an agreement signed by her in a manner which would be totally impossible to justify. Two concessions of great importance are already assumed, and should be justly appreciated by the Allies, the Spanish Government having acceded to decree the provisional embargo on the exports of wolfram for a period that has already passed by two months, and that it is ready to set a limit on the quantity of such exports to Germany.⁹⁷

Hoare expressed his pessimism in the future of the dispute, accepting, however, that the commercial counselor of the embassy formed a part of the commission.

Against this background, a Carceller, emboldened by his victory, started to act as a mediator with the Allies. He was convinced that he was on the verge of forcing Jordana's resignation and imposing his points of view. His objective remained the continuation of the wolfram trade. First and foremost, he believe that Germany should be permitted to legally import more wolfram than what

Jordana had suggested. At the same time, he wanted to illegally increase that quantity through smuggling. In this manner, he would stretch out the trade over time, making the Germans spend their last granted credit. And, as we have seen, he had been negotiating since February—behind Jordana's back and with the consent of Finance Minister Benjumea—an agreement to cancel Spain's civil war debt with the Germans. He even suggested to the German ambassador that Spain would look to Germany to supply them with petroleum, wheat, and other products that they would pay for with wolfram, a proposal that Nazi Foreign Minister Von Ribbentrop approved.

Carceller also wished the Allies to continue their purchases of wolfram. It is difficult to imagine that Franco was protecting Carceller in this two-sided game between his ministers, although he finally ended by siding with Jordana. But it was El Caudillo himself who rejected German offers of supplies, offers which could not substitute in quantity for the supplies received from the Anglo-American alliance.⁹⁸ During the entire negotiation process, the Allies firmly believed that Carceller had private economic interests in the wolfram trade and was therefore working in his own interests.

To promulgate his strategy, on March 6, 1944, Carceller invited the first secretary of U.S. Embassy Julian F. Harrington and its commercial attaché Ralph Ackerman to lunch. During the course of this meeting, he gave his version of what happened in the council on March 1. He said that he had questioned the figure that Jordana had presented of 700 tons of wolfram exports granted to Germany during 1943, contending that it had been higher, between 1,000 and 1,100 tons and representing between 23 and 33 percent of the total, as the Foreign Minister had also affirmed. In reality, we now know that exports in that year had exceeded 1,300 tons. He ridiculed Jordana, and challenged his capacity to reach agreement. And Carceller insisted that Jordana's negotiating commission was simply a temporary recourse, and that the final decision remained in the hands of the council of ministers. In other words, he made it seem as if only he had the real competence and capacity to negotiate with the Allies.

Next, he put forward an offer to resolve the conflict. He said that Germany had 209 ton of wolfram imports pending (which was true) and that Spain wanted to allow him to export them between now and the month of August. In return, and so that the Germans could not export more, the Allies should buy the remaining production, although at a lower price than the present, and resume as well the supply of petroleum, cotton, and other materials, in addition to other products that Germany could not supply such as truck engines, copper, and the like.

Hayes informed Washington of this new offer, noting the necessity of reaching an agreement quickly, both due to the increasing scarcity of pesetas in the embassy, a situation that would lead to a forced interruption in the purchase of wolfram by the end of that month, and also because of the continued threat of increasing German offers to supply Spain in a prodigious economic effort that contrasted badly with the blinkered attitude of the United States. Although he

added—and doubting the propriety of what he was about to say—such was his conviction about the adverse reception to their proposals in Washington, that he was in favor of reaching a quick agreement with Franco. If Franco could not get a quick agreement, Hayes believed that Franco would throw his support to Germany, and large quantities of wolfram would end up in the hands of the Nazis. And, Hayes added, the U.S. petroleum attaches, who were actually acting as spies, should be recalled because their actions were negatively affecting other areas of negotiation. If the Franco regime were to ultimately fall, it would create military and political problems for the Allies in southern Europe.⁹⁹

The State Department's response was again absolutely negative. It ordered that Hayes call Jordana's attention to the existence of Carceller's parallel talks, and it also saw no sense in participating in the negotiating committee.¹⁰⁰

Carceller had made the same proposal to the U.K. Ambassador, and London's response was quite different from that of the United States. Because Britain was much more dependent on imports from Spain, it was much more open to negotiations. The British proposed to the U.S. that they should accept the consignment of 209 tons of wolfram to Germany, but that this should not happen until July or August. They further proposed that the 300 tons already received by Germany in January should constitute the total of what could be received during the entire first half of the year. Once this was accepted by Spain, the United States could resume the supply of petroleum products.

The proposal met again with the refusal of the State Department. On the 17th, Washington had learned of the promise made by Carceller to the Germans, that Spain would work to provide them illegally with 209 tons.¹⁰¹ An alternative proposal was placed before the British: that Spain, in exchange for fulfilling all the points of the agreement draft and not exporting a single kilogram of wolfram until July 31, 1944, should receive petroleum until then. After that, the U.S. was not going to accept Spain's exporting of more wolfram, and of course none of the above-mentioned 209 tons would be provided to Germany.¹⁰² In time, Hayes was informed that the Department and the FEA had decided that they would buy wolfram in the event of an embargo against Germany, but on the basis of a reduction in the production of the mineral to the pre-war level and at much lower prices. The United States was also prepared to provide goods to Spain, and representatives from Washington were going to be sent to the negotiating committee in Madrid.¹⁰³

Against this background, the first meeting of the Spanish negotiating committee, working on behalf of the two ministries involved, made a proposal: to allow Germany to import 450 tons of wolfram during the residual period of the year, at the rate of 50 tons per month, starting in April and retaining the maximum possible, given Allied insistence on the matter of May and June shipments. Spain would also moreover combat smuggling and, if it occurred, the quantity extracted illegally from the country would be deducted from the total quantity authorized. The 450 tons, added to the 300 already sent, totaled the 750 tons that Spain considered was approximately the amount imported by Germany in 1943. Apart from this, the Allies would continue to buy wolfram.

The proposal was seriously challenged by the Allied representatives, who stated that the quantity of 750 tons did not represent any drastic reduction as Spain—or rather, in fact, Jordana—had promised. Privately, however, and once the meeting was over, the British representative Ellis-Rees commented to the American Ackerman that the Spanish proposal, with some modifications, could be acceptable by the United Kingdom.¹⁰⁴

ANGLO-AMERICAN TENSIONS

The new Spanish proposal highlighted the differing views of the two Allied nations. And this difference was made more prominent when the War Cabinet in London, after discussing the March 24 decision of the U.S. State Department's to not accept sending of even 209 tons after the July 31, considered it totally unacceptable. Churchill himself sent a telegram in this regard to President Roosevelt. In Madrid, Hoare asked Hayes to do the same, to which the American ambassador refused.¹⁰⁵ In his telegram, the British Prime Minister underlined the need for Spain's commitment, arguing that such small quantities of wolfram were not decisive and that Spain could end up cutting their iron and potash supplies to Britain.¹⁰⁶

Roosevelt did not budge. He responded to Churchill on April 4:

I am most reluctant to accept any compromise on this matter with the Spanish Government. It can hardly be helpful in the present wolfram negotiations with the Portuguese. At the same time I appreciate that in the absence of full agreement between us on the measures to be adopted we cannot anticipate an early successful conclusion on these negotiations. I am therefore asking the Department of State to work out with your Embassy a mutually agreeable line to take with the Spanish.¹⁰⁷

The State Department immediately set to work with the British Embassy in Washington to draft a new plan, and it was decided that the two ambassadors in Madrid would act together. As before, the U.S. decided to return to the demand for a complete embargo on exports of wolfram to Germany. Now two essential conditions were put forward for reaching an agreement with Spain: the continuation of the temporary embargo on exports at least until the end of June and longer if possible, and fixing the maximum quantity of mineral that Spain would be allowed to export to the Germans at 600 tons for the entire 1944, counting the 300 tons already sent. The remaining 300 tons would be exported during the second half of 1944 at a rate of 50 tons per month. That was the plan. And to help reach agreement with Spain W. Perry George, Assistant Chief of the Division of Western European Affairs and Head of the Iberian Desk, was sent to Madrid to lead the negotiations.¹⁰⁸

In fact, the State Department was extremely hesitant to concede *carte blanche* to Hayes and the Madrid embassy staff during the negotiations. In the words of Paul T. Culbertson, Chief of the Division of Western European

Affairs, the Embassy in Madrid was “unable to grasp our feeling with regard to the whole matter. It was he who suggested to James Dunn, Adviser on Political Relations, that George be sent to Madrid.”¹⁰⁹

The FEA was also determined that not a single kilo of wolfram should reach the Germans before the end of June. In fact, there existed yet another Spanish proposal, from the Spanish ambassador in London, the Duke of Alba, to allow shipments before that date, a proposal that Churchill himself did not consider bad as a way to break the impasse, and end the possibility that Spain would break all agreements and end up sending to Germany the thousand of tons of wolfram already extracted and paid for by the Germans. In the U.S., however, the matter had been discussed at the highest level between Dean Acheson and Secretary of State Hull, and it was decided not to yield. No wolfram to Germany before the end of June.¹¹⁰

Meanwhile, in Madrid, in what was surely a simple ploy to end the negotiations, on April 7, Hayes offered Jordana an extremely low quantity: that the total quantity exportable to Germany would be 480 tons. Jordana refused, offering in exchange 600, which was the same quantity decided in Washington, although he may not have known it. Hayes agreed. However, Jordana’s proposal also included allowing exports to Germany of small quantity of wolfram during the months of April, May, and June. Specifically, 15 tons in April, 20 in May, and 25 in June. The remaining 240 tons would be shipped during the second half of 1944, at 40 tons each month.

On briefing Washington, Hayes recommended that an effort should be made to reduce the figure of 600 tons to 540 or 510. But Hoare found out, he was jubilant; he immediately telegraphed London and the British ambassador in Washington, Lord Halifax, recommending their approval.¹¹¹ And he got it. On April 10, the British Embassy in Washington recommended that the U.S. State Department also approve the agreement.¹¹² But this was again met with refusal. The State Department was wary of agreeing to the sum of 60 tons to be sent before July—and an important matter lay behind the uncompromising attitudes of Secretary of State Cordell Hull and Assistant Secretary Dean Acheson.

A day earlier, on April 9, 1944, Hull had delivered an important speech referring to the United States’ relationships with the neutral countries. His speech began with the statement that U.S. efforts to obtain embargoes on the supply of strategic materials or products to Germany from Sweden, Switzerland, Turkey, Portugal, and Spain of that spring was being met with notable opposition. Despite its topicality, the speech had been scheduled well in advance and the first draft, written by Leo Pasvolsky, the usual editor of the Hull’s speeches, was not reviewed by Acheson. In his view, Pasvolsky’s drafts always ended up dealing with the same topics, the favorites of the Secretary of State: benefits of free trade and tariff reduction. As usual, it happened that Hull was meeting high officials of the Department to revise the text. “We will now go over the speech *pawagwaph by pawagwaph*,” wrote Acheson, imitating the Secretary’s pronunciation. Acheson refused to attend to the meeting to revise

the text of the speech. When the clerk called to ask why he was absent, the Assistant Secretary complained of Pasvolsky's speeches.

Hull suggested that Acheson write a new draft himself. Acheson took advantage of this opportunity to work on the issue that had preoccupied him for months—the United States' relations with neutral countries at a time when the character of the war was changing and the vital necessity to get these countries to change in their attitude toward Germany. Once drafted, and before Hull could express doubts about accepting it, Acheson suggested that it be sent to the president—a president who was being pressured by Churchill on the subject of Spanish wolfram. In his response, Roosevelt not only approved the speech but called it one of Hull's best. The Secretary of State read it, to great acclaim from the U.S. press and public opinion. Hull's speech stressed that the U.S. should maintain a policy of inflexibility on the issue of economic relations with neutrals, and especially with the most important of them: Spain.

In substance, the speech was a clear warning to the five neutral countries:

In the two years following Pearl Harbor, while mustering our strength, our attitude toward neutral nations and their relations toward our enemies had been conditioned by the fact that our power was limited. They and we were continually forced to accept compromises we certainly would not have chosen. That period . . . was rapidly drawing to a close. In now asking these neutral nations not to prolong the war by sending aid to the enemy, we were not asking them to risk destruction. We could no longer acquiesce in neutral's drawing upon the resources of the Allied world when they at the same time contributed to the strength of its enemies and theirs. We had scrupulously respected their sovereignty and not coerced any nation to join us in the fight. We now pointed out to them that it was no longer necessary for them to purchase protection against aggression by furnishing aid to our enemy—whether by permitting official German agents to carry on within neutral borders their activities of espionage against the Allies, or by sending to Germany the essential ingredients of the steel that killed our soldiers, or by permitting highly skilled workers and factories to supply products that could no longer issue from the smoking ruins of German factories. We asked them only, but with insistence, to cease aiding our enemy.¹¹³

Acheson did not stop there. Two days after Hull's speech, he summoned the British ambassador Lord Halifax to complain about London's decision to support Jordana's counter proposal of 660 tons. A halt in progress now, he told Halifax, would jeopardize the enormous impact that Hull's speech had had on public opinion.

Also, Acheson said that it would be impossible to get the Spaniards to cease sending wolfram to Germany before July, because Spain was conscious of the differences in opinion about the embargo between the two Allies. He urged the U.K. to make a last effort toward settlement. Lord Halifax replied by repeating Hoare's familiar arguments about Hoare's familiarity with the Spanish situation, the small quantity of wolfram represented by 60 tons, and the danger that further demands might provoke Spain to break off negotiations.

Acheson replied that he could not imagine Spain risking itself, at the height of war, by breaking off negotiations with the Allies. And he appealed to the United Kingdom to make a new effort to prevent a single ton of wolfram from leave for Germany before July. The prospect of the coming D-Day landing played a large part in explaining the difference in attitude between United States and the U.K.

On the same day that this happened in Washington, Hayes reported about his last meeting with Jordana, in which Jordana confirmed to him that the Spanish government wanted to send a total of 660 tons to Germany—that is, minus the 302 already sent—so 358 tons, 60 of which would be sent before July. Because of the resistance of the United States to accept the figure of 660 tons, Jordana proposed to limit it to 600, but always with the proviso that they send 60 tons before July. He added that what was offered was “the last and maximum concession the Spanish Government could make.”¹¹⁴

London was willing to accept the proposal.¹¹⁵ The Foreign Office made it clear to U.S. Ambassador Winant that the issue of wolfram was not a critical one for the United Kingdom and that the conflict on account of it was jeopardizing its vital imports from Spain. The British military concurred. In addition, if the Allies did not finalize the entire agreement once and for all, the issue of espionage from Tangiers would not end, and moreover, Germany would end up receiving much more wolfram than what was being planned to deprive it. Furthermore, Jordana would resign, which would end up being worse for the Allies than permitting the export of the small quantities under discussion. These were, in large part, Hoare's views.

TENSIONS IN THE U.S. EMBASSY IN MADRID AND THE FIRST RESIGNATION OF AMBASSADOR HAYES

With opinions being in such opposition between the British and the Americans, events reached a climax in the U.S. Madrid embassy upon the arrival of W. Perry George on April 6. George met with both Jordana and Carceller and was receptive to the proposals of the latter.

As background to the clash between Ambassador Hayes and George, it must be noted that for preceding few months, Hayes had undertaken a personal crusade against the anti-Franco American press, which had been crucifying him by calling him appeaser and a friend of Franco. From the letters and drafts that he wrote, one can deduce his exhaustion at the criticism he received, as well as his conviction of the need to not remain passive before these attacks on a policy—his and that of the embassy in Madrid—that he considered relevant. To the journalist A. Uhl, of “PM” fame, for example, he had written privately in March that on being appointed ambassador he was not aware that “you and ‘PM’ would demand of me the ultimate sacrifice of being drawn and quartered—in being part of what the Nazis euphemistically described as ‘liquidated.’ You and your journal are, of course, quite libelous.”¹¹⁶ And to his friend Charles Beard, he said that he was “awfully fed up with editorials

and news articles from . . . Such 'forward-looking journals' as PM, *The Nation*, et cetera, implying That all will be well if only for Spain A Few Revolutionary exiles are Brought back by American Armed Forces, with A Few of Our slogans like 'Liberty' and 'Democracy,' and with a paper copy of Our Federal Constitution."¹¹⁷ He also ended up complaining to his superior, Secretary Hull, in particular after reading an article by Walter Winchell. He told Hull that "this Ambassador has never been treated by the Chief of the Spanish State and Generalissimo of the Armies as a 'crony,' or had the honor of 'drinking tea' with him (there is, alas, a great dearth of tea in Spain), or tempted to proclaim him 'as the saviour of his country and builder of its future.'"¹¹⁸ In all this was also present the shadow of the OWI and its confrontation with the embassy. In fact, W. Perry George complained to Hull specifically about OWI information and propaganda that was crossed out as "packed with cuckoos and liars."¹¹⁹

Despite their similar stance on the embargo and with regards to U.S. policy toward Spain, George and Hayes clashed in Madrid. In the first instance, George told Hayes soon after his arrival that the embargo on petroleum was well deserved by Spain because of how it had treated former Ambassador Alexander W. Weddell in the years 1939–1941. That bothered Hayes, who told later to Hoare that a "desire of revenge, added to a general hatred of Spain, seemed to be the real cause of his [the United States] Government's attitude."¹²⁰ George refuted Hayes' well-known list of alleged Spanish actions favorable to the Allies, saying that the regime acted in its own interest or on account of its obligations as a neutral country. Nothing argued by Hayes was regarded in Washington as a concession from Spain to the Allies. In addition, Franco was giving more favors to Germany than to the Allies. And in a more biting manner, George suggested to Hayes that he be alert to the possibility that he might have fallen into the danger that always threatened diplomatic representatives abroad: being overly influenced by political objectives and the culture of the host¹²¹ (what nowadays we might call a kind of diplomatic Stockholm syndrome).

After hearing all this, and already being very upset by the attacks he received in the U.S. press, and in the face of George's autonomous actions in Madrid, Hayes submitted his resignation to Secretary Hull on April 17, 1944. In a telegram he drafted, but which ultimately he did not send, he explained his complaints about George's actions. Hayes said that "I have instructed George to make no (repeat, no) more independent demarches to Carceller or to any other official of the Spanish Government. Meanwhile I should like to remind Department that it informed me . . . that George was being sent to Madrid to assist me in negotiations with Spaniards. If George is authorized to conduct negotiations independently of me, I request I be so informed."¹²²

The State Department, however, was relying heavily W. Perry George, a senior official of the diplomatic corps, and not on a political appointee like Hayes. In offering his resignation, Hayes admitted his of his unpopularity and his fear that this same unpopularity could affect the reelection of president the

following month, in November 1944.¹²³ He wrote his letter of resignation to Secretary of State with the request that it be sent on to the President:

I appreciate that I am under rather heavy personal fire from certain "leftist" journalists in the United States. Despite their persistently perverse misrepresentation of my real attitude toward the existing Spanish régime and despite their seemingly invincible ignorance as to why we pursue the policy we do toward Spain and what practical advantages we have derived and continue to derive from it in our supreme struggle against Naziism, their campaigns undoubtedly distort and intensify the justifiable popular reaction of more responsible public opinion in the United States against the essentially fascist set-up in contemporary Spain, and thereby cause no little embarrassment to you and to the President.

As you know, I came to Spain well aware of the inherent difficulties in this situation and not by reason of any desire or personal ambition on my part, but only because the President put it to me as a patriotic duty. This duty I have tried for two years now to discharge to the best of my ability, always, I trust, in accordance with your instructions and in furtherance of the war and post-war aims which you and the President have so cogently voiced. Personally I do not mind criticism and I am prepared to continue on the course here if the President sincerely believes that I am not more of a liability than an asset, and if you so direct.

However, a presidential election is not far off. I expect that President Roosevelt will be reelected by a thumping majority. That should be, is, I am convinced, the prime requisite not only for carrying the war to a speedy and successful conclusion, but also for ensuring a wise and far-sighted peace settlement. I earnestly hope therefore that if, in your or his opinion, any appreciable segment of the electorate is likely to be alienated from his support through adverse public criticism of me and my conduct of this post, you will candidly advise me. You can be sure that you have only to say a word and that in the national interest I shall be very glad to be replaced in Spain.¹²⁴

The State Department refused to accept his resignation. Hull asked President Roosevelt to respond to Hayes, refusing his resignation and telling him that "while his generous and unselfish suggestion is appreciated in the fine spirit in which is made, you and I have entire confidence in him and are fully alive to the very splendid job he has done in Spain. Hence there is not the remotest thought on the part of either one of us to have him leave his post." Thus Roosevelt recognized his unselfish attitude while he assured him of not have the remotest intention of making him abandon his post.¹²⁵ The President expressed his full accord¹²⁶ and this was communicated to Hayes. Hayes, to his greatest satisfaction, received another telegram from Robert Murphy, personal messenger of the President in North of Africa, in which he congratulated Hayes for the "splendid job" that he had been doing in a "most tactful and efficient manner." He added that he was sorry that the ambassador had been the object of "reckless and stupid attacks" by American "typewriter heroes."

And regarding his possible resignation, Murphy added: "I am sure, however, that you are impervious to such nonsense."¹²⁷

In short, the U.S. position on the wolfram conflict was clear and, after Hull's on the 9th, it would be even more difficult to reverse. As the sub-administrator of the FEA, Lauchlin Currie, wrote¹²⁸ to President Roosevelt four days after Hull's speech, of wolfram "it has ceased to be a matter of a few tons of wolfram, and had now become a symbol. The stronger line toward the neutrals in the Secretary's last speech received general approbation. Any action that might now be interpreted as being inconsistent with the Secretary's words might be of great harm in undermining confidence in the sincerity of the Administration's announced policy. In other words, I feel that it has now almost ceased to be a matter of economic warfare but has rather become a matter of high foreign policy."¹²⁹ It was 1944, a presidential election year, and the air was thick with rhetoric. But in the question of wolfram, the military interest and the prospect of the D-Day landing in France was fundamentally present, along with the anti-Franco political element. As Lauchlin reminded the President, "the Spanish are insistent that they be permitted to continue small shipments of wolfram starting immediately. The British are disposed to yield to this demand, as is also Ambassador Hayes, who suggests permitting shipments of 60 tons up to the end of June, to be deducted from the 300 for the balance of the year. FEA and State have been equally insistent that no wolfram be shipped until after June 30th, by which time, it is hoped, military operations may interfere with shipments."¹³⁰

THE U.K. AND ITS ATTEMPT TO END THE BATTLE ALONE

However, unlike Washington, London had decided to put an end to the issue. On April 17, 1944, Churchill wrote to Roosevelt stressing the unimportance of differences between the various positions. According to him,

The only difference outstanding between our two countries and the Spaniards is that we should like to accept Jordana's final offer of 60 tons between now and the end of June in rising monthly installments of 15, 20, and 25 tons, the remaining 240 tons to be sent in monthly installments of 40 tons each between July and December. The period between now and the end of June is the most important, and the difference between us is 9 tons on the 3 months. We ought not, for the sake of this trifle, to run the risk of the Spanish sending into Germany nearly a thousand tons of wolfram which is waiting at the frontier, as well as losing all the other points in which we are greatly interested. I trust that you will personally consider this point.¹³¹

These were the same views that British ambassador Lord Halifax had expressed to Secretary Hull, two days earlier on April 15, on behalf of his government. In Madrid, Hoare, in a conversation held with Hayes, showed his disgust with what Acheson had said to Halifax regarding the supposed knowledge that the

Franco regime had about the differences between the Americans and the British on the issue of wolfram, and gave this as the reason why Halifax was now avoiding Acheson, going directly to Hull instead. For Hoare, the U.S. was mistaken in its insistence of further negotiations all because of the issue of a debated 60 tons. If the matter of the wolfram could be cleared up, the agreement would positively influence ongoing negotiations with Turkey, Sweden, and Portugal. Hayes defended his State Department (which did not impress the British at all) but abstained from giving an opinion on the convenience of keeping the proposal of 600 tons or of accepting 660, appealing to the superior knowledge on the issue in Washington. In any case, he telegraphed, saying he believed a decision should be taken now: the situation after three months of embargo on wolfram and petroleum was going in favor of the Allies and the Spanish government was very conscious of the dangers further delays posed, including the continuance of the Regime.¹³²

W. Perry George also met with Jordana, this time, assisted by Hayes, on April 14. He clearly stated that "it is of utmost importance that the Spanish government appreciates that the U.S. is a country at war, that military events allow it to see from very near already the moment of triumph of its arms and that therefore they are in a hurry, and cannot be less pressurized in their intentions," and then as well "as the North American plans, or rather, of the United Nations, are already well advanced . . . he considers warning the Minister that the Spanish government, having regard to the future of Spain, was to use the greatest care now in procuring that Spain has access to such an arrangement, avoiding that it remained peculiarly isolated on the arrival of peace." And he reiterated the call for a total embargo on exports of wolfram.

Jordana replied with a refusal, but he advocated for an agreement satisfactory to both parties. In addition, he recalled that the U.S. government's tough and devastating decision to stop petroleum shipments to Spain had not been beneficial to its interests in Spain because of the violent popular backlash against the U.S. that it had produced among the Spanish populace.¹³³ After this meeting, George met with Carceller again and, in fact, ended up ceding to the last proposal that the Minister of Industry and Commerce made to him: to maintain the embargo on wolfram until the end of April and then to send 20 tons to Germany in May and another 20 in June. The difference was now 40 tons.

George recommended that Washington approve this last deal, not before assuring U.S. authorities that it was not simply Carceller's proposal, but one put forth by the entire government. George asked the Minister of Industry and Commerce if his proposal was formalized; Carceller assured him that it was. George replied that, if the proposal was accepted by Washington, the approval would not be communicated to him but to the minister responsible, namely, Jordana.¹³⁴ But the proposition was Carceller's own, not of the government, as a few days later he himself told George that he had obtained the acquiescence of Franco, and confirmed that the U.S. response should be communicated to Jordana. That is, the Ministry of Industry and Commerce

had continued to work of its own accord, many times seeking and getting Franco's support without Jordana's knowledge. As well, Carceller and his men continued to secretly smuggle wolfram to Germany and to negotiate on the civil war debt with Germany. These negotiations, led by Carceller's Undersecretary of Commerce Lapuerta and Dr. Koenning, a senior official of the German Ministry of Finance, culminated early April. The outstanding Spanish debt was fixed at 100 million Reichsmark, which was certainly very little. This was achieved thanks to Germany's urgency to obtain resources, since the debt would be paid in pesetas. Koenning returned to Berlin with the draft, which only lacked the final signature of Spain.¹³⁵ As we have explained, Carceller's objective was that, along with the liquidation of the Spanish debt—which was no small amount—Germany would be able spend money on wolfram.¹³⁶

Carceller's plot exploded on April 13, 1944, when Jordana learned, from German ambassador Dieckhoff, of the agreement.¹³⁷ The Count flew into a rage, writing to Franco of Carceller that

This minister starts by creating an atmosphere that creates several summersaults in the press in the sense that the dispensers of foreign trade are the ministers of [Industry and] Trade and Finance in Cortes and reads in the Cortes a speech highlighting the admirable economic policy of Spain and does not even make casual mention of the fact that, in this, the action of the Ministry of Foreign Affairs would have intervened. This would not have had any importance if it only dealt with questions of vanity or of irreconciliation: but he immediately follows it with a tactic which is that of absolutely disregarding the Ministry of Foreign Affairs with reference to foreign trade and hence undoes by himself the formal agreements negotiated by this ministry, with him intervening in such an agreement, as happened in the case of phosphates; *and then negotiates a new agreement, all by himself, and arranges with the Germans the revision of their debt payments, without considering the havoc that his conversations wreak on political order, nor does he absolutely take me into account. In short, he declares himself completely independent in this question, believing himself to be protected by the fact that only he reports to the Generalissimo in his office*" [emphasis added]

Jordana he did not stop there. He further demanded from El Caudillo:

1. That there should not be a single international issue that is taken away from me, as the only actor and negotiator (naturally within the guidelines of the Generalissimo and the Government and in accordance with the ministers concerned).
2. That the ministers of Industry [and Trade] and the Party [minister and secretary general of FET y de las JONS, José Luis de Arrese Magra], concerning whom as all the means are already exhausted, I believe it is impossible for them to understand me, although they would say to the contrary, should leave the Government.

In case this was not done, he again offered his resignation as foreign minister and his return to the presidency of the State Council, or to simply retire

from any post.¹³⁸ Considering that Franco had authorized Carceller's initiatives, Jordana should perhaps have directed at least one part of his ire toward the Generalissimo himself.

Returning to the negotiation, Washington continued to refuse the latest Spanish proposal, which was backed by the British. When on April 17, 1944, Hull responded to Halifax, it was in the negative. Moreover, all through what must be a difficult and fraught conversation, he ended saying that if the U.K. wanted Spain to get petroleum without fulfilling the exigency of the embargo on wolfram, it should send oil from its own deposits, those of the British Shell Oil Company in Aruba.¹³⁹ He said specifically that "this question of making arrangements with neutral countries under which we agree that there shall be shipped from these neutral to our enemies war materials which have the direct result of killing our soldiers, was a matter upon which there was the strongest of public opinion especially in view of the long continued propaganda activities against this Government running back to 1937 during the Spanish Civil War."

And he added:

In view of the fact that the British, as they say, must continue to procure a number of strategic war materials from Spain, and for other reasons to which the British seem to attach great importance, and as Great Britain therefore would seem to have a special interest in the situation which we do not have, just as in the case of Argentina the British had a special interest which we do not have, it would seem. To me entirely logical and practicable for the British to sponsor the oil shipments which would be a counterpart to the arrangements they might wish to make with regard to the shipment to Germany of wolfram and other commodities which are involved in the military situation. I therefore told the Ambassador that I desired in all earnestness to urge that that if the British relieve these shipments to be necessary they should undertake the responsibility of sponsoring for the shipments of oil from Shell Oil or other facilities in the Caribbean for carrying in Spanish tankers, and that this seemed to be the logical way out of both of our difficulties in meeting the situation each from our own particular point of view.

The response from the press and the people generally throughout the country in supporting the statements I made in my speech of April 9 with regard to our attitude toward the neutrals shows how clearly and how strongly the American public feels in this matter. I regret the necessity of taking this position, but I see no other alternative in the face of the strength of public opinion here against agreements with neutrals on the basis of which they supply important war materials to the enemy.¹⁴⁰

When Hayes was informed of the Hull–Halifax conversation, he immediately expressed his alarmed doubts to the Secretary of State. Did this mean that the U.S. renounced all its business dealings with Spain? He believed that it should continue to pressure Spain to achieve the embargo on wolfram June 30, but it seemed that things had changed radically after the conversation with Halifax.¹⁴¹ Alarmed by the possibility that the U.K. might take charge of supplying petroleum to Spain, Hayes made a new effort to Washington,

encouraging an end to the negotiations. He suggested that the United States reaffirm the embargo until June 30, but also agree to resume oil shipments. And because the authorization process and travel of tankers lasted for 45 days, which meant in practice extending the embargo on wolfram during that period, if the Spaniards did not comply, they could always stop the petroleum shipments.¹⁴²

The answer to all this was found in a communication from Roosevelt to the British Prime Minister, drafted by Acheson.¹⁴³ The tenor of the telegram from Roosevelt to Churchill was firm. It contained a repetition of the well-known arguments about the influence of the embargo would have on negotiations with the other European neutrals, as well as its impact on American public opinion itself. Concretely, Roosevelt stated that

Our public attaches the greatest importance to Spanish shipments of wolfram and is most critical of oil supplies going to that country while these shipments continue. They are most insistent upon a policy of firmness in this matter and a contrary course on the eve of military operations would, I believe, have the most serious consequences.¹⁴⁴

And he reiterated the demand that Britain and the United States should persist in a common effort to humble the Spaniards:

As you say, the only point which divides us on Spanish policy is whether to resume oil shipments concurrently with the resumption of wolfram shipments from Spain to Germany to the extent of 60 tons over the three months of April, May and June, or whether to do all in our power by a united effort to continue the suspensions of wolfram shipments until July 1 in the hope and belief that thereafter shipments in the second half of the year in the quantities agreed to will not be practicable. It seems to us that to agree to the resumption of wolfram shipments prior July 1st would frustrate the efforts which we are jointly making in Sweden and Turkey and would impair our position in dealing with Switzerland and Portugal. To these negotiations we attach great importance, as I know you do also. . . .

We have gone a very long way to meet your difficulties as you describe them in your long cable to me. Will you not, therefore, reconsider and instruction our two Ambassadors to join in a determined effort to settle the matter upon the basis of a suspension of shipments during the first half-year? I do not believe that we have yet done all that is possible along this line.¹⁴⁵

But Churchill was stuck to his guns, announcing that Britain was preparing to implement Hull's suggestion to Halifax—which it seemed had been taken absolutely seriously—and that they were planning to send British petroleum to Spain in exchange for the last Francoist proposal of restriction on German imports of wolfram.¹⁴⁶ The move was twofold and, if realized, would enable British oil companies to enter the Spanish market, where they had been denied access since 1928.¹⁴⁷

The initial agreement of the two Allies to work together on the Spanish question was broken. When on April 22 Sir Ronald Campbell, minister of the British Embassy in Washington, announced to Hull that his country would go ahead alone, Hull insisted on a review. He argued that "there appear to be numerous technical difficulties involved in this matter [the British petroleum supplies] as the State Department and other branches of this Government would be required to issue permits for the movement of this oil. And, of course, there would be an attack on us for any shipments of oil to Spain." Attacks that "would affect to a lesser extent the British than it would us." The consequence would be that "the two Governments would probably be charged with manipulation or some mysterious reason which no one could understand."¹⁴⁸

SPANISH PRESSURE

In Madrid, meanwhile, the Spanish government, aware of Allied differences, but not yet knowing the British disposition of the agreement, tightened the screws on the U.S. On Tuesday April 24, 1944, Jordana met with Hoare and Hayes. To the latter, he said that, if by the end of that week, he had not accepted the last Spanish proposal, Spain would lift the temporary embargo on exports of wolfram to Germany, allowing the departure of 15 tons in April and of 20 tons in May. And, if in this interval, they still did not reach agreement, Spain would allow the export of all the wolfram that the Germans wanted to buy. In fact, three days before, Franco had told German Ambassador Dieckhoff that, on the issue of wolfram Spain was running out of patience and that if the negotiations were to break off, with possibly serious consequences, it would only demonstrate that Spain had exhausted all means to avoid it.¹⁴⁹ On that same day (April 21, 1944), Franco made clear the extreme Spanish economic dependence on Allied supplies. When the German ambassador offered him, in exchange for continued wolfram trade, 60,000 tons of wheat and rye, 35,000 tons of gasoline, 30,000 tons of Romanian wheat, 240 tons of synthetic rubber, 2,000–3,000 tons of artificial fibers, 10,000 tons of ammonium sulfate, and 34,500 bottles of molybdenum steel alloy at the rate of 2,000 or 3,000 bottles per month to compensate, with compressed air, lack of gasoline in transport, El Caudillo replied that such an offer "hardly represents only 10 percent of what we need." He added "that in any case, he was grateful for the offer which in extreme case he would utilize."¹⁵⁰ Franco knew that he was headed for a showdown with the Allies.

This same line of argument was followed by Minister Jordana in his response to the complaints of the German ambassador that

[My] Government does not understand how, in a case that so directly affected him, he did not have the minimum details on the course of the negotiations with the Allies telling him that there is no other choice but to limit the export of wolfram. And that we would fight to reach at the most that they could export the same as last year, but it would be nothing strange if we could not reach that

figure. And that, in any case, what could have assured him was that we would make the maximum sacrifice so that Germany remains as happy as possible, but that we could not bring the sacrifice to such a point that would totally compromise our economy and not surrender in this issue to demands much bigger than until now have been made to us by the Allies . . . we should see the pressure [the Allies] exercise on all the neutral countries. Now they begin to fight with this pressure that we have been fighting for many months, precisely to satisfy Germany. . . . That Germany should understand perfectly our situation, that Germany should be reasonable and should not provoke that which, for the moment, is reduced to a demand to limit the sending of wolfram, [but might] give rise to a much more serious situation in which the Allies ask us for an economic war against Germany or a break in diplomatic relations with her. Against the one or the other, we would defend ourselves like titans, but it is better for everyone that this moment is avoided, not drive things crazy and see them in their real context.¹⁵¹

For his part, Hayes informed the U.S. State Department that he, like the British, was emptying his reserves of pesetas, and hence could not buy more wolfram. Germany would very soon find a market full to the brim, one in which it could find all the wolfram it wanted, given its reserves of Spanish currency.¹⁵² This German purchase would add to the many tons (about 1,000) that we know today Germany had already stored within Spain. Jordana had informed him that the American proposal had been rejected by the council of ministers and he had complained about the U.S. attitude. Only at Hayes' insistence did Jordana agree to resubmit the proposal to his government. That day in his diary, Jordana wrote: "Talks with U.S. [Ambassador], unpleasant. I had to stop him in his tracks."¹⁵³ But the minister himself was on fire in the crisis. He faced the opposition of a significant portion of the cabinet, and he risked appearing to Franco as incapable of resolving the issue satisfactorily.

The next day, Hayes, conscious of the impasse in the negotiations, considered going directly to Franco. "It seemed feasible to him, his staff of Madrid, and also to W. Perry George to get from the Caudillo the acceptance of the Allied proposal—complete embargo on shipments by June 30, and thereafter exported 300 tons at the rate of 50 per month during the second half of the year, or at least achieve a decrease in quantities to be sent before the first date." They considered the possibility after an interview by Beulac with the Undersecretary of the Ministry for Foreign Affairs José Pan de Soraluce, in which he informed Beulac that Jordana would not cede by order from El Caudillo, who considered himself obliged to the Spanish–German agreement to send some wolfram before June 30. But above all, they planned the interview with Franco after learning, through a highly confidential and reliable source¹⁵⁴ (probably a senior official of the Spanish Foreign Ministry) of the recent interview between El Caudillo and the German ambassador in which

The German Ambassador in his interview with Franco last week insisted very strongly on freedom to resume wolfram shipments to Germany. He offered in

return in addition to armaments and other German products immediate delivery of petroleum products in limited yet nevertheless interesting quantities. Then Franco had declined the offers and declined to agree to resumption of wolfram shipments, pointing out Spain's economic dependence on the United States and its close relations with the Americas.

This, as we know, was true. But that which excited the Americans was that, in his response to the German diplomat, Franco "used the very arguments we had used in our conversations with Spanish officials," which was more debatable. In the end, Dieckhoff had left "empty-handed."¹⁵⁵ Encouraged, Hayes suggested that the Department send authorization for the interview, permission that was sent on April 27, 1944.¹⁵⁶

THE WOLFRAM AGREEMENT OF MAY 1, 1944

The British, meanwhile, were already working on implementing a scheme to supply Spain with its own petroleum products, hoping that this would end the conflict. Hoare also showed Hayes on April 26 a draft declaration from Churchill in which he stated that "it has been arranged between Britain and the United States that Spanish oil requirements in the future be drawn entirely from sources under British control instead of partly from British controlled and partly from United States as in the past."¹⁵⁷ For Hayes, "any such fateful step would cast away the physical base of our power and influence in Spain, not only with the Spanish Government but with the Spanish people." Moreover, the American ambassador did not believe that the U.S. needed to lose control of oil supplies to Spain since the previous day had received a telegram from Cordell Hull in which he had finally yielded. Hull reported that the United States was "reluctantly prepared to authorize you to go along with the British Ambassador in reaching a settlement with the Spanish Government."¹⁵⁸ The grim prospect of having "to release to the press a statement which would of necessity indicate clearly a break in the Anglo-American united front which is so essential in the conduct of the general war effort"¹⁵⁹ was a factor in rectification. Churchill telegraphed Roosevelt on April 25 and received a reply later that same day: "I have today authorized Hull to accept Haifax's proposal to restrict wolfram shipments from Spain."¹⁶⁰ The 40 tons that Spain could export to Germany by June 30 was accepted, as was the 260 tons in the second half of 1944.

However, the two ambassadors in Madrid went a few days without knowing the specific details of the agreement reached between Washington and London. And, of course, Franco knew nothing about the accord. But the Battle for Wolfram was not yet over: a last glitch occurred, not in relation to Spain, but between the Allied ambassadors Hayes and Hoare. Hayes contacted Jordana on April 28, insisting that he obtain Hayes an interview with El Caudillo, so that he could work out the details of achieving a total embargo until June 30. Jordana insisted that Hayes abandon this plan, as it would weaken his (Jordana's) position within the government.¹⁶¹ It was then that Hayes, who had

been informed of Washington's decision to accede to the agreement, told Hoare of the U.S. acceptance of the Spanish proposal. But Jordana, with whom he spoke that day, was calmly assured that the agreement was already a reality.¹⁶² Here lay the problem. According to what Hayes wrote in his memoirs, even in that late interview, Spanish Minister wanted to increase the quantity of wolfram to be sent before June 30, from 40 to 45 or 60 tons, but his firmness dissuaded him.¹⁶³ The Spanish version of the encounter is very different. It indicates that Hayes asked Jordana whether he had any new items to add to his proposals under negotiation. Jordana replied that he felt very pessimistic, as the Spanish proposal of the last meeting had not been accepted by the U.S. If he was to take this result to the council of ministers, a note that he had prepared would have to be submitted to the U.S. Ambassador, and that would mean the implementation of the Spanish government's decision to lift the provisional embargo on the exports of wolfram. He added that, before this could happen, and in agreement with the Generalissimo, he had decided to postpone reporting to the Council of Ministers, in the hope of reaching a formula acceptable to both sides. Minister Jordana, on learning of the requested audience by the U.S. Ambassador to see him, expected to find a path of compromise.

At this moment, Hayes took the opportunity to ask Jordana to arrange for the interview with Franco, to which Jordana responded that he considered it "completely unnecessary."

It was then that Hayes proposed the agreement. In his own words, "the U.S. Government is prepared to accept that 40 tons of wolfram could be exported to Germany in the two months which remain of the current trimester, 20 in May and 20 in June, starting from July 1 to export 40 tons of the same product with the same destination till the end of the year." Jordana immediately noticed the difference of 20 tons, saying that "the total export figure had been agreed to be sent to Germany was still 300 tons, and in the proposal just made by Ambassador, it appears that this quantity is reduced to 280." The Minister considered that the miniscule quantity of 20 tons, spread over six months, was not worth the risk of creating a new difficulty or bottleneck capable of causing a setback to the desired arrangement. To this Hayes responded that, in the telegram, he had received that evening from Washington, he had been given instructions to tell the Minister that the United States had ratified the agreement between London and Washington, and that he should convey the same information to the Ambassador of Great Britain. In the end, after an exchange on the form and timing, Spain agreed to export to Germany 20 tons of wolfram in the month of May, 20 tons in June 20, 40 in each month of the second trimester of the current year, and 20 tons next January. Hayes stated that he had no difficulty in accepting, on behalf of his Government, this proposition in all its details.¹⁶⁴ According to Spain, 20 tons in January 1945 were then included. Everything seemed to indicate that Hayes believed that he was not to reject or delay the agreement again.

On his part, Jordana recorded in his diary for April 28, 1944 that "I held with him [Hayes] an extensive meeting and, after struggling, we came to a

satisfactory agreement in the negotiation of so many months. I went back to the Council of Ministers to report, and they took the news with a coldness that contrasts with the excellent impression made in public opinion. I do not care, I'm not working for anyone but for Spain to whom I dedicate the sacrifice that this office has made of me."¹⁶⁵

Hayes was later upset to find out that Jordana's assured manner and Hayes' own failure to obtain an interview with Franco were directly related. Two days earlier, the British ambassador had already assured Jordana that the agreement was about to be ratified between London and Washington. This had occurred on the afternoon of the 26, during a visit to the minister from Hoare. Hoare feared that if Jordana went before the Council of Ministers without a solution to the conflict, they would propose ending both talks with the Allies and the embargo on wolfram. In an effort to pacify Jordana, Hoare made it clear that he believed that Washington and London would reach an agreement with Spain in a few days.¹⁶⁶ According to the contents of Jordana's diary in reference to this,

Wednesday 26. . . . Council of Ministers. I went to the Pardo, but only to tell the Generalissimo that I would not attend for having been asked to an audience with the Ambassador of England. I held a satisfactory and very interesting interview with him and according to him, the United States also accepts, in general terms, our last formula.

The notes taken by the Spanish interpreter of the conversation are even clearer:

The Ambassador of England, to ease the negotiations, confidentially communicates to the Minister the position of the U.S. of the same. The Ambassador continues to say that the cabinet of London, since the last interview with the Minister, has been discussing with that of Washington the attitude to adopt and, as a result of the news that his government has just received, comes to place before the Minister, either *in a confidential and informal* [emphasis added] and without being still in the possession of the documents that referred to the same, the actual position adopted by the Allied Governments regarding the long and complicated negotiation which the three governments had on the problem of wolfram and the rest of the issues related with it. *According to the last information, the U.S. government decided to abandon the inflexible attitude that it had adopted in relation to not accepting the Spanish proposal.* The Ambassador summed up that it would represent a great help for the rapid solution of the problem and to gain the goodwill of the North American government, that the Spanish government should consider as practically finalized the month of April and will not resume exports at least until the 1st of May. The Ambassador added that the Minister has brought forward this information to be able to prepare an adequate response to the proposition of the U.S. Government that the U.S. Ambassador would present to him shortly. *The Ambassador stated that he does not want to "win the hand," from the U.S. Ambassador and for that he earnestly requests the Minister to welcome as a novelty the proposal that the ambassador has said, keeping confidential the conversation of tonight.*¹⁶⁷

Hoare then took the opportunity to praise the action the British Prime Minister by saying that “the negotiations held between Washington and London has been very complicated . . . Fortunately, the head of the British Government, Mr. Churchill, has taken personal interest and active part in negotiations, which undoubtedly has contributed a great help to the satisfactory settlement. Jordana thanked him for his valuable contribution to the progress of these lengthy negotiations, as much for his action with the U.S. Ambassador as for the courtesy he had shown in announcing this great news.”

Jordana announced to Hoare that he would get back to the the Council of Ministers but that he would “maintain the confidentiality of this conversation, and he expected that the Ambassador would officially forward to him a copy of the proposal.” To which the Englishman replied that it would cause him great surprise if “he does not do it tomorrow.” And he added that he “[the Ambassador] authorizes the Minister to communicate to the Head of State what he just said this evening as an exact reproduction of the agreement between the Governments of London and Washington.”

Jordana was exultant, and he highlighted the “highly distinguished service” that the “Ambassador had given to the success of the negotiation with his action of today.” He announced that he would request that Franco postpone dealing with the issue in council until the following day, after Jordana had met with the U.S. Ambassador. Jordana said that the meeting with Hayes would go with the Spanish proposal, which he summarized in this way: “Spain could export 20 tons of wolfram to Germany in May, 20 tons in June and the difference between these forty and the three hundred, that is 260, is divided into the following months of current year at 50 tons per month, except December, to which only 10 corresponds.” Jordana and Hoare then exchanged views on the rest of the points of agreement. The British ambassador then repeated his demand for an urgent meeting this evening, fearing that the scheduled Council of Ministers might resolve the matter on an erroneous base, thus causing almost irreparable damage. To which Jordana replied by saying that, indeed, “the ambassador could be certain that, if he had not given this interview this evening, the proposal could have been adopted as the resolution of the government and the council on the basis of the report that he intended to present with reference to the matter. And he profusely thanked Hoare for the information. Hoare, on his part expressed his satisfaction for having realized his wish of giving to the Minister, as soon as possible, news that would allow a glimpse of the end to such painful and interminable negotiations that have taken place in this problem.” Jordana confessed to Hoare that these had been the most difficult negotiations that he had ever undertaken, to which the ambassador replied that he appreciated his tenacity.¹⁶⁸

The next day, on April 27, after not receiving word from Hayes and faced with having to report to the meeting of Council Ministers that afternoon on the theme of wolfram, Jordana asked that Casares, a member of the Diplomatic Cabinet of the Foreign Ministry, visit him in order to present any suggestions that could help the minister during the Council of Ministers. Just then, and

contrary to what Hoare said, the U.S. reaffirmed its demand of a total embargo before June 30.¹⁶⁹ In view of this, Jordana decided not to attend the council. As he wrote in his diary that day, "the U.S. does not joke, and in view of this and waiting for its reply, I am not attending even today the Council of Ministers."¹⁷⁰ Instead, he attended the session of April 28. It was then that he asked Hayes for an interview and received the U.S. acceptance. And it was also then that Jordana, upon Hayes' insisting on an interview with Franco, replied that it would not be necessary.

When Hayes came to know of Hoare's leak of information to Jordana he was angry, given that they had previously agreed to remain silent until receiving directives from Washington.¹⁷¹ The difference was only two days, from April 26 to 28, but in this short interval Hayes had seen his last attempt at negotiation frustrated. He would be even more angry with the Englishman two weeks later, after the agreement with Spain was already signed, on learning more details of the dual role played by Sir Samuel Hoare before Hayes and Franco during the last stage of the conflict. He came to know of it from the military attache at the U.S. Embassy in Lisbon, who wrote to him that "when negotiations were bearing on the point as to whether there was to be a total or less than total embargo on wolfram, Sir Samuel Hoare, whom Pan de Soraluce believes to have been anxious to reach an immediate agreement, sent a message to him saying that he must tell General Jordana not to worry about the American demand for a total embargo because he knew from London that the State Department would eventually agree to less than a total embargo on wolfram."¹⁷²

However, in view of the process that we have analyzed, it does not seem Hoare's information leak was very important. The U.S. decision to yield was already taken, and the intention of Hayes-Beaulac for improving the agreement had come very late and been somewhat desperate. They may have been looking to improve the standing of the embassy in the eyes of the State Department and the American public before acceding to a final agreement that had, in good part, been based upon the proposals of the British ambassador in Madrid and had been achieved by the work carried out by the U.K.

Once the Spanish Council of Ministers accepted Jordana's proposal, it halted negotiations on the civil war debt with Germany. Jordana took revenge against Carceller and Benjumea for putting off the issue. Moreover, on June 13, 1944, in an interview with Ambassador Diekhoff, he stated that he did not concede any value to the Lapuerta-Koenning¹⁷³ negotiations carried out behind his back. If Germany had accepted some offers of weapons purchase, the orders were never fulfilled because of the beginning of Allied operations in France on June 6.¹⁷⁴ Germany was left with only smuggling as a way of getting wolfram, but the agreement between Spain and the Allies was reached, it could not count on collaboration with Carceller.

An examination of the Hispano-Allied agreement reached verbally on April 29 and formalized through exchange of notes between Hayes, Hoare, and Jordana on May 1, 1944 is instructive. Earlier on April 29, the British

ambassador visited Jordana to express formally the British acceptance of the agreement. The Spanish minister took this opportunity to reiterate his personal gratitude and that of his government to Churchill, to which Ambassador Hoare replied that, in spite of the fact that the Generalissimo already knew of the British Prime Minister's personal intervention in the negotiations, he would make Churchill's actions public whenever the ambassador liked.¹⁷⁵

At this same meeting, Jordana received Hayes' note, and there arose a new controversy related to those last 20 tons cited. The U.S. note specified the acceptance of the exports to Germany of 40 tons of wolfram in May and June; that is, of a total of 40 tons before June 30, and the remaining 240 tons from that date until the end of year, at the rate of 40 tons per month for six months, until reaching a total of 280 tons.¹⁷⁶ This totalled 300 tons, and along with the quantities exported prior to the agreement, amounted to 580 tons for 1944. Upon receiving Hayes,' the Spaniard protested about the exclusion of the missing 20 tons. He appealed to Hoare, who called his office on May 1 seeking help. This was a fateful day for Jordana, who wrote in his diary:

Unpleasant surprise that the U.S. Ambassador turned back on to the 20 tons of wolfram that was to be supplied in January 1945 to the Germans. This led to a situation and a day of great worry. There ensued a number of talks, among others, the one with Ambassador of England, which found a new formula that was approved by the Generalissimo.

The formula was that

The Minister will answer the two Ambassadors, their respective letters of day 1, accepting in the name of the Government the terms of settlement that in the same is contained, in all its parts. The U.S. ambassador will express in a separate letter that the Spanish Government does not feel that they should totally stop exporting the total 600 tons that had been agreed between the U.S. Ambassador and the Minister in their preliminary talks about the agreement; the manner of channelizing the 20 tons earmarked for the month of next January, will be the object of conversations completely independent of this negotiation and carried to their end in leisure and in an opportune moment . . . with the purpose that this condition did not constitute an obstacle so that they can finalize today this agreement, which has to be done publicly, immediately, and simultaneously by the three governments concerned.¹⁷⁷

After an exchange of letters and a tense interview, Hayes agreed.¹⁷⁸ The total quantity was agreed at 600 tons (300 sent; 300 more to send), which, as Jordana calculated, meant two-thirds¹⁷⁹ of the total amount exported to Germany in 1943 (officially 900 tons). In fact, as we have said repeatedly, 491 more had already gone out illegally until April.

After yielding, Washington prepared for the effect that knowledge of the pact would have on public opinion. The State Department wanted above all to make clear that the agreement was reached "at the request of the British

Government whose supply situation differs from ours.”¹⁸⁰ As secretary Hull explained to Hayes,

The American public well knows that we have been holding out for total and permanent embargo. Because of our insistent position we have whittled down the Spanish in spite of an absence of wholehearted British support. Had we had full British support I am convinced we could have obtained our objective. Much of the American public may well feel the same way. While certain elements of our press are more outspoken than others Spain is not a popular subject with any of them. Knowing what our position has been the public and the press will consider any outcome less than a complete meeting of our demands to be a compromise. A compromise with Spain will not be popular. The fact that the compromise may be favorable to us will not allay all criticism. Without detracting from what you have accomplished I feel I must let our people know that it was at British insistence that we accepted a settlement on a basis than the one sought.¹⁸¹

The latter deeply disturbed Hayes and the staff of the Madrid embassy, who had accepted Jordana and Hoare's suggestion that the end of the conflict should be made public through a brief joint statement.¹⁸² As he wrote to the State Department, “I fail to see the necessity for regarding this diplomatic victory as a diplomatic defeat and for giving all the credit to Britain for the considerable achievement resulting from American efforts and initiative. While doubtless we could have achieved more with full British support, still the achievement is notable. While obtaining a complete embargo for three months, we have in fact limited exports of wolfram to Germany during the last 11 months of 1944 to 280 tons, so spaced as to make it almost certain that most of this will never actually be shipped.” He added, reaffirming his knowledge of the administration's position, that he considered this course to pander too much to the opinion of certain section of the press:

I am quite aware that in certain sectors of American public opinion there is a strong feeling against Spain. But from my own examination of the American press, I am convinced that the feeling against Spain has been heightened by systematic propaganda of persons and groups more intent on advancing their own interests and ideologies than in supporting our war effort, and who, in order to advance those ideologies and interests, do not hesitate to jeopardize the war effort. Our Government, it seems to me, has failed in the opportunities which it has proceeded to present the other side of the Spanish picture in order that our people might judge fairly, in the light of real facts, on what advantageous basis, from the point of view of our country, our relations with Spain now rest.¹⁸³

Hull ignored him. The State Department's statement to the U.S. press specifically insisted that the U.S.¹⁸⁴ signature had been due to the British demand:

The Department announced that after a protracted period of negotiation with the Spanish Government, the American Government and the British

Government have received assurances from the Spanish Government which permit a settlement of certain standing issues.

The Spanish Government has agreed to expel designated Axis agents from Tangier, the Spanish zone in North Africa, and from the Spanish mainland. It has agreed to the closing of the German Consulate and other Axis agencies in Tangier. It has agreed to the release of certain Italian commercial ships now in Spanish waters, and to the submission to arbitration on the question of releasing Italian warships likewise interned in Spanish waters. It has withdrawn all Spanish military forces from the Eastern front. It has maintained a complete embargo on exports of wolfram since February 1, 1944, at which time bulk petroleum shipments were suspended, and has now agreed for the remainder of the year to impose a drastic curtailment of wolfram exports to Germany.

One of the objectives in these negotiations was to deprive Germany of Spanish wolfram. Although agreement was reached on a basis less than a total embargo of wolfram shipments, this action was taken to obtain immediate settlement on the urgent request of the British Government.

Under the curtailment program not more than twenty tons of wolfram may be exported to Germany from Spain in each of the months of May and June. Thereafter for the remainder of the year, if as a practical matter they can be made, exports may not exceed forty tons per month. It is improbable that any of this can be utilized in military productions during the war.

In view of the foregoing, permission will be given for the renewal of bulk petroleum loading by Spanish tankers in the Caribbean and the lifting from the United States ports of minor quantities of packaged petroleum products in accordance with the controlled program in operation prior to the suspension of such loadings.

Having been presented as the work of the United Kingdom and forced to a conclusion by the British, the pact received surprising acceptance by the U.S. media. Thus, the influential and pro-government *New York Times* praised the work of Allied diplomacy in Spain and other neutral countries saying that "coming on top of Turkey's suspension of chrome exports to Germany, the Spanish cut in wolfram ore shipments represents a new body blow to the German armament industry, in urgent need of both. This blow must be all the more painful because, while Turkey is a ally of Great Britain, Spain has been regarded as an ally of Germany . . . Once again it has been demonstrated that power is its own best propaganda, able to overcome many ideological differences. But it is also a tribute to the skill and patience of Allied diplomacy that the present result could be brought about without the outright break with Franco urged by a minority which seems to hold that the more enemies the better."¹⁸⁵ The agreement,¹⁸⁶ was also lauded by the *New York Post*, the *Des Moines Register*, and the *Baltimore Sun*,¹⁸⁷ much to Hayes' surprise.¹⁸⁸ On the contrary, and as expected, both the anti-Franco "PM" and Walter Winchell were highly critical of the wolfram agreement.¹⁸⁹ On its part, the OWI, given its anti-Franco sentiments and confrontations with Hayes,

instructed its delegates in neutral countries to emphasize the negative effect of the agreement, which immediately led to protests by the U.S. ambassador.¹⁹⁰

Hayes was very upset, not only with the treatment of information given by the OWI, but above all by the political mileage that Sir Samuel Hoare immediately began to make from the agreement, receiving effusive praise in London (and mention by Churchill in the Commons) and the signing of a new trade agreement between the U.K. and the Franco regime.

But, if the American press been easy on Hayes, he was certainly the target of direct attacks in the House of Representatives. In particular from Representative Celler, a Republican from Brooklyn, New York, who on May 3, 1944, produced a violent diatribe against Hayes, accusing him of not truly representing U.S. interests, of bowing down to the Franco government, contradicting the proposals of his superiors, and of being willing to bend to the dictator. He also criticized the State Department, where he said, there were elements willing to follow a policy of appeasement. In his view, the agreement left things worse than before.¹⁹¹ The *New York Times* came to the ambassador's defence, recalling his democratic credentials and emphasizing that the negotiations had been led to success following the instructions of the State Department. For the newspaper the agreement "is certainly a real defeat for the Fascist elements in Spain and a signal victory for Allied diplomacy. In accomplishing what he was sent to do the Ambassador in Madrid has rendered a great service to his country and to the Allied cause."¹⁹²

In Spain, contrary to the generally favorable reception of the agreement in the United States, it was obvious that American opinion on Franco and his government was quite negative. As Francisco de Cárdenas, Spanish ambassador in Washington, reported to Jordana,

The more responsible press in general received the agreement in a manner somewhat favorable although without expressing enthusiasm for it and in many cases by showing more or less a disguised disappointment; all in all considering it as an American victory although it also emphasized that it reached the same at the request of the British Government, as shown by the opportune note by the State Department. All commentaries demonstrate an open hostility toward Spain to a greater or lesser degree. The extremist newspapers have shown the deepest resentment in abundant hostile expressions toward Spain and criticism of the State Department for pursuing a policy amounting to appeasement with respect to our country, which in the opinion of those organs of the press, can never give good results.¹⁹³

The negative impression that Cárdenas conveyed hit home when Madrid learned of a comment made by President Roosevelt in a press conference on May 31, a week after the speech that British Prime Minister Churchill had made in parliament on relations with Spain. In his speech, Roosevelt had distanced the U.S. from the British position, stating that he and his government were not entirely satisfied with the wolfram agreement, although adding that the policy toward the Franco regime would not change.¹⁹⁴ In addition, the

president's influential wife, Eleanor Roosevelt, had been critical of the British Prime Minister. These reactions were much applauded by the press.¹⁹⁵

On learning of Cárdenas' report, Franco was outraged and wrote to his ambassador guidelines emphasizing "the necessity of confronting [this] international campaign against Spain in which any slander or biased news is exploited and disseminated. In Spain, the American nation and its President are well treated and respected, and the government cuts the publicity and spread of all that could harm the prestige of the American nation and authorities or jeopardize our relations." He added, in connection with some events in Malaga and Melilla, in which apparently the OSS had intervened and was suspected of creating a serious diplomatic conflict between the two countries (to the renewed desperation of Ambassador Hayes) "that despite the severity of the events of Malaga and Melilla, which cost the life of a Spanish police inspector, the irrefutable evidence of the interference of an American organization of North Africa in these doings, we have so far stopped this issue from going out to the public."¹⁹⁶

Jordana similarly intervened. He told El Caudillo that "I am going to send a telegram to Cárdenas elaborating this incident to make him understand how unjust is this statement by Roosevelt. I will meet the Ambassador on Monday to give him a good review."¹⁹⁷ And, on June 3, he protested to Hayes.¹⁹⁸

Personal reactions to the agreement were one thing; the official position was very different. The information given by the Falangist Deputy Secretary of Popular Education Arias Salgado to the Spanish press was very brief, limited only to the publication of the Spanish note, which led to a bitter Jordana writing in his diary that "our press, in honoring its Falangist leanings has disrespected our official note and the undoubted diplomatic success of our negotiations."¹⁹⁹ Three days later, in view of the silence of the Spanish press, many believed that the agreement reached did not favor the regime (an omission that Jordana qualified as a "serious error of our propaganda... leaving our public to judge for itself the foreign propaganda that presents it as a great success of the Allied countries"). The minister urged Franco to speak, and he "finally reacted and dictated a press campaign."²⁰⁰ Jordana did not stop there, calling for Arias Salgado himself to speak out "to whom, I had told all the truths corresponding to the attitude of our press," to which the anguished interlocutor replied "he could make no objection but giving me explanations in his defense, putting the responsibility on the Minister of the Party."²⁰¹ But the Count remained depressed. Apparently, only the military ministers Asesino and Vigón, as well as General Dávila, president of the Council for the Management of Special Minerals of Military Interest (COMEIN), had congratulated him for the agreement. And when, on May 26, he again met El Caudillo, he directly asked him: "Are you satisfied with my work?" Franco asked the reason for this question, which Jordana took as an opportunity to give him the details of the complaints he had received and "my little internal satisfaction." It was then that Franco, in words of the minister, "expressed in his characteristic manner his high opinion of me" although utilizing "once more the

occasion to demonstrate its little effect on the diplomatic corp and its weakness for the Falangists." Two months later, Franco awarded Jordana with Gran Cruz of Carlos III, the highest Spanish civilian honor.²⁰² Until then, the only moral compensation that had reached him came from the core of his own ministry, in particular from that group of members of the diplomatic corp residing in the capital, who honored him. The award came, in words of the minister himself, "as apology for the inexplicable attitude of certain sectors [of the Regime] in relation to the negotiation with the Allies, vulgarly called, "of gasoline" and that created unpleasantnesses and made it extremely difficult to work . . . it was attended by ninety [actually 87] and the Undersecretary offered his warmest affection for me, one that the whole atmosphere reflected. I answered him in very measured terms, transferring the glory of the negotiation to El Caudillo and especially to the officials of the Department of Foreign Affairs"²⁰³ On June 28, Military Minister General Asensio gave a lunch in Jordana's honor.²⁰⁴ But the personal hardships suffered by the exhausted Jordana badly affected his health, and he died within three months of signing the May agreement.

In Britain, as we have advanced and as Enrique Moradiellos has explained in detail, Churchill made a reference to Spain in his speech on the international situation on May 24 in the House of Commons. He recognized the strategic "importance of the resolution of Spain to keep out of the war," and considered that his earlier sympathies "had been 'amended'" by "what I will always consider a service" favorable to the Allies in the critical moments of summer of 1940 and November 1942. He went on to unequivocally reiterate his commitment to noninterference in the internal matters of Spain saying that "I have . . . no sympathy for those who consider intelligent and even find funny insulting and injuring the Spanish government every time there is a opportunity to do so," adding that "the internal political problems of the Spaniards are an exclusive question of the Spaniards themselves. It is not our focus to get involved in such questions."²⁰⁵

A satisfied Jordana noted in his diary on this day: Many telegrams from abroad, realizing the enormous reaction of Churchill's speech in favor of Spain, that has had repercussions above all in the South American Republics."²⁰⁶ Days earlier, the British Embassy had consulted with Jordana on the text of the reply that Foreign Secretary Eden was going to present in the British Commons concerning two questions with respect to the closure of the German Consulate in Tangier. The British diplomats wanted to utilize the interview to demand that Spain put a specific date on such a closure, and they wanted it immediately. This last demand Jordana refused, considering it an excessive interference.²⁰⁷

Hoare returned to Madrid not by his usual route—by air to Lisbon and overland to Madrid—but by a special flight directly into the capital of Spain. He was accompanied by the Viscount Knollys, head of British commercial aviation, who had come to negotiate with the authorities a weekly Madrid–London flight with a stopover in Lisbon. He also signed a new commercial agreement, which increased British purchases of iron, potash, and all Spanish

citric surplus.²⁰⁸ Hoare had received official recognition in his country for his management of the agreement with Spain, and at the end of June, the king awarded him with the title of the Viscount Templewood of Chelsea and a seat in the House of Lords.²⁰⁹ Fired up since his arrival in Madrid, Hoare would initiate a pro-monarchic offensive that would put him into serious conflict with both Jordana and Franco himself in the coming months.

German reaction to the agreement was, of course, very different. The Spanish ambassador in Berlin was called immediately to the Ministry of Foreign Affairs. There, the undersecretary, apparently pale with rage, violently protested the agreement. Meanwhile, in Madrid, the German ambassador in Madrid protested bitterly before Jordana and Franco.²¹⁰

When the agreement made moot the April accord between Spain and Germany over the payment of the Spanish Civil War debt of 100 million pesetas—money that the Germans could have well utilized in their operations in Spain—Jordana refused to honor the Lapuerta–Koenning negotiations, partly in revenge for Carceller’s treachery, but even more because he feared the violent reactions of the Allies should they learn of the agreement. Instead, the Spanish Ministry of Foreign Affairs made a crude reevaluation of the quantity of war debt with Germany, finding that those figures were now to Spain’s credit. In the face of all this, the German ambassador abandoned the claim. The debt issue would not be resolved until 1948, between Spain and the Allied Council of control for Germany.²¹¹

Another consequence of the agreement was that the United States rushed to bury the issue of the possibility of the British becoming a supplier of petroleum products to Spain. Quickly, by May 5, Hayes was informed by Washington that the petroleum status quo would continue. But the British had even by then sent a petroleum attaché to Madrid, and it cost Washington and the U.S. Embassy more than a month of pressure until the British agreed that their man would work under Smith, the U.S. attaché.²¹²

It should also be noted that the presence of W. Perry George in Madrid during the negotiations had contributed to improving relations between the State Department and the U.S. Madrid Embassy. In spite of their various conflicts, Hayes ended up thanking Secretary Hull for having sent George, since this had enabled “a much-needed opportunity for frank, informal interchange between the Department and the Embassy . . . concerning current policies and operations in Spain, particularly as these affect our over-all effort and our long-term interests.”²¹³ For his part, George reported upon his return that he believed that the effect of the petroleum supply embargo on the Spanish economy, had nearly caused a “knockout blow” (which was rather uncertain, we believe) and that it had “pretty well prostrated the country”²¹⁴ (which itself was true). Even so, the atmosphere in the State Department continued to be extremely unfavorable to Spain, as reported by Beaulac, who traveled to Washington after being appointed ambassador to Paraguay in March 1944.²¹⁵ The Franco regime’s insistence on sending token shipments to Germany had belied

his assurance that he was a true Allied collaborator, but showed that he was getting “full mileage out of assistance to the Allies.”²¹⁶

The results of the agreement reached on May 1, 1944, are summarized here:²¹⁷

Spanish soldiers will no longer serve with the German army. It is understood that those who have served with the German army in the past have now been withdrawn to Spain.

Further exports of wolfram from Spain to Germany or German-occupied or German-controlled territory during 1944 will not exceed twenty tons during May, twenty tons during June, and forty tons monthly thereafter.

The Spanish Government will take steps to prevent smuggling of wolfram out of Spain. Should smuggling occur, appropriate penalties and deductions would be imposed, and the above figures of maximum exports, which in such case would be interpreted to include quantities smuggled, would be subject to downward revision.

The German Consulate General in Tangier will be closed and its personnel required to depart from Spanish and Spanish-controlled territory. All German agents in Tangier will be expelled and required to depart from Spanish or Spanish-controlled territory.

The Japanese Legation in Madrid will be required to withdraw its Assistant Military Attaché from Tangier.

Axis sabotage and espionage agents will be expelled from Spanish-controlled territory and metropolitan Spain.

All Italian merchant ships remaining in Spanish ports, except two, namely the “Madda” and the “Trovatore,” which will be chartered to the Spanish Government and the ultimate ownership of which will be subject to arbitration following the end of the war, will be promptly released, and the Spanish Government will grant necessary facilities, including entry into Spanish territory of crews when needed, to permit their departure at early dates.

The question of possible release by the Spanish Government of Italian warships now in Spain waters will be submitted to arbitration.

The Spanish Government will continue to make available to the United States and Great Britain all necessary facilities for the purchase and export of Spanish products.

Allied compensation to Spain for these concessions was the resumed supply of petroleum products, although in a quantity equivalent to imports of products from Spain.²¹⁸ Since April 30, the day following the agreement and before its official date, an agreement had been reached between the petroleum attaché’s office of the Madrid embassy and the Commissary of liquid fuel about the list of six tankers that would immediately leave for the Caribbean to receive

cargo. They would issue 45,760 tons in total, divided among 16,860 tons of gasoline, 11,800 tons of gasoil (diesel fuel), and 12,300 tons of fuel oil and inferior quantities of other types, including 400 tons of aviation gasoline and 3,800 tons of lubricants.²¹⁹ Three weeks later Jordana could write in his diary with joy that, after so many months of delay, “three petroleum tankers leave for Spain.”²²⁰

The issue of greatest concern to the Allies, the smuggling of wolfram to Germany, was drastically reduced. First, because Carceller had to end his direct collaboration with the Germans in mid-May, he announced in an interview with Bernhardt, the head of Sofindus, the German company coordinating German purchases in Spain, that Spain could not allow the disclosure of any official collaboration in clandestine economic activities with the Germans. But the fact that Carceller ceased collaborating in person did not mean that he did not continue to help the illegal trade. In fact, in the same interview, he recommended to Bernhardt that he organize new illegal departures and that he should make contact with the big Spanish producers of wolfram, offering to provide lists of production and of qualities.²²¹ The German did as Carceller suggested, and in the following month of June, struck a deal with an important economic group, whose name we do not know. He used it as a cover for the export of 800 tons of mineral that the Germans had in their Spanish stores in early May. In return, the Spanish group received 96 million pesetas, at a rate of 120,000 per ton placed in Cerbère, across the French border. However, only 10 tons would be able to pass in this manner. In May, the Germans managed to smuggle 95 tons that were added to the 20 legally exported. However, in June, they could only move 61 tons.²²² Germany even tried to find new ways of obtaining wolfram, such as receiving it in payment for certain quantities of aviation gasoline that it was ready to give to Air Force Minister Vigón (this arrange was apparently Vigón’s idea). The deal fell through when it was rejected by Franco.²²³

On the other hand, relations between Jordana and Carceller reached their lowest mark. On June 27, 1944, the Foreign Minister visited El Caudillo and told him about the letter he received from Carceller, who called Franco “impertinent and intolerable” and referred to the minister of Industry and Commerce as a “ruffian.” The Head of State tried to downplay the issue (we do not know the details), with a Jordana writing in his diary that “it is incomprehensible the weakness that he has for this truly undesirable man whose departure from government would be well-received inside and outside Spain.”²²⁴

As for the reduction in smuggling, it had more to do with the end of the Carceller collaboration than because of any decisive action on Jordana’s part. Jordana was more than ready to call a halt to the clandestine traffic, both because he wanted an honest implementation of the May 1 agreement and he feared Allied reprisals.

Through their networks of agents in the Peninsula, the British and U.S. embassies kept close watch over German clandestine activities, promptly informing Jordana and Franco, and presenting continuous complaints. In July,

in an interview with El Caudillo at which both Jordana and the Baron de las Torres, presenter of ambassadors to the Ministry of Foreign Affairs, were present, Hayes in particular complained of the illegal traffic and the permissiveness of at least some Spanish officials in this regard.

He specifically said that "while strong instructions against this had been prepared and issued by the Foreign Minister, there seemed to be no appropriate implementation of the instructions and no apparent disposition to impose drastic penalties on the smugglers or on the Germans" providing figures of the clandestine import of the mineral that were lower than the real amounts, which he still did not know: "Forty—two tons . . . at the end of May by trucks passing over a bridge from Irún that was supposed to be closed to traffic. Last week, we learned of illegal movements of wolfram from the main warehouse in Irún to another a small canal where smuggling had previously occurred. Moreover, there was a distribution of stocks in various other places convenient for smuggling, and an apparent unwillingness of local officials to enforce the instructions from the Foreign Office."²²⁵

But in time, Hayes was aware of differing attitudes within the Francoist administration.

Franco answered him by enumerating the last series of measures approved to fight against illegal traffic: "all wolfram stocks at Irún or elsewhere near the border were to be moved to a point 100 kilometers inland and there kept under the strictest guard. Furthermore, several functionaries had already been imprisoned for collaborating with smugglers but also that he knew that some smuggling had occurred and some little might occur in the future, despite all precautions the Government could take, but he was resolved to do its utmost to prevent smuggling and to penalize everybody engaged in it or benefiting from it." And Hayes prophesied, and correctly, that "he imagined the wolfram problem would not plague us very long in as much as he had reliable information that the French transportation system was now so badly disorganized and broken as to admit of very little commerce between Spain and Germany."²²⁶

But the smuggling continued despite the vigilance American and British agents. In Hayes' absence, Chargé d'Affairs W. Walton Butterworth (who was acting as embassy counselor, having replaced Beaulac in May) conducted the interview with Jordana. Butterworth was a man well acquainted with the situation because of having worked since the spring of 1942 as head of the United States Commercial Corporation in Spain and Portugal.²²⁷ He denounced²²⁸ the smuggling of between 100 and 200 tons of wolfram. He further complained about the three months that the Spanish government had been late in moving the mineral stores near the French border, and he inquired about measures to be taken as sanctions.

Jordana replied that he had already retained legal shipments for the months of June and July and would also hold back that of August until the illegal traffic halted. But he refused to halt shipments of the mineral as he considered this in violation of the agreement.²²⁹

In his anti-smuggling efforts, Jordana counted on the decisive support of the President of COMEIM and Chief of Army Staff General Fidel Dávila, who had come forward as one of his Jordana's supporters during the negotiations of the agreement. Jordana warned him on May 3, 1944 that

As the Germans have purchased and stored in much larger quantities than the agreement allows them to take, it is logical to think that all new purchases and new moves would not be explainable or acceptable on their part. But it seems that they have been producing over the last days of April [i.e., when the imminence of the agreement and probably its broad outlines were already in the public domain] not only new acquisition, but a general movement to displace the production centres and the stores of Galicia and the Portuguese border to Irun and deposits near the Pyrenees. The strict supervision of such operations seems extremely obligatory.²³⁰

The Count also claimed the support of Finance Minister Benjumea, responsible for customs.²³¹ Now, the *Guardia Civil*, in charge of guarding the borders and rural areas, and led by General Camilo Alonso Vega,²³² acted vigorously and effectively. The combination of these actions was successful, and in the months of July and August, the network of clandestine stores of wolfram created by Sofindus near the Basque-French border of Irun²³³ finally was dismantled. Earlier, as we have seen, the Spanish government had been obliged to punish Germany for smuggling activities since the signing of the agreement.

In mid-August, the Allied advances in France after the Normandy landings of June 6 led to the closure of the French border. Any exports by land would now be impossible. Only the aerial route was left, and in fact Lufthansa managed to get a ton of the mineral into Germany in June. Later, with increasing Allied control in the region, this route also closed, except for very small quantities. When, at the end of the war, Spain closed the German embassy, it found in its basements huge quantities of the mineral.²³⁴

On the other hand, the price of wolfram fell with the stoppage of its exports and Allied purchases. In July 1944, one kilo was worth only 20 pesetas, compared with the previous 180 pesetas per kilo.²³⁵ The wolfram fever was over.

THE CONSEQUENCES OF THE BATTLE FOR WOLFRAM ON THE GERMAN WAR INDUSTRY

The Battle for Wolfram, although won by the Allies through the temporary embargo of three months' duration in the exports of the Spanish mineral to all countries and later, through the limitation of quantities exported to the Germany, does not seem to constitute a clear victory in the arena where it was most sought—that is, in crucially affecting the production of German war industry. Along with other factors, however, it did contribute to damaging

the German war effort and reducing its production of basic weapons such as anti-tank projectiles.

According to German records, Germany was capable of importing between January and September 1944 8,346 tons,²³⁶ a quantity almost exactly equal to that received in all of 1943 (8,343 tons). When their Spanish stores were closed on August 25, 1944 (not May 15, as mentioned by some author),²³⁷ they contained 1,031 tons²³⁸ that could not be exported. The German official figure, however, seems inaccurately low as we have in account the 302 tons imported legally in January, the 491 illegally taken between January and April, the 20 legal ones in May, the 95 and 61 smuggled in May and June, respectively, and the 1 ton taken out by air. This makes a total of 970, a quantity far in excess of 600 tons agreed to in the deal hammered out in the Hispano–Allied conflict. It is true that, because of the end of legal shipments from July to August (due to the penalty for discovered smuggling and the closing of the Hispano–French border), Germany received very little of the 300 tons that, according to the agreement, could be exported in the second trimester of that year. But if that had not been the case and the evolution of the war had not cut the legal flow, due to smuggling, the quantity received would have been closer to 1,300 tons, more than the double what was allowed by the agreement.

On the other hand Portugal, the leading Iberian provider of wolfram to Germany, which had refused throughout the first half of 1944 to suspend its exports of the mineral, despite Allied (and especially U.S.)²³⁹ requests, changed its attitude after the Hispano–Allied agreement due to the stepped up control that the wolfram trade received.²⁴⁰ Salazar had followed closely the Allied petroleum embargo on Spain. British pressure on Portugal increased, in the form of several requests, most notably Churchill's letter on March 15 and an official note from Campbell, British ambassador in Lisbon, on May 29, in which he invoked the longstanding alliance between the two countries. On June 5, 1944, Portugal halted all exports of wolfram from June 7 onward, as well as halting all production of the mineral.²⁴¹

According Christian Leitz, Germany had been prepared for the cessation of imports from the Iberian Peninsula. It had accumulated stocks that, on May 1, 1944, reached the 1,598 tons of pure wolfram (not the Iberic ore containing of 60 percent–65 percent of the same).²⁴² It also reduced its monthly consumption of 135 tons to 100, which ensured the duration of the stocks for between 17 and 40 months. Without such a reduction, Germany estimated that it had sufficient wolfram to last until April 1945. In fact, it appears that the supply of the mineral was so good by mid-1944 that Germany considered substituting the use of molybdenum for it. Other measures taken to mitigate the loss of mainland imports was the exploitation of Germany's own very low-quality mines, which yielded 35 tons in August 1944; the use of French mines, which were also poor; and the transport of the mineral from Asia by submarines.²⁴³

Nevertheless, although never really out of supplies, the German war industry suffered throughout 1944 and 1945 from a decrease in wolfram imports; the production and use of anti-tank projectiles made with tungsten alloys

continued to decrease and only the most advanced and modern *panzers*, such as the *Tiger*,²⁴⁴ were able to carry and use of this kind of weapon, which could perforate Joseph Stalin-class Russian tank plating

Even in the preemptive purchases of the wolfram the Allies could not obtain—with the exception of 1943—a resounding success. If, in 1941 and 1942, the Germans had acquired in Spain and imported more mineral than the Allies, during 1943, the situation balanced with regard to imports, with a slight Allied advantage. But this was clearly a balance in favor of the Allies with reference to purchase of the mineral, which tripled in the case of the Nazis. However, in 1944, German predominance returned as they were capable of legally and illegally importing at least 970 tons. In addition, in August 1944, when terrestrial communications were cut between Spain and Germany, Germany still had in its Spanish stores of 1,031 tons.

Year	Spanish Production of Mineral Wolfram (Content of Wolfram 60 percent–65 percent)	Exports to Germany/ Acquisition	Allied Exports/ Acquisitions	Price
1941	503.6 tons	318 tons of 800 acquired	20 of 72 acquired	Between 25,90–65,000 pesetas/ton
1942	1,475.5 tons	794 tons of 805 acquired	438 of 771 acquired 430.7 of 700.6 acquired*	Between 125,000–160,000 pesetas/ton
1943	3,618.7 tons	834.3 tons/ of 1,309 acquired	943 of 3,021 acquired 952.6 of 2,794.8 acquired	Between 170,000–275,000 pesetas/ton
1944 (January–December)	Without data	834.6 tons exported during 1944 according to German sources/without figure acquisition, but 1,031 tons stockpiled in August 1944, which had failed to be exported Or A minimum of 970 exported during 1944 according to the estimate of Joan Maria Thomás	336 until April 7 /of 1,088 acquired until April or 336.6 of 540.9 acquired during January and February	180,000

Source: Reproduced from Leitz, *Economic . . .*, pp. 177–193, with the quantity (970) calculated by Joan Maria Thomás. The figures marked with an asterisk correspond to those found in the USCC document, *Wolfram and Scheelite Acquired*²⁴⁵ in *Spain for USMC-UKCC Joint Account*, March 20, 1944. Hayes Papers.

In the absence of preemptive joint purchases established in 1942 with the creation of the United States Commercial Corporation and its collaboration, at 50 percent, with the existing United Kingdom Commercial Corporation, the German purchases, imports, and provisions of wolfram could have been greater, with all the possibilities that this would have offered to its war industry.

WAR REFUGEE BOARD, REFUGEES, JEWS, U.S. MADRID EMBASSY, AND SPAIN

During the period of the Battle for Wolfram that we have just dissected, a new governmental agency, the War Refugee Board (WRB), initiated its operation in Spain. It was created by the executive orders of President Roosevelt on January 22, 1944. Headed by John Pehle, the WRB embodied the president's change of attitude in view of the problems of the refugees in general and specifically of the Jews under Nazi domination. It should be kept in mind that the issue of the Jews and their situation in occupied Europe, although without knowing the full extent of what was happening, was increasingly present in U.S. since 1943.²⁴⁶ With his initiative, Roosevelt responded to public pressure to do something, especially in light of this being a presidential election year.²⁴⁷ Curiously, the new agency was not attached to the State Department but to that of the Treasury, probably due to Hull's lack of initiative after having achieved the resignation of Undersecretary Sumner Welles.

In fact, Hull had shown some limited interest in the problems of refugees before 1943, but when, after Welles' resignation, Rabbi Stephen Wise requested an interview with Hull to put before him the problem of the Jews and refugees, Hull could not receive him because he was resting. Hull also did nothing to later include the rabbi in his agenda. Instead, Treasury Secretary Henry Morgenthau Jr. a Jew himself and a close friend of the president, reacted. Rabbi Wise, along with Morgenthau's personal secretary (an Orthodox Jew) and three Catholics, asked Morgenthau to examine the policy that the State Department had been following on the question. After having done so, the Treasury Secretary immediately complained to Roosevelt of the passiveness of the State Department regarding the problem.

Roosevelt, aware of growing U.S. public sympathy for the plight of the Jews in Europe, and knowing that the State Department's inaction on the matter was becoming increasingly politically untenable, agreed to Morgenthau's demand for the creation of a specialized agency for the rescue of Jews. This agency, as was typical of the Roosevelt administration, was put under the control of a department to which it functionally did not correspond, in this case the Treasury. Thus, on January 22, 1944, the War Refugee Board was created. It came too late.²⁴⁸

In Spain, as was the cases with the OWI and the OSS, the WRB also ended up clashing with Hayes and the embassy. Immediately after its creation in January, 1944, the Board made an appeal to neutral countries to demand increased efforts to host refugees. Regarding Spain, Pehle discussed

with the State Department the convenience of pressuring Spain, not simply that it received greater numbers, but also that it made public its desire of doing so through a statement given to the press and broadcast on radio. The State Department objected, arguing the interference that such a demand might produce during the ongoing wolfram negotiations. Hayes, informed of the project, also seemed to dislike the idea.

Hayes believed that putting pressure on Spain would serve nothing, as it not Spain that was stopping the entry of more refugees—which had enormously decreased since the beginning of 1944, perhaps by 80 percent according to some sources—but the Germans, with their increased vigilance on the French border. Hayes believed that the proposal by the WRB would cause even greater increases in this surveillance, with subsequent negative effects on the escape of downed Allied aircrew members.²⁴⁹ He also believed that the three American humanitarian organizations in Spanish territory dealing with the needs of the refugees in Spain were sufficient and did not require the addition of another. These organizations were the World Jewish Congress, led by Isaac Weisman; the American Jewish Joint Distribution Committee, led by David Blickenstaff; and the Unitarian Service Committee. The second group worked at the embassy, and Hayes preferred it for this very reason. Apparently, the ambassador had obtained from Jordana authorization that Blickenstaff would act, from January 1943, as official representative of American charities under the sponsorship of the embassy.²⁵⁰ Relations among the three agencies were not good.

Pehle considered the Ambassador's attitude a blatant lack of cooperation and went to the president and the secretary of state to protest; neither took action. So, the WRB began acting on its own in Spain, basing its work on Article 2 of the order that had created it, which stated that its function was the "rescue, transportation, maintenance, and relief of the Victims of Enemy oppression, and the establishment of havens of temporary refuge for such victims."²⁵¹ Pehle undertook this action without Hayes' authorization. Hayes had denied Pehle an official representative in Madrid, and he was opposed to the agency's plan to rescue Jews and other refugees from across the Spanish-French border. He believed that such actions by the WRB—as with the OWI and the OSS—would only produce diplomatic conflict with Spain, and he opposed the intention of the WRB to establish three posts of reception in Spain.²⁵² Hayes believed that the Spanish government would not accept these posts, and he himself was inclined to focus activities on the evacuation of refugees who were already on Spanish soil.²⁵³

In light of this lack of cooperation from the Madrid embassy, the WRB and the Treasury Department combined to inform Representative Celler, a well-known opponent of Hayes, of the situation. In a letter to the press, Celler accused the ambassador of inhumanity and of not having worked for the evacuation of refugees through Spain. This was blatantly untrue, for thousands of refugees, including Jews in 1943, had passed through Spain to Portugal under Hayes' auspices. And Celler wondered: "Can he [Hayes] arrogate himself

the authority to defeat the President's declared policy? Does he not appreciate that his adamant and cold-blooded attitude has tied the hands of the War Refugee Board? Has Ambassador Hayes grown so inhuman as to fail to realize that human lives are at stake?" He concluded by requesting Hayes' ouster: "The time has come to put the screws upon the Francophile. Hayes should be recalled."²⁵⁴

The Pehle–Hayes discussion lasted for months, even after the capture of Paris, when the rescue of refugees was interrupted by an order from Pehle himself August 24, 1944. Hayes argued that the action of the embassy on the issue of refugees (i.e., during the winter of 1942 and throughout 1943) had been a success. Despite this, in the U.S. press, Hayes was accused of being anti-Semitic, ironic considering his position as a prominent member of the National Council for Christian and Jews.

Undoubtedly, during January–August 1944, and considering the reduced flow of refugees, a more collaborative attitude by Hayes could have contributed to saving more Jews and other refugees. But, as a historian who has most recently examined the ambassador's actions has concluded, the problem was not so much one of anti-Semitism on Hayes' part as of competition between the various agencies of the Roosevelt administration, a general phenomena caused by presidential initiatives that created unwieldy agencies that found it difficult to work with preexisting departments and agencies. In addition, Hayes, Roosevelt, and the rest of the administration remained unaware of the real magnitude of the Nazi genocide.²⁵⁵

CHAPTER 4

RELATIONS BETWEEN THE U.S. AND SPAIN FROM THE AGREEMENT OF WOLFRAM UNTIL THE END OF THE SECOND WORLD WAR IN EUROPE (MAY 1944—MAY 1945)

THE DISPARITY—with reference to peso and power in the world—between the contracting parties in the agreement over wolfram caused an uneven implementation in the agreement itself. A powerful United States, further reinforced by its military success in Europe and the Pacific, significantly restricted to Spain the resumption of the supply of petroleum products and, to a much lesser extent, of other products. The commitment of increasing trade relations with Spain was in large part an abyss of ignorance that produced no significant breakthroughs. Neither the State Department nor the Foreign Economic Administration (FEA) showed any zeal for increasing trade with Spain, due to both political and public opinion in an election year.

On the contrary, after the success of the Normandy landings, renewed pressure was applied to the Francisco Franco regime, in the form of a group of new demands being presented by the United States. Several that carried political significance were the issue of the existence of a single party, the Spanish Falange Española Tradicionalista e Juntas de Ofensiva Nacional-Sindicalista (FET y de las JONS), the breaking off of diplomatic relations with Axis puppet regimes in Europe and Asia, and the establishment of relationship with countries occupied or dismembered but which would soon regain independence. For his part, U.S. Ambassador Carlton J. H. Hayes personally urged Minister of Foreign Affairs Francisco Gomez Jordana y Souza, other ministers, and Franco himself

to consider the future of the regime, by making a clear gesture before the end of the war regarding Spain's distance from Axis. His argument was that Spain had to "score points" before the arrival of peace, seeking an alignment with the Allies that did not imply Spain's participation in the war, akin to what Portugal was doing after ceding the Azores to the Allies. This policy promulgated by the U.S. ambassador in Madrid and his embassy staff signified in part a very specific and private version of U.S. official policy, and was characteristic of an intimacy with Spain that neither the State Department nor the president himself had.

This intimacy disappeared early in 1945, when Hayes voluntarily left the embassy. Hayes was convinced of the achievements that he and his close associates—Willard L. Beaulac, and later Walter Butterworth—had won, but feared a deterioration of the relationship between Spain and the United States as anti-Franco sentiment grew within the administration and the American public. He returned to the United States to try—unsuccessfully—to influence the president's opinion.

The man who replaced him, Norman Armour, merely complied with Washington's guidelines, which were clear, sharp, and different from those of Hayes.

Having come to the end of that long period during which the United States had considered Spain to be of strategic importance, in that it would not enter the war on the Axis side and that it would remain neutral in not to hinder Allied military operations in north Africa and throughout the western Mediterranean, U.S. President Franklin Delano Roosevelt and his administration, largely following a new British stance, began to show unambiguous hostility toward the existence of a fascist Spain and its leader.

This did not mean that the United States was determined to destroy the Franco regime, for it remained apprehensive of destabilizing the southern flank of Europe or of instigating the outbreak of another civil war in Spain, which could possibly lead to the establishment of a regime amicable to the USSR. The Soviet Union had a varied course with Spain, having been at one time allied with France and Republican Spain. After having suffered from the aggression of Spain's Blue Division, Squadron, and Legion during the Second World War, however, the USSR pursued a hostile policy toward Franco's Spain.

U.S. wanted an end to the regime, but could not clearly see the outlines of a post-Franco Spain. Groups of exiled Spanish republicans distributed throughout America were sharply divided into irreconcilable factions (Negrin, Prietistas, monarchist "Juanistas", etc.). Washington did not foresee any possibility of consensus. In addition, the United States had a very powerful fear of Russian influence over Spanish Communists, who controlled part of the Spanish republican exile in France, an exile that was massive but less elitist, one that had suffered French and German repression (some thousands of them having died in Nazi concentration camps), but one that had struggled alongside the Resistance and was incorporated into Gaullist army.

There were economic interests as well, although the most important U.S. investment in Spain—the National Telephonic Company of Spain—was nationalized by the Spanish government in March 1945, two months before the end of the war in Europe.

The persistence of the Franco regime was an affront, an open wound in the new world that was being constructed during the postwar period, with its principles of freedom, democracy, and the quest for lasting peace that arose from the struggle against fascism and Japanese imperialism. This new world seemed to have a place for neither a dictatorship like Spain's nor for a dictator like Franco. In the U.S., participation in the war and the consequent necessity to mobilize the masses and involve them in winning the war effort—whether on the front lines or from behind the lines—had created an effective propaganda organ. The postwar media broadcast a message of radical alignment, seeing the world through a polarized lens of black-or-white, a lens that in the case of Spain, saw Franco clearly as a fascist enemy.

Books, such as those written by Allan Chase and others, had been enormously influential public opinion, despite the gross errors they contained. The popular success of these works was attributable to their resonance with stereotypical anti-Francoist. But, in reality, Franco's Spain had been and was still a fascist or semi-fascist regime, and it had been a friend of the Axis.

Public opinion and state policy were two different things, however. Therefore, although in early 1945, Roosevelt and the State Department, in conjunction with the British, expressed, at first through contacts with Franco and then publicly, their distaste for the existence of the regime, they did nothing to interrupt diplomatic relationships. The unequivocal and politically anti-Franco response by the president to a memorandum sent by Hayes in February 1945 was an early sign of changing attitudes. As was the set of instructions sent to the new ambassador, Armour. Both of these communications expressed the administration's displeasure over the existence of the regime and a wish to see Franco removed from power. But these expressions of distaste were a far cry from a concerted effort to break off relations with Spain.

Amid this change, the policy advocated by Hayes—one of improving relations with Spain based its strategic importance to the U.S.—had no chance of success. Hayes maintained, without saying so, a certain sympathy for the regime, and he believed that if Franco's removal would cause chaos in Spain, unless the Allies occupied and ruled. Unable to negotiate Washington's bureaucracy, he soon gave up trying to influence policy.

The "new" U.S. policy, of showing displeasure in public but not acting on, of maintaining an anti-Franco stance but without demanding consequences, would be at times influenced by the initiatives of other countries, as happened in 1945–1947, when the Soviets and the French came out firmly against the regime.

For his part, Franco, increasingly aware of the inevitability of the Axis' defeat, especially after the Normandy invasion and despite his continued

confidence in new German weaponry, began to take steps, following the initiatives of Ministers of Foreign Affairs of Jordana and later of José Félix de Lequerica Erquiza, to pursue a substantial improvement in Spain's relations with the United States and the Allies

His ultimate goal was none other than ensuring the survival of his regime. To this end, he fulfilled the agreement of the wolfram embargo (at a slow pace that irritated the Americans), and he also accepted many new and old requests, but only those that did not affect what was considered untouchable by the regime. He was willing to please the Allies, but always while making clear his will to maintain his regime.

Despite its concessions to the Allies, Spain also undertook some actions that greatly angered the United States. One of these was the period leading up to the nationalization of the National Telephonic Company of Spain, which led to a time of heightened tensions that recalled the Alexander W. Weddell embassy of 1939–1941. Another occurred when Spain demanded, once the Allies had retaken southern France, that the United States suppress anti-Franco activities pursued by exiled Spanish republicans fighting in French Resistance forces.

Resistance fighters, mainly but not only communists were masters for some months of various departments of Midi and were engaged in harassing the Spanish consular authorities, infiltrating Spain and Andorra, and launching operations like the invasion of the Aran Valley in October 1944. Then were invoked the promises given by President Roosevelt in November 1942, at the time of Operation Torch, that both the security of Spain's borders and Spanish sovereignty would be respected.

Thus, diplomatic outcomes were poor despite a willingness to improve Hispano–American relations that constituted a good part of the policy of Foreign Minister Jordana as well as his successor Lequerica, who replaced Jordana after the latter's death in the summer of 1944.

The Allies were irked by Franco's failure to make clear and public gestures regarding Spain's break with the Axis before the end of the war. It was not until 1944 that Franco and his advisors became convinced that the time was ripe to make cosmetic changes to the regime, to make it more acceptable to the Allies. Starting in late 1944, the regime began a reorganization that would be implemented fully after the end of the European conflict.

Spain feared new economic pressures from the Allies, especially since it was clear that the U.S. and British governments were responding to requests from those within their countries who were demanding intervention in Spain and the removal of the Franco regime. These demands, coming both from monarchists in support of Alfonso XIII son, Juan de Borbón and Battenberg and from exiled republicans, became increasingly vocal in 1943, and reached their acme during 1944 and 1945.

The political changes initiated by El Caudillo were limited, and Franco especially refused to consider opening the country to a multi-party political system. Neither would he entertain any requests from Britain Ambassador Hoare or from Juan de Borbón about restoring the monarchy.

**THE LONG AND WINDING ROAD TO FRANCO'S COMPLIANCE WITH
RESPECT TO THE WOLFRAM AGREEMENT**

The first issue that Spain complied with under the agreement it signed with the Allies May 1, 1944, was the withdrawal of the Blue Legion from Russia and its repatriation to Spain. This occurred on April 11, 1944, even before the agreement was signed.¹

The closing of the German Consulate in Tangiers, set for late May,² came at great cost to Germany, although Jordana had been pressing the German Ambassador for its closing since February 17, and the Spanish ambassador also had been asking the German foreign affairs department for this same concession since early April.³

One of the arguments raised by Spain regarding this issue was the illegality of the establishment of the consulate as per statutes in the city and in the International Zone. In this regard, the expulsion of diplomats and intelligence agents from Tangiers was a protracted affair. On July 28, 1944, for example, three months after the signing the wolfram agreement, the official in charge of U.S. business interests in Spain was denouncing Jordana, saying that Spain "has not been adhered to the agreement by the Spanish Government in the clauses referring to the expulsion of German secret agents. Only a small handful of them have left Spain and the Zone of Morocco since the date."⁴ And a month later, on August 30, Ambassador Hayes requested the detention of those not expelled, while formulating a complaint about the slowness with which Spain was acting: "only a very few [agents] had actually been expelled. . . The least that Spain could now do would be to intern those agents concerning whom evidence of espionage or sabotage had been presented by the British and American missions and to place a strict surveillance over all other Germans in Spain."⁵ The Ministry of Lequerica compromised in acceding to U.S. demands by handing over lists of those affected.

On November 2, Hayes again claimed a breach of the agreement, demanding not only the expulsion of the German consular staff from Spanish Morocco, but also from Spain itself. He based his case on the fact that the former vice-consul in Tangier, Herman Goertiz, was now acting from the Consulate General in Barcelona, and that Willy Pietsch, a former official in Tangiers, was now leading a group of subordinates in Port Bou to create a key outpost across the Spanish Pyrenees, working in close collaboration with the Spanish police chief, Mariano López (an official in the service of the Germans).

U.S. also complained about the persistence of Italian fascist agents. In fact, until June, 1944 out of 220 agents denounced by the Allies only 19 were expelled. By September, this number had risen to only 57.⁶

These delays were the result of strong ties between the Spanish Directorate General of Security of the Ministry of Interior, the Spanish Military High Command, and the Falangists with German agents in Spain⁷ After the war ended and the Allies demanded the expulsion of all German personnel, many in the Army, the Church, and various ministries remembered debts of

friendship and gratitude for services rendered during the civil war to protect these Germans. A notable case of a prominent German not expelled to Germany was the one of Bernhardt, the head of Sofindus (a secret German organization whose goal was to penetrate the Spanish economy).

Franco took his time in satisfying other issues agreed to in the wolfram negotiations. With certain promptness, the military attaché associated with Japan was withdrawal from Tangiers,⁸ and 12 Italian merchant ships which were deployed there detained in port.⁹ The release of these Italian warships detained in the Balearic Islands was not carried out until January 15, 1945,¹⁰ finally obviating international arbitration.

On this last issue, after months of delay, on October 9, 1944, and acting on the demand of Italian Ambassador in Madrid, Hayes took it upon himself (as Hoare did not consider it the right moment to do so¹¹) to secure the release directly, without arbitration, arguing that financial penalties could end up imposing international justice on Spain, and citing the United State's need to withdraw its own warships from the Mediterranean and send them to the Pacific war.¹²

Lequerica, although aware of the need for Spain to make friendly gestures to the Allies, tried to negotiate some compensation from the affair, offering to release the ships in exchange for limited amounts of U.S. weaponry.¹³ Hayes refused, and apparently failed to consult with Washington on the issue. He claimed lack of surplus and high prices, but opened the door to possible sales once the war ended. Given the failure of his initiative, Lequerica withdrew his proposal and agreed to the release.¹⁴ Finally, on December 5, 1944, upon Hayes' announcing his departure as U.S. ambassador to Madrid, he offered the release as a kind of, in his own words "Christmas present,"¹⁵ and reduced the question of international arbitration to one Spanish expert: Professor of International Law, monarchist, and former Francoist ambassador to the Vatican, José de Yanguas Messía.

Messía ruled that Spain's neutrality did not oblige her to release the ships, but he also believed that the ships should be granted 24 hours to refuel and leave the Spanish ports, where they had remained since September 1943. The ships departed on January 15, 1945.¹⁶

THE NEW AMERICAN DEMANDS

Immediately after the signing of the wolfram agreement, the United States presented new demands to Spain. These demands were of no strategic importance, but they represented the results of a growing agitation by republican exiles in favor of the removal of the Franco regime. The immediate objective was to force the regime to break off economic relations with Germany by blocking shipments of wolfram. In this, the methods of Washington and of Hayes diverged.

Hayes consistently tried to financially compensate Spain for these concessions, working to distance Spain from Germany and simultaneously court it to the Allied cause.

The first new lawsuits were filed by the U.S. ambassador with Jordana, three days before the Normandy invasion. He requested that U.S. ships be allowed to use the port of Barcelona to evacuate the wounded expected from the "forthcoming military operations on the Continent"¹⁷ and to bring food to the French civilians. He also asked for the launching of a "direct radio telegraphic circuit" between Spain and the U.S. (a petition that had been dragging on since January); the granting of landing rights to U.S. commercial airlines, as well as the dispatch of a technical committee from the U.S. to study the issue; and, finally, transfer to the embassy the building of the International Institute for Girls till then occupied by the Ministry of education and which the Embassy wanted to recover to use as Chancellery.

Although the first and final demands were granted rapidly, within the same month,¹⁸ Hayes found a very tense atmosphere in the Spanish Ministry of Foreign Affairs after presenting his demands. This was due to signs of hostility to the regime that Franco had perceived in President Roosevelt's comments on the agreement to reporters in May. Particularly, Jordana complained about the contrasting attitudes shown toward Spain by Roosevelt and British Prime Minister Winston Churchill, and he pointed out that the U.S. president had not even granted Spanish Ambassador to Washington Francisco de Cárdenas an interview for over a year, precisely at a time when Cárdenas had a selection of gift books that Franco wanted delivered to Roosevelt. Neither Secretary of State had received him. He was complained of the clandestine anti-regime activities undertaken by U.S. intelligence, which, as we know, had killed a police inspector although the regime, in deference to the United States, had not brought it to public attention. All of these, Jordana said, "certainly did not serve to create a favorable atmosphere for continuing good relations between our two countries nor did it serve to encourage the Spanish Government to continue granting one concession after another."¹⁹

Hayes was convinced by this, since had had his own problems with the OSS. However, before Jordana, Hayes justified Roosevelt's statements, emphasizing the positive aspects and insisting that the president was a "real friend of Spain" and that "he . . . [knew] this country first-hand, having made repeated visits to it," and that he had expressly wished Hayes' to be sent to Madrid as ambassador and had always supported him in his position. Finally, Hayes said, that "no election . . . [is] pending in Great Britain but one was pending in the United States." For him, there was no "ill-feeling in the United States toward Spain as a country or toward the Spanish people" and that "few, if any, attacks on the Spanish Government as such were made by large, responsible newspapers in America." The existing attacks were inspired "in considerable part, . . . by Spanish exiles and Leftist published in journals."

But, even so, the ambassador did not squander the opportunity to criticize Jordana about the existence of the Falange, calling it the "one institution in contemporary Spain which the vast majority of Americans do not like or understand, and which evokes an immense amount of criticism not only from Leftist journals but from the American press as a whole." Because of these

issues—such as Spain’s single-party system “with its long pro-Axis record and with its external close resemblance to Fascism and Naziism”²⁰—the President wanted to say as little as possible about Spain during his election campaign. And as far as the alleged subversive activities, he assured Jordana that the instructions of his government to the intelligence services were specific in all matters with respect to spying on Spain or executing subversive activities, and that he would investigate the matter.

But the ambassador’s arguments regarding U.S. attitudes toward Spain largely clashed with reality. The U.S. and British press continued to publish negative news about the regime: The BBC broadcast that Britain was going to ask Spain to stop all trade with Germany, and in the United States, Congressman Coffee again established an initiative against Franco, specifically requesting the breaking -off of diplomatic relations and support for anti-Franco guerrillas.²¹

A few weeks later, on July 3, 1944, Hayes directly asked Jordana for the cessation of business relations between Spain and Germany. He argued the progress of the Allied army in France after the recent landing and the fact that, due to the expected German withdrawal, Spain could not expect to win benefits from the Allies if she persisted in her trade with Germany. He cited the example of Portugal, which had just declared that it would stop exports not only of wolfram but also of all mineral production. In addition, it was necessary for Spain, “in its own interest, to speed up the reorientation of its foreign policy before it is too late.”²² The “Portuguese solution” had the added advantage “of making Portugal and the Portuguese Government popular in the United States and of assuring to Portugal a continuing future flow of needful products from overseas after Spain is cut off from Germany and Germany is defeated, and great pressure is put upon us for supplies to our friends and allies in Europe—to France, the Low Countries, Italy, Greece et cetera.” On the contrary, “if Spain continues to export any amount of strategic materials to Germany up to the time when Spain is cut off by our military operations in France, then one should not expect public opinion in America to support future commercial and other relations with Spain in preference to such relations with our friends and allies.”²³

The Spanish minister refused to impose a complete embargo on exports of wolfram to Germany. Moreover, he threatened that, if the Allies demanded a complete embargo, he would recommend the resumption of free export of all minerals already extracted. He told Hayes that the mood of the cabinet was worse than it had been a few months back, that his position as creator of the wolfram agreement had left him politically very weak, and that he would be unable to present this new petition to the council. He also feared that the Spanish population believe that its government was acting under U.S. pressure. He then took advantage of the opportunity to bring up another hot topic—his disappointment in the poor U.S. performance in providing—with the exception of oil—more supplies to Spain according to the terms of the agreement.

Hayes insisted that he was not demanding that Spain break with the agreement signed in May, that it had to make a gesture toward the Allies which would be useful in the future. "I must emphasize again," he said, "that as soon as Spain is cut off from Germany and a good part of the European Continent liberated, there will be great and insistent demands from France, Italy, the Low Countries, Greece, and elsewhere, for materials overseas, and the United States, rather than England, will have to be the supplier A gesture from Spain at the present time would clearly indicate Spain's friendliness toward us, and certainly our friends and allies will have the preference in months that now can not be far off."²⁴ To emphasize this point, he referred to a letter received by Beaulac from Washington in which he told him of the tone of opinions toward Spain that he had found in the capital, showing Jordana part of it. He also requested an urgent meeting with Franco, since he had been called for consultation by Washington.

The interview with Franco was held three days later, on July 6, 1944.²⁵ Hayes presented Jordana with a transcript of proposal for his approval before the meeting. In it he requested that Franco consider a change in Spanish foreign policy, and in doing so he wished

To call attention to the present rapid progress of the war and to raise the question of a reorientation of Spanish foreign policy in the light of approaching Allied victory; to explain that in this latter connection we are not seeking to draw Spain into the war on our side but we do believe it to be in strictly Spanish interests as well as in our own that Spain's neutrality should be increasingly benevolent toward us and should be indicated by speedy voluntary gestures from Spain without pleadings or pressure on our part; to point out especially the danger of not sacrificing future commercial relations with the Americas to present commercial relations with Germany.²⁶

For his part, Jordana asked Hayes "to reassure my Government, while disabusing my fellow countrymen as far as possible of the caricatures about Spain's foreign policy which were being foisted upon them by Spanish exiles." Thus he expressed his fears about the influence of Spanish political exiles on U.S. policy toward Spain. For, "He wished to stress that Spain was not behaving with any trace whatsoever of hostility toward the United States or the Allies."²⁷ Minutes before the start of the interview, Hayes was informed that El Caudillo had authorized a radiotelegraph connection between the two countries.²⁸ Although the ambassador believed this meant an immediate link would be established, Franco delayed the actual implementation by a half year and new and endless negotiations.

The ambassador complained to Franco about the continued smuggling of wolfram to Germany. Franco replied by listing the measures Spain was taking to prevent this, assuring Hayes that the government was intent on fully implementing the agreement—this was only partially true, given the support that Minister of Industry and Commerce Demetrio Carceller and other top officials was offering to the illegal trade.

Hayes then asked for the seizure of shipments of wolfram to Germany. He suggested "Spain's taking early action in order to prepare for the future that was now opening up" since "the time could not be far distant when Spain would be entirely cut off from Germany," and that "it would be most helpful if Spain at the present time would volunteer to place an embargo on wolfram and other strategic war materials." If adopted, this embargo would not only be the most effective way to stop the smuggling but "the surest way of prevailing upon America to make the sacrifices necessary to maintain and expand Spain's domestic economy." In addition, "there were heavy demands on American resources [and] there would be still heavier demands after our victory in Europe. We [the U.S.] would be called upon to meet pressing needs of our friends and allies in liberated areas—France, Italy, Holland, Belgium, Greece, et cetera—Especially friendly gestures from Spain now would surely bear fruit in the future." And he further added that, "I ardently hoped Spain would not isolate herself from the United States."²⁹

Franco's response was evasive, devoted to discussing the importance of the problem of supplies to liberated Europe by way of highlighting that which he believed would be the main European future:

It would be not merely a question of how to feed people, rebuild the towns, and rehabilitate the countryside. The greatest problem would be that of preventing civil wars within the various countries. This might be solved, at least temporarily, by Allied occupation of the countries, but if occupation were too short or too slight, due to war weariness of Allied armies and pressure from back home, then it would be ineffectual. On the other hand, if it were too prolonged or too harsh it would be likely to arouse opposition within the occupied countries. He counselled a military occupation and a curb on political activities for a period of five years, pending reconstruction and rehabilitation and getting the people into the habit of working together.³⁰

But what really worried the Caudillo was the role of the USSR in Europe, both at the level of Communist influence in Western countries and probable military occupation of the East: "It must be said that Russia would not deal well with any country, but this should be carried out by Britain and the United States, as we know well what occupation by Russia would mean. Even better that the occupation would be one which each country could assert for itself with an intervention of Allied countries."³¹ Hayes said it was going to be hard "to keep Russia away from occupying parts of Germany, and . . . of course; [the U.S. and] England would occupy the other half." Franco advocated then a negotiable peace "even if under certain conditions it did not seem unconditional surrender, but if Germany would have this belief, the war will be prolonged to whatever extent they want." Moreover, Germany was not yet defeated and Franco believed that he could have hidden resources, particularly new weapons of "great efficiency." He said in this regard that "all credit-worthy people who have been in contact with senior German military and civilians are

known to be completely calm and confident of its power, despite the difficult situation of their various campaigns. And perhaps this peace and assurance is based on the possession of certain weapons of major combat efficiency that have not yet been used." But to the observation of why they had not been already used, he had to respond that he was "convinced that they have not used these weapons, and they will wait until the time they deem most conducive to their interests to use them."³² That El Caudillo was not even then entirely convinced of Germany's defeat explains, along with his political and ideological beliefs and his ultra-patriotic pride, his reluctance to comply to the U.S. ambassador's requests.

Hayes agreed with Spain's demands for greater economic cooperation with the U.S., but he was aware that this would happen only if the embassy could encourage a positive policy toward Spain. To this end, he sought to draw the regime ever closer to the Allied cause, to counter the anti-Franco attitude in Washington. In the matter of the United States' request that Spain cease trade relations with Germany, Hayes believed that this could be accomplished by providing Spain in larger amount than before, to compensate for the loss of business that it would suffer by moving away from Germany. Washington, conversely, wanted the same result, but wanted to achieve it without any action that could be seen as a concession or as another example of alleged appeasement by the American public. Aware of this difference of opinion between the Madrid embassy and Washington, Hayes decided to appeal directly to the president, through a letter.

In this letter, dated June 26, 1944, he argued the increasing value of Spain to the Allied cause: the significant growth experienced by the Spanish collaboration in areas such as intelligence services and the receipt and evacuation of downed aircrews.

In his own words,

Our intelligence services in Spain—to say nothing of the British and French—have been greatly expanded at the very time the German has been contracted, and for several months past they have been multiplying their "chains" into France. A recent message from Algiers informs me that 65 percent of Allied intelligence—and 90 percent of American—concerning German military dispositions in France are derived from our intelligence services in Spain. The Spanish authorities are, of course, well aware of this. To date they have not interfered with it, and our policy here should be such as not to tempt them to interfere with it during the ensuing critical months. Another facility afforded us is the unhampered reception and evacuation of Allied airmen and other military personnel who find their way out of France and into Spain. Of American airman alone—not counting the British—over 900 have to date been cared for in Spain and safely evacuated through Gibraltar. At present, new American arrivals are at the rate of 25 per week, and we expect a considerable increase in this number as the fighting in France draws nearer to the Spanish frontier. In all this we have had excellent cooperation from the Spanish authorities, and we want it continued on an ever large scale.

In addition,

[T]he Spanish Government is honestly seeking full implementation of our agreement of May 2nd. Some 70-odd German agents have already been expelled from the country, and 100 more are slated for early expulsion; and various measures which we have proposed to prevent wolfram smuggling are being adopted and applied.

These figures were quite optimistic, as we know, because two months later only a few agents had actually been expelled. Hayes letter went on to say, "it doesn't help us in ensuring needful Spanish cooperation to belittle, for example, the concessions which Spain made in the wolfram agreement of May 2nd."

Furthermore, there no longer existed a reason for the vastly different treatment that was being given to Spain and Portugal. He said, in this sense, "Spaniards know that Portugal exported to Germany twice as much wolfram between February 1 and June 6 as Spain will have exported between February 1 and December 31, and that whereas Portugal receives in return not only words of appreciation but also a good deal of miscellaneous economic assistance, Spain receives only criticism and a grudging minimum of petroleum (which she received before the wolfram agreement)." Nor would he help to obtain new embargoes on Spanish products to Germany, like "woollen goods, hides, olive oil, et cetera—simply to demand them, and then to turn a deaf ear to Spanish requests for compensatory commerce with us." The fact was that Spain desperately needed cotton, rubber, fertilizers, and certain types of machinery, and after all "we appear most reluctant to let her have them." But, moreover, "Spain also needs to export *somewhere* in order to pay for her imports, and if she decreases her trade with Germany she naturally counts on the Allies to increase theirs with her." This has been "the prime topic of conversation with me during my recent trip to inspect the American exhibit at the Barcelona Fair. It is of vital concern not merely to the Spanish Government but to the Spanish people." Hayes insisted that it was therefore necessary to set aside political factors when dealing with Franco: "there is no likelihood of any early upset of the Franco régime in Spain. For the present it is the government with which we have to deal here and from which we obtain useful facilities and expect more. That we do not like its ideology should not stand of our realistically obtaining advantages from it in the war against Germany." And he warned against giving too much weight to the influence of anti-Francoist and Spanish republican exiles who sought an end to the Franco regime:

In time, of course, the Falange will disappear—and almost certainly the Caudillo with it. But that time is not yet at hand, and attacks on the régime from the outside will most probably tend to prolong rather than shorten the time. Nor should any impartial observer venture to predict whether, when the time comes, the disappearance of Falange (and the Caudillo) will be accomplished by relatively peaceful evolution or by revolution and bloodshed. Meanwhile, I believe we should work with the government which is, without going out of our way to

praise or dispraise it, and we should maintain disinterested neutrality among the divergent elements which aim eventually to supplant it.

We do not know the wording of Roosevelt's response, the drafting of which was entrusted to Secretary of State Cordell Hull. Hull's reply was a formal response that did not demonstrate any changes in U.S. policy toward Spain.

Hayes returned to the United States on July 8, 1944, leaving the Madrid embassy in charge of Walton Butterworth. The last interview between a U.S. representative (Butterworth) and Jordana took place on July 28, five days before the Foreign Minister's death. During this discussion, the American continued to press for penalties for wolfram smuggling and the suspension of all trade of this mineral to Germany, and to complain about the slowness of the expulsion of German agents.³³

HOARE AND THE MONARCHY'S PRO-RESTORATION CAMPAIGN

In the months following the wolfram agreement, the British were highly assertive. Through a series of interviews, both Arthur Yencken—as acting ambassador when Sir Samuel Hoare was in London³⁴—demanded Spanish compliance with the agreement, the closing of German consulate in Tangiers, the expulsion of German agents, and the cessation of smuggling. In a new twist, and probably emboldened by British success in negotiating the wolfram agreement, Hoare began a campaign for the restoration of the monarchy in the name of Juan de Borbón. As a result of this crusade Hispano-British relations became extremely strained.

In interviews, during formal events, and even at a dinner organized with the sole objective of directly confronting Jordana, the minister tried to push for this outcome. The irritation that he provoked in Jordana and Franco was such that there was even a threat of expulsion.³⁵ The climax came after June 30, 1944 when, at a dinner at the home of mutual friends, Hoare suggested to Jordana the rapid restoration of the monarchy; it would be an action that would facilitate the Conservative Party in defending Spain in a post-war scenario that envisaged strong pressure from the Labour Party against the existence of the Franco regime.

On being informed of this suggestion, El Caudillo ordered the minister to officially convey to the ambassador “to abstain completely, to neither allow nor insist that others would persist on a thesis which grievously affects our relations and on the position of the ambassador himself and that, if suggested, would produce a reaction against Great Britain and our future relations.”³⁶ According to pro-Franco historian Suarez Fernández, it was after this advice that the attitude of the British ambassador changed, which was reflected in his reports, published later, about his mission in Spain.

This was also the time when the British ambassador assumed responsibility for a formal diplomatic incident that further dampened already strained

relations.³⁷ It was during an official reception on July 18, held in the La Granja gardens and hosted by El Caudillo.

According to Spanish sources, the wife of Army Minister Carlos Asensio either walked away from a conversation begun by Hoare without answering, being that she was deaf, or else gave up her seat to another, leaving the British ambassador alone with the wife of the German ambassador. Hoare took considerable offense. He rose from the table, saying in French that the situation was intolerable, passed Franco without greeting him, collected his wife, who had been seated next to Jordana, and, with all the British company present, left the gathering without taking leave of his host.³⁸

Both Caudillo and Jordana chose not to pursue an incident that could only serve to harm Spain, and instead offered only a softly worded protest note that did not seek to provoke a break with the United Kingdom.³⁹

**NEW STEPS TO IMPROVE THEIR IMAGE WITH THE ALLIES:
DEATH OF THE COUNT OF JORDANA AND REPLACEMENT
BY JOSÉ FÉLIX DE LEQUERICA ERQUIZA AS MINISTER
OF FOREIGN AFFAIRS**

At this time, the regime took several new steps to improve its image with the Allies, following the initiatives taken by Jordana, which were accepted by Franco. On July 18, 1944, for example, as Suárez Fernández mentioned, it was ordered that:

Thereafter, referring to operations of war, the newspapers should use only the terms Russian military or Russian state in place of red, communist or Soviet, which puts Western allies into trouble: they were not fighting to defend communism but against Germany, taking the Russian side. In the same and reciprocal way, any mention of "Spanish fascism" should be deleted. On the 18th of August, absolute neutrality was recommended, while making clear that Spain is a Western Christian country, contrary to communism, due to which successes of the Red Army should not be highlighted. In the Pacific War, Spanish opinion should be manifested as entirely favorable to U.S. because they fought for the liberation of the Philippines.⁴⁰

In this context, on August 3, 1944, Jordana unexpectedly died of a thrombosis in San Sebastian. Ten days earlier, he had suffered a major blow on the head during a hunt, his rifle having recoiled and thrown the slightly built Count against a rock. He seemed to have recovered, and returned to his post in the Ministry, but later died.⁴¹ In view of his services to Spain, Franco ordered a state funeral for the Count.

News of Jordana's death was received differently by the press of the two warring sides. The Allies praised him; Germany was more succinct in its opinion of a minister who had explicitly embraced a substantial change in the foreign policy of the regime. Both in U.K. and the U.S., newspapers lauded

the shift toward neutrality that had been led by Jordana. Ambassador Hoare, meanwhile, said in a note sent to the press “that there could be no better example of his sympathetic understanding; no better proof could be argued than the simple comparison of the current Spanish politics with that following when the count of Jordana was appointed Minister of Foreign Affairs.”⁴²

In the American press, it was said with some obvious error of chronology “that the appointment . . . the Count Jordana as foreign minister gave a new direction in foreign policy of Spain, who spent the status of non-belligerence to a real policy of neutrality while Germany was still offensive against the Russians besieged at Stalingrad and when the Allied landings in North Africa was still far away.”⁴³

Hayes learned of the minister’s death while he was home in the United States. Since he would not return to Madrid until August 25, he telegraphed his condolences to Madrid and saw with pleasure that the State Department published a press release expressing the United States’ great regret for Jordana’s death, citing those times when Jordana’s support had been helpful for the U.S.⁴⁴

Franco appointed José Félix de Lequerica Erquiza, then ambassador to Vichy France, and earlier, in 1929, to Paris, to replace the deceased Jordana. The appointment came as a surprise, and engendered considerable resentment in the Allied foreign ministries, as the man was regarded to be very close to the Axis—specifically to Germany—and they feared a cooling or a change in the attitude of the regime toward the Allied cause. This belief was based on internal reports from the State Department and British secret services that claimed, correctly, that Lequerica had intervened in 1940 in the creation of the terrorist climate that had driven the French government to seek the armistice, and later, along with Pierre Laval, to the formation of Pétain’s collaborative “government of peace.”

According to a memorandum sent by the State Department to Hayes:

He and his staff did everything in their power to persuade influential Frenchmen who were still vacillating between resistance and capitulation that the German Government entertained friendly sentiments toward the French people and that France would be treated less as a defeated enemy than as a great though previously misguided country which would be brought back to peace and prosperity under the German aegis. When capitulation had been decided on, Lequerica acted as a intermediary for communications between the French and German Governments. It was through his facilities that arrangements were made for the French plenipotentiaries to proceed through the German lines to negotiate the armistice.⁴⁵

Lequerica advocated for the Franco-German cooperation, and was very close to Vichy cabinet ministers and with Laval when he returned to power in 1942. He maintained excellent relations with Germany’s ambassador in Paris, Otto Abetz. He was also friends with the Japanese representatives, who, incidentally, offered a party celebrating the capture of Manila.

For its part, the British secret services highlighted Lequerica's excellent relations with the German embassy in France, who decorated him, and reported, rightly, that "there is no record of his having done anything whatsoever to help Spanish republicans in danger in France . . . In fact, it will be difficult for him to explain how the ex-president of Cataluña, Don Luis Companys, was handed over by the German to the Franco Government, who shot him."⁴⁶

These negative anticipations were proved wrong. Lequerica was not only an opportunist personally, and probably a cynic, but also a very shrewd man who knew right away that the way to pursue Spanish foreign policy was to deepen the path begun by his predecessor, in improving relations with allies. In this case, he dedicated his efforts especially to trying to improve relations with the United States, aware of its power and potential, its economic importance to Spain, and its influence on the design of the rapidly approaching post-war world—a world in which, doubtlessly, Spain would be important.

Hayes treated him with kid gloves, even organized a tribute for him at the time of his dismissal. Lequerica gave new facilities to the American press in Spain. He effected changes and reinforced the Spanish embassy in Washington, and he would design a policy of rapprochement with the U.S. that his dismissal as a minister would prevent him from personally implementing him personally. Lequerica returned to official life in 1947, with a post as inspector of the embassies that allowed him extended stays in Washington. Later, in 1951, he served as Spanish ambassador to the United States. In that post, he created a pro-Spanish lobby that would work in favor of the covenants of 1953. He got Spain admitted to the UN in 1955, and worked as the Spanish representative in the General Assembly of this organization.

Lequerica was a Basque, born in 1890,⁴⁷ and possessing a large fortune. He was a member of the Management Board of Banco Urquijo, a major shareholder of Basque metallurgical enterprises, and former partner in poker games with King Alfonso XIII—in which it was said that he won and lost huge sums of money. He was also former Conservative member of the Parliament, ex-Undersecretary of the Presidency of the Government when Antonio Maura was President (1920), a figure in the dictatorship of Primo de Rivera, an anti-nationalist Basque militant fighter, and the author of books such as *Soldiers and Politicians*. Lequerica was a supporter of monarchical authoritarian and fascist ideas since the second half of the 1920s, funding like-minded groups and factions. He was militant during the years of the Second Republic, belonging to the far-right party of Alfonso, *Renovación Española*, and he worked with the grand authoritarian coalition, the National Bloc. He was an active supporter of the military uprising that led to the Civil War. After the war, Franco appointed him mayor of Bilbao and then ambassador to Paris (1939) and Vichy France (1940).

In his appointment as Minister, Franco must have weighed all the factors, such as Lequerica's opportunism, the fact that he had paraded his good relations with the U.S. ambassador to Vichy France, his involvement in the Basque-Madrid bourgeoisie, his overseas contacts, his specific political weight

within the regime, and his history as a pro-Alfonso elite. Outweighing all was the fact that Lequerica was a faithful supporter of El Caudillo, even during those times when his fellow wealthy supporters expressed periods of dissatisfaction with Franco. Finally, his appointment resolved an embarrassing situation for the regime: what to do with the ambassadorial post to Vichy France, which was about to disappear. The latter has been the explanation for appointment provided by one of the few historians to obtain access to Franco's private documents.⁴⁸

The attitude of extreme complacency adopted by Lequerica toward the Allies surprised them all, especially ambassador Hayes. But attitude was one thing, and the reality of bilateral relations between the United States and Spain was another. The Allies continued to make requests that were detrimental to Spanish-German relations and continued to criticize certain aspects of institutional configuration of the regime, especially its single-party political system. Despite growing pressure from the Allies, Spain continued to nurture its relationship with the Axis, moving at its own pace when it came to granting Allied requests or making internal political changes. Above all, these changes were superficial only, not altering the authoritarian and fascist configuration of the regime.

LEQUERICA'S COMPLACENCY AND THE REGIME'S FOREIGN POLICY

A day after his arrival in the Iberian Peninsula from the United States on August 25, 1944, Hayes had his first encounter with Lequerica. He met with a foreign minister who, unlike his predecessors in office, could speak directly in English and whom he immediately described as "clever and very anxious to please."⁴⁹ From that day on, and over the period of more than four months while Hayes was in Madrid, a dozen times encounters took place. Lequerica immediately made some overt gestures of rapprochement to the U.S., such as an order that same August that news transmitted by U.S. press correspondents press in Spain was not subject to official censorship. This vindicated Hayes, who had always maintained that the censorship and secrecy of the regime as indirect influenced the anti-Franco campaigns launched by certain sectors of the American media. Lequerica's intention, which was protested by FET y de las JONS and German embassy, was, as he told Hayes, "the desirability of acquainting the American public more fully with news from Spain and with correct information about the collaboration of the Spanish Government with [the U.S.] . . ."⁵⁰

Another quick pro-Allied gestures also took place in August 1944: the de facto (not de jure, in which neither the U.S. nor the U.K. agreed with each other) recognition of Truelle as the official representative of the National Liberation Committee of the Free French of General De Gaulle, and as the only official representative of France. As a result, the Vichy ambassadors Pietri had no official role.⁵¹ In fact, new relations with France would accelerate during

the following September, in parallel with efforts to tackle the situation of lawlessness and hostile activities to Spain from French Midi, which were being launched by the Gallo republican. It was then, for example, that Lequerica proposed Miguel Mateu, the former Mayor of Barcelona, and a man closely related to industrial France, as the new ambassador in Paris.

But not all of Lequerica's gestures were favorable or smooth. The resolution of issues such as the release of Italian warships or the expulsion of German officials continued to lengthen. The same occurred in response to new U.S. demands, such as the proposal to abolish the only air link between Spain and Germany, operated by Lufthansa, between Barcelona and Stuttgart. Throughout the entire second half of 1944, Hayes denounced the air mail sent by German diplomats, and as well as goods and financial resources, as well as from the arrival of Axis agents through air travel. Lequerica pledged to curb the air service, but not to cut the only means Spain had that allowed Madrid to contact the Spanish Embassy in Berlin and various consulates in Germany, despite Hayes' concerns about the excessive amounts (800 kilos!) of Nazi diplomatic mail that continued to be transported by aircraft. Before he would agree to close the connection, in exchange, Lequerica demanded the opening of another, specifically with Switzerland, operated by Iberia Air and with Douglas aircraft, which the U.S. would provide. U.S. Hayes responded by demanding the closure of the existing line first, leaving open the possibility of opening the new. This tug of war would continue, as would transport to and from Germany, although in November 1944 Lequerica assured Hayes that he had given categorical instructions that German agents were not free to enter Spain by air (a good example of why Hayes was so persistent in his demands).

Another issue that exasperated Washington because of the lengthy time lag to implementation was the establishment of a direct radio telegraph link between Spain and the U.S. Ambassador Hayes found in September 1944 that, despite being notified of its launch minutes before his interview with Franco the previous July, new Spanish bureaucratic difficulties had stalled the project. He denounced Lequerica and El Caudillo, accusing the government, and in particular its Office of Telecommunications, of using "delaying tactics."⁵² Franco replied with surprise, and promised to investigate. The matter continued to slowly unfold, occupying Lequerica's ministry, until an exasperated Hayes would blurt out that, at this point the file was already "bigger than any other dossier since the time of Philip the Second."⁵³ Finally, in early October, the Council of Ministers approved the implementation.⁵⁴

Two other related issues were an Allied demand that Spain sever relations with puppet regimes of the Axis, and that it restore full diplomatic relations with other countries that were in the process of being liberated. The resumption of diplomatic ties with liberated countries constituted a nonconfrontational issue. In late August, Hayes made a first proposal referring to the occupied countries of Europe and found a favorable response. Indeed, Lequerica told him that he had already been meeting with the *chargés d'affaires* of Poland and Norway. Hayes was also interested in the minister's suggestion that

the U.S. break off relations with Manchukuo and the pro-Japanese Chinese government.⁵⁵ But on November 2, when Hayes insisted on the recognition of countries like Czechoslovakia and Yugoslavia and in the severing of ties with puppet regimes in Croatia and Slovakia, the Spanish minister refused, saying the occupation was still in force. Hayes' repeated argument that such a move would be perceived as a friendly gesture toward the Allies before circumstances forced Spain to do so did nothing.⁵⁶

By contrast, the U.S. invitation to Spain to send an official delegation to the International Civil Aviation Conference to be held in Chicago on November 1, 1944 was met with enthusiasm. It was precisely the sort of event that the regime sought to present itself to the Allied world.⁵⁷ The invitation was linked to the U.S. proposal to obtain landing rights for its commercial airlines in Spain. Franco's proposal attempted to make this a *quid pro quo*, with the issue of resumption of flights of Iberia Airlines between the Peninsula and the Balearic and Canary Islands, for which he needed Allied military permits, technical assistance, and above all, aviation gasoline. Hayes refused to accept these new conditions for acceptance of the agreement about American air traffic in Spain.⁵⁸ This agreement would eventually be reached on December 2, 1944.⁵⁹

Lequerica used the Spanish delegation's trip to Chicago to initiate another of his schemes. Once the conference was finished, he sent the Spanish delegate Baraibar to Mexico as an unofficial agent to probe the government of that country about the possibility of its resuming diplomatic relations with Spain.⁶⁰ In fact, even before sending the envoy, Lequerica had requested the support of both Hayes and the State Department, fearful that the U.S. government would object.⁶¹

Other issues were more difficult and stressful. The first was the potential demand for political asylum in Spain by Nazi and Fascist leaders. In this matter, Franco and Lequerica moved with great circumspection, saying that the newly minted legal term of "war criminals" was not recognized by international law, although they assured the Allies that once they were sure of its legitimacy, they would hand over those whom the Allies had accused.⁶²

A second issue was the series of protests that Lequerica presented to the U.S. and British ambassadors, and to the French ambassador Truelle between August and October 1944, related to the presence and actions against the consular authorities of the regime and against Spanish territory, from republican maquis in southern France.⁶³ The regime sought to disarm the partisans, force them from the Midi, and send them to central France.⁶⁴ But while Hayes was endorsed and forwarded the complaint to Washington, but not much was done about it by Allied military authorities, as the situation not only continued⁶⁵ but worsened, with Spain controlling some departments, such as Ariège and Andorra.⁶⁶ The climax of this problem occurred following the invasion of the Aran Valley (October 19–24, 1944) by a guerrilla division dominated by the Communist Party of Spain, who tried to occupy part of Spanish territory.

The invasion ended in failure, due to the quick reaction of Spanish military and the inability of those responsible for the maquis to get Allied support. But

the incident led to a flood of diplomatic demands from Franco to the U.S., with Hayes being summoned into Lequerica's office to explain the Allied lack of response in the matter. Lequerica reproached Hayes, using as his argument the promises with respect to Spanish sovereignty made by President Roosevelt to the Spanish government a few hours before the launch of Operation Torch in November 1942. He said specifically that

The Spanish Government cannot understand why, in as much as the Provisional French Government is obviously unable to maintain internal order and to prevent its territory from being used as bases for hostile raids across the border into Spain, with attendant killing of Spanish citizens and destruction of Spanish property, the American military authorities in France do not exercise needful control and ensure fulfilment of the pledge given by the United States in November, 1942 and subsequently guaranteed for the duration of the war that there would be no infringement of Spanish neutrality, sovereignty, or territorial integrity.

And he added that "he expected the same respect on our part for Spain's northern border with France as we had previously showed for Spain's southern border with French Morocco."⁶⁷

As a result of this invasion, the French government moved to disarm the guerrillas, and the situation calmed down immediately; so much so that, by November 2, 1944, Minister Lequerica was satisfied with the situation on the French border.⁶⁸

Other matters included the performance of the OSS and OWI in Spain, which ceased to be an issue in large part because, from September 1944 both agencies—as was already the case with the WRB in the previous month—were reducing their activities in Spain. Yet a new conflict would arise between Hayes and OWI, because of an investigation by the OSS in December 1944 into a meeting held in the embassy between an alleged envoy of President Roosevelt and representatives of Spanish leftist opposition groups. The investigation revealed that the meeting had taken place in the American embassy, where OWI had its base of operations, and that a participant was Abel Plenn, one of its officials. The investigation's results reaffirmed Hayes' suspicion about the involvement of the OWI in anti-Franco activities.⁶⁹

But the thing that irritated the United States the most were the movements that Franco government started to do in the summer of 1944 for the recovery of ownership of *La Telefónica*.

For the U.S. government, the biggest issue of the summer of 1944 was Franco's actions taken to recover the ownership of *La Telefónica* or CTNE-ITT, the Spanish national telephone system. This was an old dispute over an issue that the Franco government had never felt comfortable with.⁷⁰ The rising tide of Spanish nationalism by 1940 found increasingly unbearable the absolute dominance of American capital, from ITT specifically, in the company and its management largely in the hands of foreign technicians. Franco wanted the matter settled now, in 1944, because in the following year the contract

would be up for review and renewal. To this end, in August 1944, the regime started a new offensive practice of harassment that would not end until the total purchase of U.S. assets by Spain in March 1945.

This harassment was accompanied by legal means to ensure that ITT would sell its shares. It began with an Order of the President stating that 51 percent of the shares of Telefónica should necessarily be in Spanish hands. Hayes went to Lequerica to demand a withdrawal of the demand. Hayes went away from his meeting with El Caudillo on September 11 with the feeling that Franco would agree to the establishment of a person or negotiating committee. However, by September 26, a new Order required immediate compliance with the previous Order. Failing that, Franco was prepared to declare illegal any action by the shareholders or board of management. Three days earlier, on September 23, the *Gazette* had issued a decree that all foreign management, administrative, and technical personnel of the company should relinquish their posts within three months (i.e., before December 23, 1944).⁷¹

The CTNE-ITT question would be introduced by Hayes in all his interviews with Lequerica and Franco, and he presented in six diplomatic notes of complaint,⁷² but to no avail. The intricate and often chaotic inner functioning of the Franco administration, as well as private interests in the matter, worked to derail negotiations. Rather than dealing with one government entity, Hayes had to deal with the Presidency of the Government department and its undersecretary Luis Carrero Blanco; the Minister of Industry and Commerce Demetrio Carceller; and Lequerica of the Foreign Ministry. Lequerica was also a major private shareholder in Telefonica and an intimate friend of the president of CTNE-ITT, Marquis De Urquijo. To deal with the Ministry of Industry and Commerce, Lequerica sought the intervention of another friend, the influential journalist Manuel Aznar. Added to these was Franco himself, whose most important adviser was Carrero Blanco. As Lequerica told Hayes "the Caudillo was considerably misinformed about the history of the Telephone Company and there were too many self-seekers with personal axes to grind in the matter who had access to the Caudillo and prejudiced him against the Company."⁷³ On its part, the U.S. ambassador was clear about what was really happening and decided to act decisively to stop the maneuver. Lequerica said that

The Spanish Government, whatever might be the professions of the Caudillo, was actually doing by indirection what it had no right under the contract to do directly and legally. To all intents and purposes, it was nullifying the contract and thereby it was endangering a large and important foreign and American investment.

Whereupon,

[M]y Government did not propose to sit idly by at such flouting of justice. It intended to protect American interests unjustly attacked or undermined. I was sure that if and when the real facts in the case became public property there

would be a most violent repercussion of American public opinion. American investment had been made with the clear understanding that the Spanish Government would respect and observe the contract it had freely made with the Telephone Company. It was now violating and nullifying that contract. If the Spanish Government wished to abrogate the contract or to modify it, it could do so legally and in accordance with contractual provisions. To achieve these ends, whatever they might be, by high-handed, unilateral action was obviously unfair and unjust, and quite belied the Caudillo's assertion that he welcomed foreign investment in Spain and wished to have it protected and justly treated.⁷⁴

The paradox was that all this was happening amid some indications from both the Foreign Minister and Franco, of extreme interest in promoting U.S. investment in Spain, an interest that otherwise appears to have been sincere (and, of course, logical), given Spain's need for capital and technical support. But the Franco regime wanted this support to fit into their ultranationalist mold.

In spite of setbacks, Lequerica's pro-U.S. strategy continued. Its efforts were exerted first toward strengthening the capacity of the embassy in Washington, and second, in establishing diplomatic relations with Mexico. To these were joined new efforts, like the one that he expressed on October 12, 1944, in the course of a dinner with all American missions in Madrid, that Spain be included, along with Portugal, in the Pan American Union. He assured those assembled that day, in a marked departure from the policy followed by the Foreign Ministry at the time of Serrano Suñer, that "Spain had no any political ambitions whatsoever in America or any desire to interfere in any of the internal affairs of American Republics, but simply for cultural and commercial reasons."⁷⁵ In the same vein, on the day of a farewell tribute organized for Hayes, to which leading academics were brought together, the ambassador was presented with nothing less than a portrait painted by Zuloaga, in gratitude for the Ambassador's service and to honor the "great country with which we only desire to maintain relations of harmony and mutual understanding."⁷⁶ The contrast between this and the negative reception that Hayes found in Franco when he demanded changes to Spain's foreign policy was significant. The responses of El Caudillo did not go beyond diplomatic politeness and certainly showed a great effort to restrain the irritation that U.S. demands produced in him.

An example of this occurred on September 11, 1944, when the ambassador, at a meeting in El Pardo, asked Franco directly to accede to U.S. wishes that Spain take actions to quickly and clearly align itself with the Allies, an alignment that was not to involve Spain's direct involvement in the war. He did so after explaining his recent trip to Washington and the interviews he had had with the Secretary of State Cordell Hull and senior officials of the Departments of State, War, Navy, and Trade, and as well as with the chairmen of the committees of Foreign Affairs of the Senate and the House of Representatives, and the media. According to Hayes, the dominant impression of the U.S. toward Spain was of "regret and disappointment" because they were not

“moving more quickly and unmistakably to adjust its foreign policies to the now rapidly changing military situation throughout the world.” He added that “my Government and my people, [expect in] the complete and utter defeat of Germany appeared certain within a very few months, if not within a few weeks. In the light of this, they could not understand why Spain did not take needful action in advance and align itself with the United States and Great Britain in every respect short of active participation in the war.” And that “many Americans could understand why, back in 1940 and 1941, Spain might have felt obliged to pursue a policy of benevolent neutrality toward the Axis, but not a single American could understand why now, in the summer of 1944, Spain should be pursuing a policy of narrowly legalistic neutrality when it should so obviously, in the face of an utterly changed military situation, and in its own postwar interests, be pursuing a policy of benevolent neutrality toward the Allies.”⁷⁷

Franco replied tersely, saying that everything Hayes said had seemed very interesting and important. A few days later, the American, exasperated by delays in resolving many problems and the emergence of a new one on the part of Lequerica, would tell Franco that “I had to ask myself, and my Government was asking me, whether Spain really was going to cooperate with the United States and Great Britain or whether Spain was going to continue on its earlier course and be actually pro-German.”⁷⁸

Hayes also moved among the ranks of Spanish government officials looking for any signs of anti-fascist sentiment that might be still compatible with maintaining the essence of Franco’s regime. Also, in private or semi-official environments, he could show himself as clearly pro-francoist. This occurred, for example, on November 23, 1944, when he met with Jose Maria Doussinague in the Foreign Ministry to reveal his personal opinions on Spanish domestic issues. He did not hesitate then to ensure Doussinague that

I accept that Spain is a democracy in its essence and of course I fully understand that democracy can take different forms of expression in the different countries and is not bound specifically to the political mechanism that is manifested in my country. But there is a very important point about which I have serious concerns, and it is this: The Falange seems to be too much fascist like [Italian]. And this appearance is harmful for the interest of Spain because any observer who could see things from afar believes that Spain is a fascist country, even when it is not today.⁷⁹

He explained his insistence on removing the appearance of fascism in Spain, focused on the FET and the JONS, since they motivated the creation of an anti-Spain environment in the United States.

The Spanish Regime, though not fascist, resembles too much a fascist regime because of the close resemblance of the Falange with the Italian Fascist Party. I do not think there is need for a thorough nor violent reform: I believe that, taking into account that after the Spanish Civil War the Falange no longer has a rai-

son d'être, it would be enough to subtly and gradually change the appearance of fascism. Precisely because I know very well that Spain is not fascist, I do wish to be done with the appearance of fascism that the Falange brings about.

To the American ambassador, this could be resolved if the government concentrated its efforts on improving the Youth Front, Social Assistance, or censorship. In addition, there was the danger that Spain would be punished financially, which could lead to a return of the Reds:

Personally, I'm totally detached from the Martínez Barrios, the Negrins and the Álvarez del Vayos. But precisely the subsistence of the Falange I see a serious danger that they may return to Spain. I cannot hide from you that the day the war is over there is a good chance that the United States, yielding to pressure from public opinion (and the same other allied nations, including South America), cease trade relations with Spain. It will be something that looks like economic sanctions and the cause of this will be only the appearance of fascism that has Spanish politics, only the appearance, not the true reality. I'm sure this will not happen with Turkey, Portugal, China, and Brazil, which are also countries with a system of authority. Spain differs from them not with the respect of the essence of his regime, but in appearance that is fascist. However, although the intent of these may be called economic sanctions will only remove the last vestige of fascism in the world, the reality is that Spain will go through serious difficulties, so serious that give the Reds a chance to try a rematch. With all sincerity I can assure you that as a Catholic I would like to avoid that possibility because the damage that will be done to Spain will go much further than the intentions of those who apply these sanctions. But I see no means to prevent if you do not remove the appearance of fascist regime.

The problem for the ambassador, was that, according to Franco,

The anti-fascist campaign we have done is so great and of such great importance that there can be no sincere cooperation as long as that obstacle can be overcome. Spain should be organized according to its traditions and history, as must be well seen in South America. A purely traditional Spanish regime, even if not a parliamentary constitutional system, would not be the subject of the attacks directed at Spain today. Nobody would have anything against that, since Spain is free to determine how they want to organize. But precisely because of this principle, we cannot justify having a regime that Spain considers American, borrowed from Italy and Germany, and others, and even imposed against their will on the Spanish.

And he said that he intended to write a book about Spain.⁸⁰

All this information came to Lequerica and revealed the intentions of Franco toward Hayes. In a conversation, he was told that "the Caudillo was giving most serious attention to the problem of effecting an evolution in the existing régime without weakening the State." It was quite obvious that "the

United States and Great Britain also wanted a strong cooperative Spain, rather than a weak Spain torn again by civil war." Moreover, he said, the United States "must bear in mind that the majority of the Spanish people had really supported Franco in the Spanish Civil War and had won the victory and that, consequently, the victors simply could not and would not abdicate to the minority and let the latter start a new civil war or a new chaos." Of course, "he could not tell me just how the problem was going to be solved, but he could assure me that steps would shortly be taken in the direction of evolution" because he recognized that "the Falange in its present form and with its present trappings was very unpopular both in the United States and in Great Britain." Now informed about the public opinion of the Allies, he was sure that "no evolution which might be brought about here could satisfy certain extremist public opinion in the United States or Great Britain, which would be content only with renewal of civil war and triumph of the forces of chaos here." But "he was hopeful that an evolution could be brought about which would satisfy a much larger and more reasonable public opinion in our countries and which would thereby enable especially the Government of the United States to accept close collaboration with Spain. The central desire here was to work closely with the United States."⁸¹

In the same meeting, Lequerica referred Hayes to his last interview with Ambassador Hoare, in which Hoare proposed that Spain mutate its political system into a one of "moderate Government." Asked what that would mean for Spain, Hoare had responded that "a parliamentary monarchy with two moderate parties, the one under such a person as Count Romanones and the other such a man as by José Félix de Lequerica." The aforementioned replied that such a regime in Spain would not last more than 15 days and that "the old monarchy of Romanones and Maura had lost practically all popular support and had proved beyond the peradventure of a doubt a failure. Nobody amongst the Leftist parties in Spain would accept such a restored monarchy and very few of the Rightists would accept it." But he added that he and Franco also wanted a moderate government in Spain, but a government that would be strong and would agree with the Spanish character, and not with the British character or the traditions of the United Kingdom either.

Hayes was already in his final days as ambassador—he had submitted his resignation to the President on November 9, two days after Roosevelt's reelection—and, as we see, in these his last negotiations with the regime he was more sincere in his expressions of goodwill toward Spain than he had been earlier. In a conversation with Doussinague, held on January 9, 1945, he sent a reassuring impression regarding the intentions of U.S. with respect to the future of the regime. He reiterated, "in the most emphatic and energetic way" Roosevelt's promise not to intervene in the internal affairs of Spain,⁸² but added that Spain must understand that a president of the United States cannot ignore the public opinion of his country and that he has to make some sacrifices purely apparent, so that the substantive Spain, retaining their current organization, may be submitted to the American public with the

disappearance of externalities that lead to confusion between our regime and a fascist one⁸³”

A small evolution would create a change in American public opinion. But most unusual was that he said

In Spain, the power should and must remain in the hands of General Franco because it keeps the country in peace and with authority Because a change of power, at present, would lead to anarchy, almost immediately . . . [and third] because Franco is a known Head of State and imposing a new one would mean raising a new mystery to solve. And Anglo–American countries cannot afford to light a torch in the fruitful peace of Spain. Franco, with such modifications as urgent in his party that he is aware he will undertake, should continue. For the good of Spain and for the good of all.

The recipient of the report of this conversation, El Caudillo himself or Carrero Blanco, noted in the margin: “Very interesting.” Franco and his advisors took this as an assurance of the continued willingness of the United States to work with the regime in the future. The problem was, as the British were aware and as has been made clear throughout this work, that the highest Spanish officials were confusing Hayes’ personal policy with that of the Roosevelt administration’s.

As noted by a counselor from the Foreign Office, on December 2, 1944, that he had “the impression that the activities of the U.S. embassy in Madrid in supporting and strengthening the Regime of General Franco represent the personal policy of Hayes.”⁸⁴ And they were right. As noted in London, “Franco believes he has the support and good wishes of United States government.”⁸⁵ Lequerica held this same belief. Soon, however, U.S. policy toward the Franco regime would change. But first, Hayes resigned as ambassador to Madrid.

THE RESIGNATION OF CARLTON J. H. HAYES AS AMBASSADOR TO SPAIN (JANUARY 1945)

Franklin Delano Roosevelt was reelected, for a fourth consecutive term, President of the United States of America on November 7, 1944. And, as was customary in the U.S. diplomatic service, all ambassadors appointed by the previous administration submitted their resignation to the newly elected president. As did Carlton J. H. Hayes, as early as November 9 through letters to the Secretary of State Cordell Hull and the President himself. In Hayes’ case, however, this was not purely a formality, but the manifestation of his desire to end his mission in Madrid. The fundamental reason that Hayes put forward was that the extraordinary circumstances that had led to his appointment in 1942 had disappeared, and he believed that he had fulfilled the commission set to him by President at that time. His wished to return to his normal academic life in New York at Columbia University. In his own words:

In the spring of 1942, you honored and entrusted me with a wartime mission as your Ambassador to Spain. This mission, I believe, has now been discharged. Spain not only did not enter the war on the side of the Axis or jeopardize Allied military operations in North Africa in 1942, in Italy in 1943, or in France in 1944, but has actually accorded us, during the past two years and a half, an increasing number of facilities helpful to our war-effort.

Now that our favorable position in Spain has been decisively confirmed and buttressed by our great military successes on all fronts, the mission in Spain properly loses its wartime emergency character, and I would accordingly ask to be relieved of it. It has been performed gladly by me, in the knowledge that I was serving you and your country and that I had your confidence and support. Frankly, however, it has been costly and wearing for me, and I eagerly look forward to resuming my semi-private life and work at Columbia University.⁸⁶

The President agreed. Hayes' resignation was accepted and would become officially effective in January 1945. Roosevelt's letter to Hayes showed sincere appreciation for his work.

I have read with genuine regret your letter of November 9th in which you tender your resignation as Ambassador to Spain. You have carried out a mission of great difficulty with outstanding success and in doing so you have made a contribution to the war effort of the highest importance. I am mindful of the personal sacrifices and the personal cost which this your contribution has involved for you. In reluctantly accepting your resignation for the personal reasons which you describe and effective at such time in January, 1945, as may be convenient to you. I wish to thank you most warmly and to assure you of the lasting gratitude of the Government which you have served at a critical period of our history with such a distinguished loyalty and efficiency.⁸⁷

For his part, Secretary of State Hull, from the hospital where he was admitted because of his tuberculosis (a disease that had been kept hidden not only from the American public, but from his own department as well), remarked on Hayes' "never-failing cooperation and support" and expressed his appreciation for Hayes' "magnificent contribution to the welfare of our country."⁸⁸ Three days later Hull resigned as Secretary of State.

THE RESIGNATION OF CORDELL HULL AS SECRETARY OF STATE (NOVEMBER 27, 1944)

On November 27, 1944, President Roosevelt announced that he had accepted with "very great regret, deep regret"⁸⁹ the resignation of Secretary of State Cordell Hull.

But the reality of the administration's dealing with Hull put the lie to the president's words. Roosevelt was still smarting over the forced resignation of his friend Sumner Welles, and he had always been personally interested in

personally directing U.S. foreign policy. As well, he had a principal political adviser in the person of Harry Hopkins. Very little room was left for Hull, now that Roosevelt had good relations with Congress and was secure in his reelection.

Roosevelt had excluded Hull, from just after Pearl Harbor, from cabinet meetings as well as from inter-Allied conferences. Hull had not attended the meetings held in Casablanca, Cairo, or Tehran, unlike other ministers Foreign Affairs. Hopkins, Roosevelt's assistant, was present at the repeated and sometimes critical visits of British Prime Minister Winston Churchill to the White House or to the president's private home at Hyde Park, visits that had led to some key strategic agreements. And, although it may seem incredible today, Hull only learned of the number of casualties at Pearl Harbor from reading about it in the press, he was unaware of the proposed date for the D-Day landing, and he knew absolutely nothing about the Manhattan Project to develop the atomic bomb.

Despite the appearance of normalcy that Hull always maintained, Roosevelt's exclusion of him from military affairs and, indeed, from many meetings directly affecting foreign policy, affected him deeply. Of the Roosevelt-Hull relationship, Assistant Secretary of State Dean Acheson wrote in his memoirs:

Largely detached from the practicalities of current problems and power relationships, the Department under Mr. Hull became absorbed in platonic planning of a utopia, in a sort of mechanistic idealism. Perhaps, given the nature of the current problems, of the two men, and of the tendency to accept dichotomy between foreign and military policy, this would have occurred in any event. But it accentuated the isolation of the Secretary and the Department in a land of dreams.⁹⁰

Cordell Hull was succeeded in office from December 1, 1944, by his Undersecretary, Edward R. Stettinius. Joseph C. Grew, a career diplomat and Roosevelt's friend since their days at Groton and Harvard, became Undersecretary. In fact, due to Stettinius' frequent absences between January and June 1945 to attend international conferences of the United Nations organizations and others and, later, in the absence of the next Secretary of State, James F. Byrnes, Grew often acted as Acting Secretary of State, working very closely, with the president, especially in Spanish affairs. In a way, it was Welles all over again.

FORMER AMBASSADOR HAYES FAILED TO ATTRACT SPAIN TO U.S. POLICY

In keeping with the U.S. ambassadors ongoing goodwill and in the belief that the United States would continue to support his regime, Franco and Lequerica bid farewell to Hayes in style. After returning to the United States, Hayes took advantage of his special relationship with President Roosevelt to send him, on

February 24, 1945, a comprehensive memorandum analyzing U.S. relations with the Franco regime. In it, Hayes gave his opinion on the basic policy that he believed should be followed concerning Spain. After reading it, the President gave it to Acting Secretary of State Grew to prepare a response ("a very nice letter," he noted). But, to Hayes' chagrin, did not affirm Hayes' own beliefs, but rather constituted a reaffirmation of the strong line and continuous demand for concessions that had been applied by Roosevelt administration and even included a shift toward greater hardness in the United States' dealings with Spain. The administration's course of diplomacy toward Spain showed, clearly and explicitly, the coldness that the President felt for Franco and his regime.

After thanking Hayes, and praising his work, saying that "your recommendations on our future policy toward Spain deserve and are receiving the closest attention and respect," Roosevelt said that "whatever this policy may eventually become, I believe that you will agree that at the present time it must inevitably take account of the fact that the present régime in Spain is one which is repugnant to American ideas of democracy and good government."⁹¹

Hayes, in his memorandum, and consistent with his moderate stance toward the regime, had described El Caudillo in a benevolent and appreciative manner. According to him,

General Franco should not be underestimated. He is a cautious and clever politician, and, though a large majority of Spaniards, "Rightist" as well as "Leftist," would doubtless prefer another Chief of State (if it could be arranged in an orderly fashion), most of them recognize, with varying degrees of gratitude, that by virtue of his cautious cleverness and opportunism he has succeeded in keeping Spain free from foreign and domestic war during an extraordinarily trying period.

In the same way, Hayes explained Franco's foreign policy during the Second World War:

so long as Axis victory seemed to him inevitable, so long as almost the whole continent of Europe was at the mercy of Germany, with German armies massed near the Pyrenees and German submarines infesting the seas adjacent to Spain, General Franco let Hitler and indeed the world believe that he was pro-Axis

Franco apparently did this so clearly and convincingly that his pro-Axis leanings were most likely real. But, Hayes continued:

Nevertheless, whatever may have been his inmost thoughts and personal fears in the matter, the fact remains that at least from the date of his dismissal of Serrano Suñer from the Foreign Office and the leadership of the Falange, in September 1942, General Franco has guided or backed the responsible officials of his Government in approximating Spain's official position to the pro-Allied position of the large majority of the Spanish people.

In this it is apparent that Hayes underestimated not only the pro-Axis alignment of the regime during those years, but also Franco's own political sympathies toward Germany, apparent in the conversations that had been held between Franco and his brother-in-law Serrano Suñer with top Nazi and Fascist leaders. That Spain had not entered the war with the Axis could not be taken as proving Spain's sympathy with the Allied cause.

The Ambassador presented Franco's policies of those years in a similarly favorable way, overlooking the fact that Spain's cooperation with the Allies was based on its extreme economic dependence on obtaining supplies from the Allies and its fight for survival as the final victory over the Axis became clear:

From September 1942 to June 1943, while the Spanish Government was still ostensibly "non-belligerent" and hence "unneutral," it not only placed no obstacle in the way of our landings and military operations in North Africa and Southern Italy but gave us significant facilities, such as *de facto* recognition of the French Committee of National Liberation at Algiers and of its official representatives in Spain; free transit through Spain of some 25,000 volunteers (chiefly French) for active service with our armed forces in North Africa; non internment of several hundreds of our force-landed military airmen and their evacuation through Gibraltar; immediate delivery to us, quite uncompromised, of secret equipment on force-landed planes; and freedom and fully opportunity to carry on economic warfare with the Axis on Spanish territory by means of pre-emptive buying of wolfram, mercury, fluorspar, skins, woolen goods, etc., and blacklisting of Spanish firms doing business with the Axis.

From July 1943 to May 1944, The Spanish Government shifted its declared position from "non-belligerency" to "neutrality," and gradually increased the facilities it was according us to the detriment of the Axis. It not only curbed the discrimination against us in the Falangist-controlled press of the country, withdrew the Blue Division and Blue Air-Corps from the Eastern front, and replaced pro-Axis with pro-Allied diplomatic representatives in several countries of Europe and Latin America, but it permitted the commercial sale of American propaganda magazines, granted us control of all passenger traffic, by Spanish airplanes as well as by ships, between Spain and Spanish Morocco, and withheld recognition of Mussolini's "Social Republican" Government in North Italy. Moreover, it speeded up the evacuation of Allied refugees and force-landed airmen, arranged for the escape to Spain of a considerable number of Jews from Hungary, Germany, and the Low Countries, and tolerated, even to the point of abetting, the very important clandestine activities of our secret espionage services (OSS, etc.) directed toward obtaining from across the Pyrenees invaluable military information about German troop movements and dispositions in France. Finally, as the result of a series of negotiations, pressed by us and vehemently opposed by Germany, Spain embargoed all exports of wolfram to the Axis from February to May and agreed to allow thereafter only token shipments (which stopped altogether after our landing in France in June 1944). Simultaneously the Spanish Government agreed to release the dozen Italian merchant ships then in Spanish ports, to submit to arbitration the question of the internment of Italian warships which had been held for several months in the Balearic Islands,

to close the German Consulate at Tangier, and to expel its staff and other Axis agents suspected of espionage or sabotage against us.

Since July 1944, the Spanish Government has repeatedly indicated, by word and likewise by deed, that its policy toward us is one of "benevolent neutrality". It has authorized our use of Barcelona as free part of entry for supplies for France and other "liberated" areas. It has expelled or interned several hundred German agents. It has assured us that it will not harbor persons adjudged by competent Allied tribunals to be "war criminals". It has rescinded most censorship restrictions on American journalists in Spain and is now arranging with the United Press to utilize this American organization's news service for the Spanish press. It has been the first foreign government to make a general air agreement with ours, and under this, we are obtained transit and landing rights in Spain for three American airlines. It has finally put into force between Madrid and New York the direct radio-telegraphic circuit which had been the object of protracted and fruitless negotiations by us with the Spanish Monarchy prior to 1931 and with the Spanish Republic prior to the Civil War. On the eve of my departure from Spain, in January, the Foreign Minister notified me that his Government had released the interned Italian warships. Already the outstanding, and long-standing, difficulties between the Spanish Government and the American-owned Telephone Company were the subject of amicable negotiations which bade fair to issue in a mutually satisfactory agreement. Moreover, the Foreign Minister had already agreed to stop the carrying of any merchandise by the German airline between Barcelona and Stuttgart (the only means left to Germany of getting goods from or to Spain), and had expressed a desire to discontinue this German line altogether if only we would consent to the establishment of a Spanish-Swiss air service which, through a station in France, could be subjected to our supervision and control. Furthermore, both the Foreign Minister and General Franco himself have repeatedly made clear, not only in conversation with me, but by inspired articles in the Spanish press, their hostility to Japan and their wish, if and when we gave the signal, to join Portugal in breaking with Japan.

This account was correct, but it was obvious that it was not just the regime's political opportunism that kept it from breaking relations with Germany. In fact, Spain continued to maintain amiable diplomatic relations with Germany from 1936 until the day of the German surrender at Reims on May 7, 1945.⁹²

But the primary objective of Hayes' memorandum was to advocate both for the maintenance and deepening of friendly relations with Spain, allowing the Spanish people solve their political problems on their own and without U.S. intervention. Knowing the climate of hostility against Spain that existed in the public opinion of his country, and having been himself repeatedly under fire by anti-Franco media, the former ambassador argued that while

Every major nation . . . would like to see every other nation fashioned in its own image and likeness . . . most Americans would doubtless like to see Spain a democratic republic functioning under constitution and bill of rights akin to ours; and some Americans certainly hope and expect that sooner or later our Government

will employ its economic power and, if necessary, its military force to replace the existing political régime in Spain with such a democratic republic. But on the other hand, Soviet Russia and Communists elsewhere in the world hope and expect that Spain will be transformed into a Soviet state, into a “dictatorship of the proletariat,” with Dr. Negrín, or someone like him, forcefully replacing General Franco; while the statesman who served as British Ambassador at Madrid from 1940 to 1944 has repeatedly voiced the hope of Conservative Englishmen, if not expressly of the British Government, that constitutional monarchy might be restored in Spain—to the special delight and advantage of Great Britain.⁹³

His analysis of Spanish reality was different:

From my experience and observation in Spain, I am extremely dubious about the happy or successful realization of any such hopes. The masses of the Spanish people are indifferent, if not actually hostile, to the Bourbon monarchy, and if it were restored by some military coup it would lack needful popular support and could be maintained only with foreign (presumably British) assistance. On the other hand, large numbers of Republican and Socialist “Leftists” blame the Communist minority, no less than the “Rightists” for the tragedy of the Spanish Civil War, and at least some of them would make common cause with the entrenched and not inconsiderable strength of the “Right” against any Communist régime, with the result that such a régime would have to be forced upon Spain by foreign (presumably Russian) arms. Nor should we be under any illusions about the present ability of the mass of Spaniards to create and maintain a democratic republic and to make it function continuously according to American traditions and ideals. Unless we are prepared to occupy and police the country and to ensure free and honest elections over a long period of time, we shall sooner or later discover to our grief that a restored republic in Spain will be the harbinger of a new cycle of disorder, chaos, civil war, and great popular suffering and distress.

But what he was asked was:

If it is an Allied war aim to overthrow all dictatorships throughout the world, we should get rid of General Franco’s dictatorship; and for this purpose there could be, I suppose, effective cooperation, economic and military, among the leading Allies—the United States, Soviet Russia, and the United Kingdom. But would there be continuing agreement among the Allies as to do who or what should take General Franco’s place? And if he is to be ousted as a dictator, what about Dr. Salazar of Portugal or General Vargas of Brazil or Marshal Stalin of Russia or a half-dozen or more Presidents of Hispanic American Republics? In the circumstances it would seem to be statesmanlike, at least from the standpoint of the United States, to ensure a peaceful resolution of current political difficulties and conflicts within Greece, Poland, Yugoslavia, Belgium, and other liberated countries before undertaking intervention in Spain or in any other neutral or allied country.

The letter stressed Hayes’ anti-interventionist recommendation: “Frankly, I would leave Spain to the Spaniards—and to Spaniards within Spain. Left to themselves, they are no menace to the peace of the world, and they are

stubbornly opposed alike to domestic regimentation and to interference from abroad." And so, and quite surprisingly in view of what actually happened in Spain, he added: "The present Régime is recognized by the mass of Spaniards, 'Rightist' as well as 'Leftist,' and is admitted by General Franco himself, to be but 'temporary,'" citing the political changes announced by Lequerica: "Eventually there must and will be a change in the régime in the direction of curbing, if not dissolving, the Falange, and liberalizing the institutions, laws, and practices of the country. Such change is more likely to be impeded than to be expedited by foreign intervention or interference, which would certainly inflict great suffering on the Spanish people and which most probably would lead to serious divisions among the major Allied powers." Hayes did not mention something he surely understood after his years of service in Spain: Franco, despite the many cosmetics changes that he would see carried out, was not willing to relinquish power, which was what President Roosevelt, his administration, and much of the American public wanted.

As for U.S. relations with Spain, Hayes' advocated that they remain good, with Franco or whoever would to succeed him: "Meanwhile, with the existing Spanish Government, as with any Spanish Government which, through evolution or internal revolution, may succeed it, the United States would do well . . . to pursue the policy of friendly relations . . . Spain and the Spanish people . . . can be regardless of their form of government, very serviceable to American interests at the present and in the future." And, Hayes believed that, despite the opportunism of the dictatorship, "the Spanish Government, like the large majority of the Spanish people, sincerely desires to cultivate especially friendly relations with the United States. I firmly believe that for the future, regardless of what its Government may be, whether on evolved from General Franco's or a restored monarchy or a socialistic republic, we should reciprocate and should cultivate especially friendly relations with Spain." His great concern, although never specified, was that the U.S. refrain from directly contributing to any harassment of the Franco regime. Hayes great hope was that the new ambassador would provide continuity with his own policies.

He based his argument on five considerations: (1) the strategic position occupied by Spain in world geography, with specific reference to present and future commercial aviation operations as an essential link in the traffic between the Americas and Europe; (2) the important geographical position of Iberian Peninsula in the European continent and the world if a new war would break out, serving as it had as a key bridgehead for the arrival of U.S. reinforcements to the European allies; and (3) Spain's economic value to the U.S., beginning with its ability to provide immediate textiles, tires, and food to U.S. armed forces operating in the European theater, but conditioned by the fact that Spain was previously supplied from North America with the essential raw materials, which Hayes used to criticize existing economic policy.⁹⁴ He went on to cite (4) the cultural factors that should be developed through the design of an exchange program of the same scale as that existing with Latin America; and finally, (5) he argued the necessity of including Spain and Portugal in the "good neighbor" policy that the administration had been implementing

in its relations with Latin America. For Hayes, Spain was part of a Hispanic world, conceived as a whole, and U.S. policy toward it should take that into account. He said, "I do not believe that we can successfully pursue one policy in Hispanic America and another in Spain. If we continue to convey the impression that we are a "bad neighbor" to Spain, we shall increase the difficulties and hazards of remaining a "good neighbor" to the other American Republics."

Hayes expounded on this point, considering that it was important to maintain social and political parity among the Hispanic nations on both sides of the Atlantic, and going so far as to request that, within the Department of State, relations with the Iberian Peninsula were treated together with those of Latin America, and not of Europe.

He was well aware of how his proposals could be received by American and Allied public opinion in general, given the view in which the American and British press and radio held the Franco regime:

I fully recognize obstacles at present in the way of the adoption by the United States Government of that especially friendly attitude toward Spain which the Spanish Government and the Spanish people desire. Our Government, being democratic, is naturally and necessarily responsive to public opinion. And public opinion in the United States, as crystallized or reflected by our journalists and publicists, has been, and still is, predominantly hostile to the existing régime in Spain, expectant of its speedy collapse, and opposed to any measure or indication of a collaboration with it which might conceivably serve to strengthen or prolong it. This opinion is reinforced, moreover, by a somewhat similar attitude prevalent in England, by the wishful thinking and interested propaganda of exiled refugees from the Spanish Civil War residing in the United States, France, Britain, and Latin America, and by the even more denunciatory propaganda emanating from Soviet Russia and its inspired press and radio.

We may do not like the existing régime in Spain, but we are seriously misinformed and unrealistic when we assume that its collapse is imminent—unless, of course, we are ready to employ Allied armed forces to collapse it. It is not going to collapse through any voluntary abdication or, so far as I can see, through any mass revolt of the Spanish people. The domestic opposition to it is too divided, too broken into quarrelsome groups of Monarchists, Republican, Socialists, Syndicalists, Anarchists, Communists, and Basque and Catalan Nationalists, and too lacking in experienced and respected leadership. The memory of the horrors of the late Spanish Civil War are still too much vivid, and the fear of doing anything to precipitate its recurrence is, with the possible exception of the Communist minority, almost a national obsession.

Also he argued correctly that

Despite allegations to the contrary by Communist radios at Moscow and Toulouse, and by certain Spanish exiles in Paris, New York, Havana, and Montevideo, there have been no riots or other disorders anywhere in Spain

during recent months or years; and the few hundred Spanish “maquis” who attempted incursions across the Pyrenees into Spain after the liberation of France failed utterly to enlist recruits of Spanish soil and only managed to get killed or be taken prisoner or to escape back to France with some cattle and sheep which they had pilfered from peaceable but naturally resentful peasants.

After all, the existing régime of General Franco represents that part of the Spanish nation which finally won a three years’ civil war; and it would indeed be quite a novelty in human history if the victors in such a war should say to the vanquished only five or six years afterwards: “We are sorry; we shouldn’t have won; we have made a mess of things; we will now restore you to power and welcome back your former leaders and let them do to us what they will”. Imagine General Grant saying anything like that to the leaders of the Southern Confederacy in the midst of our own post-civil-War Reconstruction.

And, being aware of the weight of public opinion against Franco in the Roosevelt administration, he called for improving their level of information:

There remains, of course, a public opinion in the United States, besides other public opinions in Great Britain and Russia, hostile to our pursuit of that policy. But the most hostile of this public opinion, is, I am sure, a peculiarly ill-informed, or a most selfishly interested and propagandist-directed, public opinion. I am myself a convinced democrat and consequently a respecter of the need and importance of public opinion. But if a democracy is to act wisely, especially in the domain of foreign policy, and at the same to reflect, as it should, the major public opinion of its people, it is of supreme importance that democratic public opinion be well-informed and truthful and honest. Public opinion which is fashioned and propagated otherwise must of necessity lead a democracy like the United States into the most foolish and dangerous paths.

He concluded his letter by saying:

As the United States moves into the last phase of the present World War and prepares to project its worldwide leadership into postwar reconstruction and the organization and maintenance of international peace and security, it becomes all the more desirable that our Government, particularly our Department of State, should strengthen and make more effective its liaison with the American press and other fashioners of American public opinion and thereby contribute actively toward making and keeping that opinion well and wisely informed. This, I hope, would apply to our relations with Spain as with other countries.

the United States intended to limit its efforts, both as the war was drawing to a close and in the future, to improve relations with a régime that it saw as a shameful living reminder of the defeated fascist régimes of the Axis powers. However, neither would the United States take any definitive interventionist steps to defeat Francoism or overthrow the Franco régime.

But neither would it take any interventionist steps to achieve the defeat Francoism. Meanwhile, economic and trade relations between the two countries would be maintained at a low level on the part of U.S., but would continue to provide those products, such as oil, which were essential to the Spanish economy and the survival of the regime.

For his part, upon his return to the United States, Carlton Hayes suffered some consequences from his term as American ambassador to Spain and the policies he pursued there, being criticized by some who saw him as pro-Franco. In a move that would have been unthinkable before his being appointed ambassador to Spain, Hayes' candidacy for the presidency of the American Historical Association (AHA) was challenged by 40 liberal historians, including Richard Hofstadler and Frank Freidel, who would later work with Roosevelt. Despite the challenges, Hayes won election to the presidency of the AHA.⁹⁵

THE NATIONALIZATION OF THE NATIONAL TELEPHONE COMPANY OF SPAIN FROM MARCH 1945.

The case of *La Telefónica* finally ended on March 13, 1945, with the sale of ITT's shares to the Spanish state.

Legal harassment in the months preceding the settlement centered on the State Delegation, with the Company insisting on maintaining a considerable unpaid debt, slowing down the investment plans that were submitted, refusing to raise rates⁹⁶ and, above all, refusing the repatriation of profits to the U.S. The end of the nationalization process was finalized by CTNE Vice President Fred Caldwell and Minister of Industry and Trade Carceller.⁹⁷ In fact, long before, disgusted by its treatment of Franco, ITT had tried to liquidate its assets in Spain. The last such sales deal had occurred in 1943. The Spanish government held off until 1945 when, according to the contract signed in 1924, it could exercise its redemption rights. The final agreement was that ITT's shares were acquired by the State with the commitment, never fulfilled, that they would then be placed on the market. The regime would retain American technical advice and investment, and, in the event that no alternatives existed, Spain also signed advisory contracts with ITT and Standard Electric. It was done thus, according to Adoración Alvaro Moya, to meet the expectations of the Spanish state, eager to continue having foreign assistance.⁹⁸

The statement (probably written by Minister Lequerica himself) issued from the Ministry of Foreign Affairs confirming the nationalization showed undisguised satisfaction with the conditions by finishing with a heavy patriotic affirmation. It also was extremely friendly to the U.S., as part of its deliberate policy of rapprochement with Washington. The statement read:

This year 1945 marks the deadline set in the contract of the National Telephone Company of Spain, signed on August 25, 1924, for which the Spanish State can exercise the right of redemption and nationalization of such an important

institution by purchasing the majority stake owned by the U.S. group of the International Telegraph and Telephone [sic]. I well remember the serious difficulties that this problem caused for Spain in the times of the monarchy and during the Republic; difficulties at some point driven by violent political campaigns, and that uncovered complex situations that clouded the friendship and cordiality of the relations that Spain always wanted to have with the United States. The Spanish Government decided to address the issue boldly and to reach an appropriate solution so that this national yearning would express a full and longstanding welcome for the legitimate interests of foreign capital invested in the company to give Spain the best telephone service in Europe.

As a result of negotiations conducted between our Government, represented for this purpose by the Hon. Minister of Industry and Commerce, and Vice President of ITT, Mr. Caldwell, we have reached the most complete agreement, which not only illuminates past economic problems, but achieves the nationalization of the telephone company in full and unanimous satisfaction, at the same time ensuring the continuity of service, for its perfection and its brilliance are the pride of our country. The practical application of the aforementioned agreement will be put into practice immediately.⁹⁹

In the United States, the sale was strongly objected to by Secretary of Treasury Henry Morgenthau, who argued that in fact the company would fall into German hands because he presumed that the Nazis would work to set up Spain as a platform for propaganda and espionage directed toward Latin America.¹⁰⁰ But the State Department stood firm and the purchase was approved.

THE SHIFT OF U.S. POLICY TOWARD SPAIN IN EARLY 1945 AND ITS LIMITATIONS

When the Hayes memorandum was received at the White House, and in the weeks that Roosevelt and Acting Secretary of State Joseph Grew took to compose a reply, the administration finalized its decision to make an adjustment in U.S. policy toward Spain. In those early months of 1945, as the war entered its final stage, U.S. policy began to clearly show its opposition to the existence of regime,¹⁰¹ particularly with regard to its fundamental fascist component, the single-party system embodied by FET y de las JONS, and its desire that the regime would evolve politically.

This new position was released to the public until September 1945, months after the end of the Second World War in Europe, and in the midst of a situation very different from that at the time of its adoption. Notably, at the presentation of his diplomatic credentials to Franco and Foreign Minister Lequerica on March 24, 1945, the new U.S. Ambassador Norman Armour took advantage of the situation to outline U.S. demands for change.

The gestation of changes in U.S. policy toward Spain was significantly influenced by the British view, which saw the evolution of change in the political regime as coming through the removal or elimination of its "undesirable elements"¹⁰²—that is, the Falange—in favor of a more moderate government.

This would mean, in essence, the disappearance of Franco. However, Britain insisted that such change come voluntarily, with no outside interference in Spanish domestic politics, and moreover, such change should not cause chaos or the eruption of a revolutionary situation that would affect the substantial British interests in the country (Spain was one of the U.K.'s major European customers).

The British had sent to Washington on January 17, 1945,¹⁰³ copies of those letters exchanged by Franco and Churchill in previous three months, an exchange that had ended with a letter from the Prime Minister, with the consensus of all the War Cabinet after considerable discussion, which railed against the existence of Falange, their central position within the regime, and the impossibility of improving bilateral relations or admitting Spain to the future world order while the regime continued to maintain its present configuration.¹⁰⁴ This position was in answer to a previous attempt by Franco to approach Churchill in mid-October of 1944, in which Spain had offered nothing less than an alliance between the two countries in order to curb the expansion of communism in Europe. An offer that the Prime Minister rejected.

In Washington, on December 15, 1944, the decision was made to appoint Norman Armour as Hayes' successor of Hayes. This time, the president did not want another ambassador who would feel free to disagree with the administration's policies, as the Columbia professor did. He chose instead a professional, disciplined, well-qualified career diplomat similar to Alexander W. Weddell, who served as ambassador in 1939–1941. The 63-year-old Armour spoke Spanish, as had Weddell, and contrary to Hayes, and his former diplomatic post had been the embassy in Argentina,¹⁰⁵ where he met Weddell in 1939, just before he left for his post in Madrid. Armour remained in Buenos Aires until 1944, when, after the conflict between the State and Edelmiro Julian Farrell, which was regarded by the U.S. as pro-Axis, he had been recalled to Washington. There had been charged as Acting Chief for the Section of Latin American Affairs of the State Department. Armour was therefore an experienced professional, able to follow orders and implement policies without discussion. He remained in Spain for just under a year, until November 29, 1945.

The new American policy toward Spain would, like Britain's, consist of little more than expressions of a desire for change in the Spanish political regime and the disappearance of the single-party system. It did not include any willingness to undertake actions to facilitate such change or to overthrow Franco. This was already indicated in the president's response to Hayes on March 14, 1945, and Roosevelt also personally explained it to Armour both by letter and verbally, so that Armour could use it as a guide from the first moment of his stay in Madrid as U.S. ambassador.

In the letter from President Roosevelt to Armour on March 10, 1945 (a letter edited by Joseph Grew),¹⁰⁶ expressed his concerns about the blatantly pro-Axis attitude maintained by the Franco regime during the early years of the war, the importance and unique activities of single fascist party

of the Falange, and the opportunism shown by the regime in its subsequent pro-Allied position of benevolent neutrality.

The president also dismissed the possibility of any increase of economic relations between the two countries. In his own words:

In connection with your assignment as Ambassador to Madrid I want you to have a frank statement of my views with regard to our relations with Spain. Having helped to power by Fascist Italy and Nazi Germany, and having patterned itself along totalitarian lines, the present regime in Spain is naturally the subject of distrust by a great many American citizens who find it difficult to see the justification for this country to continue to maintain relations with such a regime. Most certainly we do not forget Spain's official position with and assistance to our Axis enemies at a time when the fortunes of war were less favorable to us, nor can we disregard the activities, aims, organizations, and public utterances of the Falange, both past and present. These memories cannot be wiped out by actions more favorable to us that we are about to achieve our goal of complete victory over those enemies of ours with whom the present Spanish regime identified itself in the past spiritually and by its public expressions and acts.

The fact that our Government maintains formal diplomatic relations with the present Spanish regime should not be interpreted by anyone to imply approval of that regime and its sole party, the Falange, which has been openly hostile to the United States and which has tried to spread its fascist party ideas in the Western Hemisphere. Our victory over Germany will carry with it the extermination of Nazi and similar ideologies.

Although the President did not draw any corollary of political and military intervention directed by the U.S. to overthrow the Franco regime, he also made clear that there would be no room for Franco in the new international agencies of post-war world:

As you know, it is not our practice in normal circumstances to interfere in the internal affairs of other countries unless there exists a threat to international peace. The form of government in Spain and the policies pursued by that Government are quite properly the concern of the Spanish people. I should be lacking in candor, however, if I did not tell you that I can see no place in the community of nations for governments founded on fascist principles.

He ended by saying:

We all have the most friendly feelings for the Spanish people and we are anxious to see a development of cordial relations with them. There are many things which we could and normally would be glad to do in economic and other fields to demonstrate that friendship. The initiation on such measures is out of the question at this time, however, when American sentiment is so profoundly opposed to the present regime in power in Spain. Therefore, we earnestly hope that the time may soon come when Spain may assume the role

and the responsibility which we feel it should assume in the field of internal cooperation and understanding.¹⁰⁷

Roosevelt reiterated this stance to Armour when he visited him.¹⁰⁸

Two weeks later, in Madrid, during the presentation of his credential letters to the Head of State and to Minister Lequerica,¹⁰⁹ the Ambassador went directly to the point, moving on the guidelines received from the President. Far from engaging in expressing merely diplomatic formalities, Armour addressed Franco by saying “in compliance with the President’s wishes as expressed in a talk I had with him just prior to my departure, I felt it was important that I make my Government’s position entirely clear in this our first talk.”¹¹⁰ Armour then explained the U.S. position “along the lines set forth in the President’s letter of March 10.” According to his own account,

I said that while I had come to Madrid with every desire to see our relations improved and would do whatever I could toward that end, my presence must not be interpreted as meaning that my Government was satisfied with the existing situation or approved the structure of the present regime in Spain. While this was, of course, an internal question and while I need not assure him that it was against the policies of our Government to interfere in the internal affairs of other governments, nevertheless, as he must know there were elements in the United States covering a wide range of public opinion who were opposed to the continuance of official relations with his Government.

He also said that:

My Government had not deferred to the wishes of these groups as my presence here indicated but, in all frankness, I must make it clear to him that so long as the present type of government was maintained with the Falange, a government within a government and along totalitarian lines, it would not be possible for my Government to enjoy the relations of complete confidence and understanding that we would like to have and that our friendship for Spain and for the Spanish people would normally indicate.

He also emphasized the U.S. repugnance with the fascist single-party system by saying that “he [Franco] must realize that the Falange represented for our people the symbol of the collaboration with our enemies during the days when the war was not going so well for us.” He added that “we realized that Spain had gone through difficult days. No one wished to see the country again plunged into civil war or civil strife,” and expressed the desire of his government to carry out political changes: “We had hoped to see an evolution in the government take place that would be in line with the trend of events and the new spirit abroad in the world: an evolution that would enable Spain to occupy the role that properly belonged to it in the postwar world.”

And he cited as an example “the recent speech in which he discussed Spain’s role in the Americas as an example of one of the many contributions that Spain

might make to the cause of world peace if and when she made it possible for us to welcome her participation in the family of nations."

Once Armour had finished speaking, El Caudillo launched on one of his customary long speeches, in this case dedicated to clarifying the existing misunderstanding abroad related to Spain's single party. He insisted that "the Falange was not a political party but rather a grouping together of all those having a common interest, and objective—the welfare of Spain, the maintenance of order, the development of the country along sound religious, cultural, and economic lines, et cetera. It was open to anyone to join and included representatives from all walks of life".

He categorically denied the existence of a fascist part, adding in his praise for the New State that "many of the administrative posts under the Government were now held by those who had been on the other side during the civil war." Armour doubted such an assertion, and asked "if it was not true . . . that many thousand political prisoners were still held, adding that as he must know, knowledge of this and reports that executions were still continuing had produced a very painful impression in our country." To which the Caudillo replied "with some warmth—that these reports were greatly exaggerated; that only those who had been proved guilty of gross crimes and assassinations were still in prison and that the number did not exceed 26,000. He remarked that he had heard that some press reports had put the figure at 225,000 which was fantastic."

Franco then tried to explain to the American ambassador his view of the current world war as two separate conflicts: one in the European theater, and one in the Pacific. He reiterated his fear that, following the impending Nazi defeat, communism would be allowed to spread throughout the post-war world. He next expressed his outrage against the Japanese, particularly their atrocities committed against Spanish citizens in the Philippines (although he avoided mentioning any possibility of breaking relations in Japan, as it had been rumored in Madrid that he would do). Armour was very interested in ascertaining if this possibility was a real one; in the end, it consisted only of a diplomatic warning made to the Japanese by Spain that if these violent actions continued, Spain would no longer continue to represent Japanese interests.

The U.S. ambassador knew, from having been informed by the State Department, the embassy in Madrid, and by Hayes himself, of Franco's theories about the alleged conflicts contained within the war. He cited the responses contained in the letters that his predecessor had written to the Count of Jordana, saying that Allied cooperation with the USSR was one of wartime expediency, and that the spread of communism into Spain could be prevented only by improving its socioeconomic situations. He denied the possibility of the spread of communism in post-war Europe, citing U.S. influence over the USSR and the countries occupied it, and their need for U.S. aid to rebuild.

Armour's answers did little to allay El Caudillo's fears—which would, to some degree—be proved right. Despite the harshness and conviction of Armour's political declaration, Franco realized that he had no other route open to him than to deal cordially with a country that possessed the greatest political

and media influence in the world. He told the ambassador that he hoped soon to see him “go more into detail on certain of the points brought out in the conversation,” while assuring him that he “could count on his full support and cooperation in all matters,” and that “he had the highest admiration for the President, and he hoped that I would convey to him the assurances of his highest respect and esteem.”¹¹¹

With great regret, Franco and Lequerica realized that the alleged American willingness to work with Spain was only the fond hope of former Ambassador Hayes. It should have come as no surprise: A week earlier, Ambassador Cárdenas had insisted that the mood of the Roosevelt administration was turning against the Franco regime. He tried to warn Lequerica of his error, writing on March 13, for example, that the “U.S. considered Spain as fascist and fascism chasing any subversive doctrine pursuing any propaganda in favor of it . . . there is an almost general agreement on the claim that the Falange must disappear and it would be necessary to undertake certain peaceful changes in Spain, for upon failure to do so, another civil war seems inevitable.”¹¹² The Spanish Embassy in Washington was powerless to counteract this state of mind.¹¹³

In fact, the new stance of the Roosevelt Administration to the Franco regime meant a return to that followed from the beginning of the Second World War and, indeed, since 1942 prior to Operation Torch and the arrival of Ambassador Hayes in Madrid. In 1939–1941, U.S. policy had been based on ensuring that Spain remained outside the war and did not join the Axis, in support of British policy. After Pearl Harbor, U.S. interest in keeping Spain out of the war on the side of the Axis powers increased, given both the planning for Operation Torch and the need to prevent weapons from entering the Spanish North African territories to aid the Axis or from entering Vichy France, to confront U.S. troops that were to be landed there. Now, however, in early 1945, the long-sought economic and military neutrality of Spain no longer mattered, as the war neared its end in favor of the Allies. Even Spain’s value on specific issues, such as the use of ports, airfields, and the like, presented limited possibilities for cooperation, given the indispensability of the U.S. supply of raw materials to manufacture products, such as cotton or tires, which were required U.S. troops, and the refusal of the Roosevelt administration to increase economic relations with Franco.

With the end of the European war, the Franco regime appeared in all its harshness: a fascist or pro-fascist regime, a friend of those who were defeated. Once Spain had ceased to be the most important neutral country for the Allies, simply because there was no longer any danger that Germany would win, it laid the groundwork to end the complex and complicated Spanish policy that the U.S. had followed in previous years, as witnessed by the long struggle over the wolfram embargo. In negotiation this U.S. policy, the State Department had had to contend with the disapproval of large sections of the press and public opinion.

With Roosevelt’s successful reelection behind him, and apart from with the expressed wishes of the United Kingdom, the president began to speak more

freely about his displeasure with both Franco and his regime. The arrival at the State Department of people like Dean Acheson in 1941 and Joseph Grew in 1944, had contributed to Roosevelt's increasing candor, given that these men were more critical of the Franco regime, and more connected with the President than were either Sumner Welles or Cordell Hull. Pressure was also notably increasing from anti-Franco elements in the United States, particularly now that the war in Europe entered its final stages, and sectors of exiled Spanish republicans were pushing for intervention, direct or indirect, by the U.S. in Spain. In particular, pressure from the media and important sectors of the American public had come to exert extraordinary power since 1943, influenced by anti-Franco books like that published by Allan Chase, among others. All these issues converged to influence a president who had just been reelected for the fourth time, and who was confident that he could now be demanding toward Franco.

Amid the vast political mobilization that the United States had experienced since Pearl Harbor and its entry into the war, American propaganda had centered on the premise of the struggle of democracy against fascism, there had been very little room for political nuances. The Spanish policy had always been, therefore, a nuisance: a hot potato issue. As rightly noted by historian Bert Allan Watson few decades ago, "relatively few people, almost no one, could honestly argue that Spain had steadfastly pursued a course designed to aid the Allies."¹¹⁴ Therefore, the prevailing opinion was that "Spain had not been 'for us'; therefore, Spain must have been against us. Spain must be punished; Francisco Franco must be removed."¹¹⁵ Hence, Hayes' desperation in the face of the controversies and confrontations that he unsuccessfully pursued with American journalists during the course of his ambassadorship in Spain, and that would continue to haunt him after his resignation from the post and even years later. In trying to explain Hayes' nuanced view of the Spanish theme, he had invariably been accused of being pro-Franco for not being anti-Franco.

The new U.S. policy toward Spain only varied in its shade of meaning, but not in its depth. Although the U.S. administration expressed its displeasure at the existence of the regime and its fascist single party, and may have considered using economic weapons against it, it went no further. The United States was unwilling to actively intervene for fear of destabilizing country and once again embroiling Spain in civil war. And the U.S. feared the influence of the USSR in Spain as well. The Spanish republican exiles, with their quarrels and fierce hatreds, only increased the doubts of the Roosevelt administration that a settled political future could be achieved in a Spain without Franco.

On one hand the President, the State Department, much of the administration, and most of the American public wanted and would welcome a possible end of the Franco regime. But the question was how to get rid of Franco without upsetting the political stability of the country. Actual concerns about Soviet influence on new Spanish regime were of low intensity; it should be noted that, in 1945, the Soviet Union was a key ally of the United States, which recognized the legitimacy of the USSR's outstanding accounts with Franco, since Franco

had won the civil war in which the USSR had been a mainstay of the defeated side, and he had sent the Blue Division to fight against Soviet Union during the European war. In those early months of 1945, the period prior to the outbreak of the Cold War, the U.S. maintained its relationship with Soviet Union, following the initiatives of other countries toward Spain.

The President and the State Department began to implement a policy that was explicitly critical of the regime and the existence of the Spanish fascist FET y de las JONS, but only so far: moderate pressure on the regime, largely through verbal rebukes, rather than through the adoption of strong measures (such as reducing the supply of vital products, such as petroleum) to force changes. Instead, economic pressure would be limited to not expanding economic relations between the two countries. The United States had no intention of destabilizing or strangling the regime.

One of the first demonstrations in the international arena of this new policy and of its boundaries occurred at the Inter-American Conference on Problems of War and Peace inaugurated in Chapultepec, Mexico, on February 21, 1945. There, the chairman of the meeting, Mexican Foreign Minister Ezequiel Padilla, submitted a proposal, put forth by some countries that had broken diplomatic relations with Spain, which urged the remaining countries to follow suit.¹¹⁶ The U.S. refused, claiming that the meeting was to address inter-American affairs and not those of other continents and countries (in reference to Spain, but also implicating other proposals that were submitted about Poland and Palestine¹¹⁷).

Those exiled Spanish republicans in America who were agitating for a break in diplomatic relations in Spain were strongly opposed to each other on various issues and personalities. Among these factions were the organizations led by the Socialist government of former president Juan Negrin, also of the Socialist and former Minister of Defense Indalecio Prieto, and of republican and chairman of the parliament Diego Martinez Barrio.

But even before the Chapultepec conference, the U.S. government had made clear its change of attitude toward Spain and Franco, aware of their topicality to the American public. On January 2, 1945, at Madison Square Garden in New York, an anti-Franco rally organized by the weekly paper *The Nation*, and was attended by Spanish republican exile organizations, including those with heavy communist leaning and classified as subversive on a list compiled by the Attorney General. It was a great rally, with extensive media coverage that reviewed the links between the Axis and Franco, and claimed that the Second World War had begun in Spain, with the Civil War. Franco was described "as cruel a hangman of liberty and democracy as Hitler and Mussolini."¹¹⁸ The next day, Secretary of the Treasury Henry Morgenthau told United Press that "if I did not occupy an official position I would have great satisfaction in saying, what I think sometime, of "Mr." [Franco], but considering my official position, I declined the invitation."¹¹⁹ There were also new congressional initiatives, such as the proposal of House Resolution 600¹²⁰ by Representative Coffee, in which he asked for a break in relations with Franco's

Spain and that the system of Lend-Lease and supply would be extended only to the representatives of the Spanish Republic.

Given all this, Acting Secretary of State Grew had to appear before the press in early February to declare that the United States' continuing diplomatic relations with Spain did not mean that the administration approved of Franco's policies; obviously, the U.S. was advocating for democracy in Spain. This marked the first public expression of the United States' new stance.¹²¹ But even before receiving from the British Embassy in Washington copies of the letters exchanged between Franco and Churchill,¹²² and with the president's permission, the Department instructed the Charge d'Affaires in Madrid, Butterworth that he could meet Lequerica and express that "satisfactory relations between the United States and Spain cannot exist so long as the present regime in Spain continues in power and the Falange Party continues in existence."¹²³ A number of issues should have made clear to Lequerica: that U.S. neither officially supported nor recognized the republicans in exile, that the contacts that existed among them were personal and not official, and that the government and the American people showed great sympathy for Spain—but also

This Government feels that it would be wanting in sincerity if it did not inform the Spanish Government that the present regime in Spain identified itself spiritually and by its public expressions and acts, with the enemies of the United States, to such and extent and for so long a period of time that the impression created cannot be forgotten in the United States. This is not only in reference to the Falange Party, which has been the avowed enemy of the United States and of the democratic ideals for which the United States stands, but in reference to General Franco himself. The power which the Falange Party has exercised in every way possible to our detriment and to the profit of our enemies was handed to it by General Franco, who is the leader of the Party today and whose recent acts have tended to encourage and strengthen the Party.¹²⁴

It was a very clear statement that, however, was accompanied by the explicit assurances of non-intervention to overthrow the regime:

It is not our purpose to suggest a course of action but merely to state a fact which we regard as having a fundamental importance to the United States and Spain. This Government has no intention of intervening in the internal affairs of Spain but earnestly hopes for changes in Spain that will remove impediments to satisfactory relations between our two countries and to Spain's assuming the role and the responsibilities which we feel it should assume in the field of international cooperation and understanding.¹²⁵

But if this communication did not sway public opinion away from that emphasized by Grew's press conference, nor did a letter from former Ambassador Hayes, sent to the President on February 21, 1945, three days before sending his long memorandum. In it, Hayes asked that the State Department publicize

an official report, explaining how Spain had been helping the United States and allies since 1942.

This proposal was discussed internally in the Department, and was finally discarded. As rightly pointed out by one of those who participated in the discussion, it was impossible "to reconcile any conciliatory Spanish policy with statements by the President and Secretary Hull on the impossibility of fascist and democratic governments existing in the same world."¹²⁶ Acting Secretary Grew was most opposed; consistently, also he opposed the demand submitted by FEA Administrator Leo Crowley to delay any negotiations for a new supply agreement with Spain to force it to continue making concessions. Grew replied that the United States still needed economic cooperation with Spain, given that it was supplying U.S. troops fighting in the European theater and the newly liberated countries. In his reply he mentioned purchases of textiles from Spain and the plans for expanding this trade and establishing other new,¹²⁷ markets, plans for collaboration that were never fulfilled.

But this opposition to the continuation of supply continued, and in April 1945, the new Assistant Secretary of State William L. Clayton responded negatively to new proposals to reduce trade with Spain (which continued to be maintained at low level), specifically referred to by the head of the Petroleum Administration for War, who demanded the end of supplies of petroleum products to neutral countries, citing the severe shortage of supply that the U.S. suffered. Clayton then argued that "it is our policy to give consideration to the minimum essential requirements of Spain. We have an interest in preventing, to the extent possible, economic misery in Spain on the general grounds that such conditions anywhere in the world contribute to world instability."¹²⁸ By then Dean Acheson had informed the President of the latest trends in the American public with respect to Spain: 49 percent did not believe that Spain would agree to cooperate after the war, but this figure was well below the percentage of those who sought a severance of relations; in fact, another 23 percent did not even know that the U.S. had diplomatic relations with Franco's Spain. Roosevelt's fourth presidential term began in the midst of an extremely complex international situation, and there seemed no urgent reason to break off in relations with Spain. The President decided, in concert with the qualifications already adopted, to continue the "middle of the road policy in the hope that internal development would foster change."¹²⁹

While all this was happening in the U.S., in Spain things were getting complicated for the regime. Press and radio campaigns against Franco, orchestrated from the outside the country, were being broadcast within Spain. Favorable publicity was being given in the world press to the proceedings of the Spanish republican groups in exile; there was an infiltration of guerrilla groups across the French border; clear evidence emerged of the unstoppable progress of Soviet troops in Eastern Europe (who embodied Franco's feared spread of communism in Europe); and, most importantly for El Caudillo, Juanistas had resumed their monarchist movements. These circumstances, along with the prospect of repressing subversive leftist guerrilla activities, prompted Franco to

make internal political changes to his New State that would make it more presentable to the rapidly approaching new world, one increasingly hostile to his regime.

Of all the threats mentioned, the one that most worried El Caudillo was that posed by Juan de Borbón, who had just published on March 19, 1945, his *Manifiesto de Lausanne* addressed to the Spanish people and asking for the immediate restoration of the monarchy and consequent abandonment of Franco's regime. Moreover, the letter represented a clear position against the regime:

Today, six years after the civil war ended, the regime established by General Franco, inspired from the beginning in the totalitarian systems of the Axis powers, so contrary to the character and traditions of our people, is fundamentally incompatible with the circumstances that this war is creating in the world. The foreign policy pursued by the regime undertakes the future of the nation . . . I work out to relieve my conscience of every day more pressing burden of the incumbent responsibility upon me to raise my voice and solemnly request to General Franco, recognizing the failure of the totalitarian conception of the State, leave the power and give free passage to the restoration of the traditional system of Spain, which alone could ensure religion, order, and freedom.

And, with its references to the traditional monarchy, Juan de Borbón's manifest gave the nod to the Carlist monarchists in favor of dynastic reconciliation:

Traditional monarchy can only be an instrument of peace and harmony to reconcile Spanish people, only she can get respect from the outside through an effective rule of law and make a harmonious synthesis of order and freedom underlying the Christian concept of the State. Millions of Spanish of greatly varied ideologies, are convinced of this truth, that arrival of the monarchy is the only saving institution . . . Under the monarchy fit many reconciling, righteous, and tolerant reforms demanded by the interests of the nation. The main tasks will be: immediate approval by popular vote for a political constitution, recognition of all rights pertaining to the human person and guarantees for political freedom, establishment of an elected legislative assembly for the nation, recognition of regional diversity; broad political amnesty, a fair distribution of wealth, and the elimination of unjust social contrasts against which are not only the claims of the precepts of Christianity, but also are in flagrant and dangerous contradiction with the signs of political economy of our time.¹³⁰

Of course, Franco was not willing to give up his position as head of state, a role to which he believed he had been providentially anointed, and still less would he agree to make way for a semi- or fully democratic monarchy. The attitude of Juan de Borbón seemed a full-scale disaffection. He considered it "a public statement of rupture."¹³¹ However, he was advised by his principal collaborator, Luis Carrero Blanco, Secretary of the Prime Minister, that he should take no retaliation against or break off relations with the heir of Alfonso XIII. He interpreted the gesture of Juan de Borbón as coming from the bad

advice his advisers. Undoubtedly, the manifest contributed greatly to not think about it at the time of his succession. As a close collaborator of Carrero Blanco and future minister noted years after, the same Carrero designed the main priorities of the regime at that time. In Carrero Blanco's words:

The fact that Don Juan has put his signature to the letter of these two inspirations denotes his lack of political vision. However, it is not prudent to evict him or leave him with mentors that have today. It would raise a flag of rebellion that could harm the essential unity of the Spanish people. He should avoid this and do nothing better than a few addicted to him, but both are intelligent men, Catholics and firm convictions in order to the tenets of the movement, to move to his side and undertake the difficult work to pull them away radically from all the influences to which is now subjected. Must be put Don Juan on the way to change radically and over the years to reign, or resign himself to allow his son to reign. In addition, we must think and in the preparation to be King of Prince child. Today, he is six or seven years old and apparently in good health and physique, well-trained, principally in his Christian, moral, and patriotic feelings to be a good king with the help of God, but already beginning to address this problem. For now it seems wise: Do not react violently against Don Juan, not daunted, even if one thinks that he can no longer be king, they do not agree to new stridency, that would never have to produce profit. A few monarchists of confidence going to Lausanne. That put the greatest care in choosing the tutor and to send you well coached. Tackling the problem definitely the Fundamental Laws that are missing, and define the regime of Spain. In order to what should be the final arrangements, such nations can not be more than republics or monarchies, Spain and the Republic should be discarded as a synonym for disaster, the regime must be Monarchy.¹³²

And indeed, a few months later, Juan de Borbón would be invited to move to a residence in Spain; he refused, instead setting up residence in Portugal.

The manifesto had almost no impact on government insiders: only a few senior supporters of Juan de Borbón resigned from their posts. This was the case of the Duke of Alba, who resigned as ambassador in London, where he was replaced by the Marquis of Santa Cruz as charge d'affaires, and the Infante Alfonso de Orleans, who was the Army Air Force Inspector. Nothing in the manifesto apparently moved other people involved, such as General Varela, the Marquis of Estella, and the ambassadors in Rome (Sangróniz), Bern (Calderon), Buenos Aires (Conde de Bulnes), and Washington (Francisco de Cárdenas). Franco, meanwhile, had turned off any attempt at a military uprising by convening the Supreme Council of the Army. The generals spoke of the good relations with the U.S. and France, minimizing the British position. Only General Kindelan, a prominent Juanista, dared to reply, denying "the good relations with the United States and urging policy changes to avoid diplomatic and economic complications."¹³³

Before referring Franco's limited reforms of 1945, we will deal with his prior attempts, starting in October 1944, to approach the United Kingdom,

using the efforts complementary to those he was making toward the United States. It was an unusual gamble that had not worked, but had resulted in the British government readjusting its policy toward the regime and, in fact, also influencing the change of policy toward Spain taken by President Roosevelt.

**THE UNITED KINGDOM AND SPAIN IN THE FINAL STAGE OF THE
WAR: THE COORDINATION OF BRITISH POLICY WITH U.S.
POLICY, APRIL 1945**

As Enrique Moradiellos explained, perhaps influenced in pursuit of pro-Franco of explicit support of the United Kingdom in late 1944, the decisive British action in Greece against communist guerrillas,¹³⁴ the move that was almost coincided with the Spanish army against the invasion of Valle de Arán. In any case, on October 18, 1944, Franco had decided to write a personal and confidential letter to Churchill, along with a formal letter addressed to the Duke of Alba that he should deliver it by hand to the Prime Minister. It advocated nothing less than a pact of cooperation and friendship agreement between the United Kingdom and Spain. Both States would work in the maintenance of peace and security in Europe, against the enormous danger signified by the growing Soviet hegemony in the east, a hegemony driven by the insidious power of Bolshevism¹³⁵ in Western countries like France and Italy. Given this perspective, and considering that Germany was destroyed, Franco wrote with all conceit imaginable.

“Only rests to England another country in the continent to turn their eyes: Spain. A healthy nation with a strategic location and resources of courage and energy to help England in its new and necessary task.”

He went on to warn the Prime Minister of political maneuvering by exiled Spanish republicans, writing that “there are exiled Spanish who speculated and based their conduct in the hope of internal changes in Spain, which is a possibility as fanciful and improbable that it is not even worth considering. These Spanish believe that pursuing their own political ends facilitate their approach to Great Britain. You must explain that any hypothetical change of this nature would only serve the interests of Russia.”¹³⁶

The letter was not answered by Churchill until three months later, on January 14, 1945, because it generated a debate within the British War Cabinet (which was a coalition government). In two letters, Deputy Prime Minister and Labour Party leader Clement Attlee and Foreign Secretary Anthony Eden discussed a possible solution to the Spanish problem.¹³⁷ Although both excluded the possibility of armed intervention to overthrow the regime, the first proposed a strategy of allied diplomatic pressure to promote democratic change and, if that was not enough to achieve this, economic sanctions. On his part, Eden, even elaborated a draft telegram to the embassy in Washington seeking agreement with the U.S. on a strategy of joint pressure, pressure exerted by the two ambassadors in Madrid toward the achievement of the peaceful withdrawal of El Caudillo and the transfer of power to a moderate government.

Such a strategy was a direct warning to Franco, leaving clear the incompatibility of his regime and of the Falange party with the United Nations. If the warning did not work, the British were considering applying economic sanctions (oil embargo included), but always with an eye to avoiding chaos or provoking a revolution would damage British interests.

After learning of the text of these letters, Churchill strongly opposed them. In his response to Eden, he argued that this would mean interfering in the internal politics of a country with which “we have not been at war and that has done us better than harm in the war.” Nor could Britain intervene on the basis of ideological considerations: “I am in no more agreement with the internal government of Russia than I am with that of Spain, but I’m sure I would rather prefer to live in Spain than in Russia.” In addition, the plan would fail whether Franco accepted it or not, because in Spain, civil war was latent. Neither El Caudillo “nor his supporters will ever consent to be slaughtered by the republicans, which is what would happen and we would be responsible for another bloodbath.”¹³⁸

Underlying the Prime Minister’s response was fear of the implicit danger in the growing Soviet hegemony in Eastern Europe. If the Franco regime were to be overthrown, it was clear that this open the country to communism. Churchill was, therefore, for trying to influence moderate change within the regime. Significantly, he did not agree to work jointly with the United States on this issue:

What you are proposing to do is little more than provoking a revolution in Spain. Start with oil but end quickly with blood. There is no reason why the ambassador should not present many of its points to Franco in a conversation, but I do not see why we should try to enlist the United States in the task. We are being charged in many areas as being responsible for delivering the Balkans and central Europe to Russians, and now if we put our hands in Spain I am sure we will create many problems and set a match to ideological issue. If the Communists are masters of Spain we expect that the infection would spread rapidly through Italy and France . . . I fully understand that this proposed policy would be hailed with enthusiasm by our left forces . . . Of course I would love to see a restoration of democracy and monarchy, but once we identify with the communist side in Spain (which would be the effect of its policy, whatever it says), all our influence in favor of a moderate term will be evaporated.¹³⁹

Churchill’s point of view was not fundamentally different from that of Eden, but Eden believed in the need for some action and not to merely remain passive about the future of Spain. Intervention, however restrained, as he was instructed to respond to his superior, emphasized by

Eden accepted that he had been instructed by his superior not to intervene, no matter in how restrained a manner, nor to directly threaten Franco with sanctions. He believed that his job was to warn Franco: “My fear is that if we do not give a warning to General Franco directly now, the moderate forces in Spain, which are well represented within the Army will lose all influence.”

That warning should be contained in the Prime Minister's response to Franco's letter, which he had already prepared.¹⁴⁰

On November 27, 1944, the British War Cabinet met to discuss the Spanish problem. In order to facilitate an agreement between different positions, Eden submitted a letter of response to Franco that was not intended to be made public but was rather to be given to them personally. It contained basically a warning: that to the extent "that internal conditions in Spain remain in complete contradiction with the principles of the United Nations, Spain could not participate in the peace agreements or receive any invitation for admission "in the future world organization".¹⁴¹ It was approved, although after the discussion, Churchill insisted that it emphasize a wish to avoid active intervention in the internal politics of a sensitive and proud people like the Spanish and the British government's desire to refrain from taking any active steps to encourage the fall of that government. Eden was, in drafting his letter, primarily taking into account not damaging "our vital interests (as the continuation of British imports of iron ore, etc.), do not push the Spanish people to cluster [around] to Franco and do not induce chaos and revolutionary conditions in Spain." After approval, the cabinet also decided to send it, together with the pre-Franco, to the U.S. Department of State, to seek their support for the new policy, and also to Stalin, seeking to avoid the appearance of any suspicion or distrust with their other major ally. For its part, the British military adopted a strategy of maintaining friendly relations with Spain, considering the strategic needs of the United Kingdom in the event of a future confrontation with the USSR.¹⁴²

Specifically, the text that was sent to Washington on December 19, 1944, was as follows:

Our post-war strategic and commercial interests require friendly and peaceful Spain.

The government of His Majesty, however, is not really likely to develop friendly relations with Spain while the present regime in power continues to be unchanged.

Moreover, not only will the continuation of the Falange regime in Spain be an unfortunate anomaly after the removal of other hostile authoritarian regimes in Europe, in the opinion of His Majesty's government, it will also almost certainly lead to another revolution or civil war . . . of which only the extremists and undesirable elements could be benefited, to the detriment of the interests of global peace and security.

On the other hand, any attempt by opposition elements at this time to overthrow the present regime by force would be equally undesirable. In addition, events of recent months have made clear that the vast majority of people in Spain are desperately anxious to avoid a repeat of the civil war.

According to the government of His Majesty, the best expectation for Spain lies in the modification of this Regime in the near future by peaceful means from within Spain. The ideal solution would be the replacement of this regime by a

more moderate one, either a moderate or constitutional monarchy. However, the information held by the government of His Majesty indicates that the moderate elements in Spain, both republicans and monarchists, are in a unfavorable state of mind that increases in them a tendency to accept the existing regime in Spain with all its faults because at least it appears to guarantee order and security . . .

The only prospect of improvement in Spain, therefore, seems to lie in the modification of this Regime through the elimination or suppression of undesirable elements.¹⁴³

In fact, the State Department proposed to make public the letter from Churchill to Franco, which London refused.¹⁴⁴

Franco knew the contents of the Prime Minister's response before receiving it officially from Ambassador Hoare, which he put forward in the last interview before leaving his office on December 12, 1944. On January 14, the letter reached the Duke of Alba, and it was forwarded to El Caudillo. Franco stuck to his guns, immediately perceiving the weakness of the British attitude. Everything was based upon words. With these new tactics of "cold reserve,"¹⁴⁵ the British hoped to achieve that by pressure from the military high command, asking Franco to withdraw and accepted a moderate monarchy with Don Juan as a king, but they were not willing to work directly toward this goal, neither militarily nor through a set of economic pressures.

El Caudillo and Lequerica immediately detected the unwillingness to act decisively hiding behind the Churchill's admonitions. The minister went so far as to say that "it was much softer than he had expected."¹⁴⁶ Franco had already carefully explained to Hoare a few weeks earlier his argument of the danger that the USSR represented, while denying that Spain ever had a pro-Axis policy or that the Falange was a fascist party. And, on March 3, 1945, Lequerica announced to the English representative in Madrid that the Regime was willing to make internal political changes on the basis of El Caudillo's continuing in power.¹⁴⁷ Earlier, the interim successor of Hoare, Councilor James Bowker, who occupied the embassy until the arrival in February of the new owner, Sir Victor Mallett, learned from the Duke of Alba that "Franco would like to be on good terms with Britain, but as it always posed difficulties, it was easier for the moment to make concessions to the United States, which was more comprehensive."¹⁴⁸ Franco was convinced of this because of the personal conduct of Hayes, and he would use his belief of a closer relationship between and the United States as a propaganda tactic with the American press. Eden warned the British ambassador in Washington, Lord Halifax, of this maneuver on March 10, 1945, ordering him to clarify with the U.S. State Department its new policy and seek coordination.¹⁴⁹

Washington had been actively moving in the same direction, and did the same on March 10, 1945, in that the President letter of instructions to Armour, the new U.S. Ambassador to Spain, urging Armour to determine the British position and to adhere closely to it. The English memorandum was received on March 13 in the Western Europe Division of the Department of State and

was answered on April 6, highlighting the similarity between the two countries policies toward Spain and accepting coordination.¹⁵⁰ However, the U.S. Secretary of State was disturbed that the British Foreign Office would give fuel to Franco's attempt to distinguish between the diplomatic positions of the Anglo-American allies. The State Department answer affirmed that it was at a loss to understand why the United Kingdom would take seriously enough to include in its memorandum the reported allegations of the Spanish Government that United States feelings toward it are less hostile than those of the United Kingdom Government.¹⁵¹ This, however, we should remember, was explained by the recent actions of Ambassador Hayes in Spain.

The most important issue was that the new policies of the U.S. State Department and United Kingdom in regards to Spain should be in accord:

This Government is in substantial agreement with the British Government's statement of policy toward the present Spanish regime and the Falange party. It considers that while the present regime remains in power it will be difficult for Spain to assume its proper role and responsibilities in the field of international cooperation and understanding. While this Government and the American people entertain the most friendly feelings toward the Spanish people and desire a development of genuinely cordial relations between the United States and Spain, public sentiment in this country is profoundly opposed to the present Spanish Government, both because of its policies and acts, which until recently have been distinctly unfriendly to the interests of the United States, and because that Government and that Falange Party were founded on undemocratic principles.

The most important question was the agreement of the Department of State with the new British policy:

This Government considers that the form of government in Spain and the policies pursued by that Government are the concern of the Spanish people, and it is not the policy of this Government in normal circumstances to interfere in the internal affairs of other countries. It shares the hope of the British Government however, that any successor regime in Spain will be based on democratic principles, moderate in tendency, stable, and not indebted for its existence to any outside influences. A tranquil Spain is desirable, from the standpoint of international cooperation, and a recurrence of civil strife in Spain could only militate against the general postwar objectives of reestablishing peace and order in Europe and rehabilitating devastated areas. In the general interest therefore, and in the particular interest of the Spanish people, any tendencies toward renewed disorder in Spain would be regretted.

And he emphasized the need for coordination on the part of American and British policy toward Spain:

This Government fully agrees that there should be a close coordination of policy between it and the British Government respecting Spain. The policy of the United States Government toward the Franco regime, described in the foregoing

paragraphs, has been followed by this Government without deviation for a long time. There have been no acts of this Government or public utterances of its officials on the subject at variance with that policy. It is not thought possible that General Franco or his Government can be under any misapprehension respecting the views of this Government or of the American people toward the Spanish Government and the Falange party. These views have been expressed to General Franco and to his Foreign Ministers repeatedly and with clarity over a considerable period of time.¹⁵²

The British and the Americans were going to act together, but to implement a policy that was basically very friendly to the Franco regime, being based largely on contradictory assumptions: Neither the British nor the Americans wanted the regime, but neither was willing to intervene. This gave Franco many options, and he perceived it clearly.

THE FRANCOIST PLAN FOR INSTITUTIONAL MAKE UP OF THE REGIME: DEATH OF PRESIDENT ROOSEVELT

From the relative tranquility that he felt about the future of his regime, despite the need to respond to Anglo-American demands and the offensive monarchy of Juan de Borbón, El Caudillo was preparing to make superficial changes in the structure of the state. He would create new institutions superficially comparable to Western democratic systems, but only under his supreme leadership. He was not at all disposed to relinquish some of the basic components of his regime and the personal power it afforded him, such as FET y de las JONS. Basically, El Caudillo and vast majority of pro-Franco Spaniards simply intended to ride out the storm.

These measures were taken in the spring of 1945. They consisted of ordering the Spanish press to distinguish, in its references, between terms USSR and Communism, in an attempt to soften allusions to this main ally of the British and Americans. Franco wanted to keep relations with United States more solid and satisfactory was than those with Britain, which was still expressing interest in the restoration of the monarchy in the name of Juan de Borbón. The regime severed diplomatic relations with Japan on April 11, 1945, after a savage assault on the Spanish consulate in Manila, during which the Japanese burned alive members of Spanish colony who took refuge there during the American invasion and subsequent battles. This conciliatory gesture toward the United States came, as we know, too late and only after multiple abuses by Japanese troops against Spanish citizens and property. In addition, Franco prepared to enact a whole battery of laws that included the creation of new pseudo-institutions.

The United States learned of Franco's intentions known from Lequerica on April 12, 1945. When Armour asked him how the 'evolution' was progressing,¹⁵³ he explained that Franco was planning to declare Spain a monarchy and subsequently establish a so-called Council of the Kingdom that

would determine Franco's successor and award that person the title of king. This would not occur, however, until El Caudillo himself either died or decided to abdicate of his own initiative as head of the state. And when the American expressed surprise at the news of the establishment of a monarchy without a king and without regency, Lequerica clarified that Spain would follow the example of Hungary, but without a regent. He added that the Cortes was also preparing for a Bill of Rights, and also a law, the so-called Law of Local Government, which would allow for municipal elections. The Spanish government would abolish censorship for all foreign correspondents, and the official responsibility for the press would pass from the Falangist Deputy Secretary of Popular Education to the Ministry of Education. Moreover, in the context of crime and imprisonment, the death penalty would be abolished for crimes committed during the Civil War, while sentences of less than 20 years would be revised and jurisdiction over political crimes committed during the war would be no longer be decided by the military. This would impact on a population of political prisoners that, according to Lequerica was by then only 17,000 people. The Spanish ministry added that the government was going to extend a call to the exiled to return home. In those cases in which there was a doubt about the possibility of being prosecuted, they would be informed of their process through the consulate.¹⁵⁴

The ambassador asked him about one issue that the U.S. considered central: the future of the minister of the Falange. Here, the answer was much vaguer, as Lequerica was aware of the Franco's determination not to dissolve the single-party system. He insisted that FET y de las JONS was more a movement than a party, that their functions had been misinterpreted abroad, and that Franco was very interested in the social work that the group had been doing. Armour could not help but remind him that, as I had told him in our first talk and as I knew he himself realized, the existence of the Falange was perhaps the greatest obstacle to an improvement in our relations and that, while implementation of certain of the measures he had described would undoubtedly be well received abroad, so long as the totalitarian aspect of the regime continued and the Falange had its place in the structure of the Spanish State, it was more than unlikely that public opinion in my country, and I felt sure in the other democracies, would be satisfied. But as we know, Franco was not willing to compromise on that point, and he would never give in.

The conversation ended up with the ambassador expressing his irritation with reference to the Spanish press highlighting marked differences between American and British policies toward the regime. Armour specifically stated that I had been somewhat concerned that the Spanish press was conveying the impression that our relations with Spain were on an entirely satisfactory basis and I had also seen a tendency to draw a distinction between our attitude and that of the British toward the present Spanish regime.¹⁵⁵ Lequerica denied this, saying that it was the fault of the press and of certain monarchists' elements who wanted to sour relations with Britain. He reported that the Duke of Alba, Spain's Ambassador in London and a notorious monarchist leader, had visited

him to say that the British had complained about the allegedly lavish official welcome prepared for Armour, which contrasted sharply with the cold reception given to the United Kingdom's representative. Alba denied it, but that it was an issue shows that Anglo-American perception was not misguided.

Armour responded by reading aloud the letter he had received from President Roosevelt on March 10 to the probably surprised Spanish foreign minister. He emphasized the last paragraphs, in which Roosevelt had written the fact that our Government maintains formal diplomatic relations with the present Spanish regime should not be interpreted by anyone to imply approval of that regime and its sole party. To all of this, the overwhelmed Lequerica could only respond by saying that he hoped very much that the evolution he had described to me would contribute toward an eventual solution of the situation and enable us to establish our relations on the basis we all desired. At this point, Armour, ever the experienced diplomat, left the diplomatic door ajar, saying that the U.S. would await with interest the announcement of the regimes new measures and that perhaps when this had taken place we would be in a position to pursue these matters further.¹⁵⁶

The very morning of this interview, April 12, 1945, President Franklin Delano Roosevelt died unexpectedly. He had been for some days resting in one of his homes, the so-called Little White House in Warm Springs, Georgia. He had become physically exhausted, and he retired there to take the medicinal waters and rest. He was not accompanied by his wife Eleanor,¹⁵⁷ who rarely visited an area that she detested, but by her cousin Laura Delano and a friend, Margaret Suckley, who brought with her Lucy Mercer, the woman who, several years earlier, had had an affair with the President. Lucy Mercer was now married to a man named Rutherford. As well, the artist Elizabeth Shoumatoff was hired to do a watercolor portrait of the President. The rest, baths, and walks with Lucy in chairs (with brakes and manual gearbox) specially adapted to the president's disability had helped him. In fact, the night before he died, he hosted a dinner for a group of close friends, including his friend, Secretary of the Treasury Henry Morgenthau. But a little after noon on April 12, while posing for Elizabeth Shoumatoff, chatting with his cousin and Lucy, and signing documents, he repeatedly touched his forehead, fainted, and fell from his chair to the floor. He had suffered a massive brain hemorrhage. He died shortly thereafter, at 3:35 P.M., with his doctor unable to do anything to save him.

Shoumatouff and Lucy Mercer left the house soon after, while the news was broadcast of the death of the man who had held the presidency for the longest term in U.S. history. The president's body was taken on a special train to Washington, guarded by his wife Eleanor, who was not only devastated by the death of her husband but also shocked by what she perceived as breaking of a promise made decades before not to see Lucy again. Following the official funeral, Roosevelt was buried beside his parents in the Rose Garden of his birth place in Hyde Park, a large property located directly on the Hudson River to the north of New York.¹⁵⁸

Roosevelt had kept to from his advisors—and especially his earlier Secretary of State Cordell Hull—his fundamental ideas for the design of the post-war world, and this posed a major handicap for U.S. foreign policy. As one historian has written, Roosevelt had died before laying the foundation and constructing the framework of his postwar policies No one with sufficient stature or knowledge was prepared to assume his mantle.¹⁵⁹

His successor, Harry Truman, acknowledged openly that Roosevelt never discussed foreign policy issues with him. Truman furthermore decided to reverse the practices of his predecessor: He would continue to make the foreign policy and the State Department would continue to be in charge of implementing it, but his decision would come only after consultation with the Department.¹⁶⁰ Conscious that the Secretary of State was third in the line of succession to the presidency, Truman wanted someone who would have both popular support and influence in Congress. Following the decision on June 24, 1945, of the foundation charter of the Organization of the United Nations during the course of the San Francisco Conference, Truman accepted the resignation of Edward R. Stettinius.

James Byrnes replaced him on July 3. Byrnes was one of Roosevelt's closest advisors and had nearly been named vice president instead of Truman. Byrnes was very influential with, and had helped Truman during his early years as a senator.

Slightly less than a month after the death of Roosevelt, on May 7, 1945, Germany surrendered to the Allies at Reims. The next day, Spain announced that it had broken diplomatic relations with Germany, and the country would adhere to the 6th article of the Agreement of Bretton Woods, of blocking the funds of German citizens and citizens of countries occupied by Germany. The end of the war was celebrated throughout Spain with the hoisting of flags and firing of salutes. A new post-war era was about to start for Europe and for Spain, one that would pose its own hardships.

CHAPTER 5

THE U.S. AND SPAIN FROM THE END OF THE WAR IN EUROPE TO THE BEGINNING OF THE DIPLOMATIC ISOLATION OF THE FRANCO REGIME (MAY 1945—MARCH 1947)

THE NEW AGE THAT DAWNED IN EUROPE at the end of the war brought a flood of unpleasant surprises for the Francisco Franco regime. The situation of relative peace with which Franco had planned to approach the period at the end of hostilities turned into one of major turbulence. This situation was precipitated by the fact that U.S. policy toward Spain in the months following the German surrender became increasingly overwhelmed by the anti-Franco initiatives adopted by countries like France, Mexico, and the Soviet Union—supported and in some cases directly encouraged by the Spanish republican exiled groups. This was made all the more difficult with the United States sometimes following the initiatives of these countries.

Although before the German surrender Foreign Affairs Minister Georges Bidault had assured U.S. ambassador Caffrey in Paris¹ that although France felt no sympathy for the Franco regime and might be sympathetic toward the restoration of the Republic, it was not willing to take any initiative that would interfere in Spain's future, fearing the outbreak of another civil war. After the act of Reims, however, the official French position changed. At the end of May 1945, the Committee for Foreign Relations of the National Assembly Advisors of France called for the establishment of a republican regime in Spain. Moreover, a little earlier, Bidault himself had referred to the possibility that

France should welcome a Spanish republican government in exile. Meanwhile, the agitation of anti-Franco guerrillas, of those based in southern France as well as inside Spain, continued.

But it was not just France. Already, in the weeks before April 25, 1945, before the inauguration of the Conference in San Francisco (officially called the United Nations' Conference for the Internal Organization (UNCIO), whose objective was the drafting of the United Nations Charter), the republican exiled groups launched a campaign of condemnation of the Franco regime. During the conference, in the third working session of the First Commission, on June 19, the Mexican delegate Quintanilla, put forward a resolution that sought, without expressly mentioning Spain, its debarment from admission to the UN. The formula instituted a general veto on the entry of those regimes which were "established with the help of the military might of the countries that had fought against the United Nations while they were in power."² This was brought about by the votes of France, two soviet States (Bylorussia and Ukraine), Belgium, and many others—very conspicuously, by the United States³ and Great Britain.

In particular, the American delegation (led by the Secretary of State Edward R. Stettinius Jr.) had held a meeting to decide its vote. In that meeting, a high official of the State Department, James C. Dunn, who was not considered to be anti-Franco (much to the contrary), concluded simply that the United States could not afford to be on the wrong side of this matter.⁴ In reality, the Anglo-American allies saw the Mexican proposal as complementary to their policies, consistent with it, and useful as pressure on Franco to give up power. Although they did not initiate it, it pretty much reflected their views.⁵

The resolution meant a hard blow to the regime, which was already made very uneasy by the organization of the conference, to which Spain was not invited, fearing all the while what ultimately happened. A month before start of the conference, Lequerica and the minister of the Army, General Carlos Asensio, had inquired from U.S. Ambassador to Spain Norman Armour about the United States' position in case the USSR exerted pressure against Spain. At the same time, they apprised him of internal political changes and alerted him to the problems that the regime would face if it showed even a little weakness in face of external opposition. Armour avoided any commitment, opting instead to limiting himself to asking them to persevere in their claims of internal political changes.⁶ He had done the same thing with Franco during a dinner in the Pardo palace, where he expressed his "disappointment and what I felt to be lack of any real progress in the evolution of the Regime in the two months since our last talk." When El Caudillo responded by enumerating actions such as the lifting of censorship for foreign journalists, and the establishment of the *Cortes del Fuero de los españoles* and the law that would allow municipal elections, the American insisted on the need to do away with the regime's one-party system, saying that "so long as the Falange continued to occupy its present position in the structure of the government and the totalitarian aspect of the Regime remained unchanged, he could not accept any improvement in

our relations . . . time was passing, the San Francisco Conference was nearing its end." He also asked: "Where would Spain be in the new World organization that would emerge?" Franco replied with his usual arguments, stressing the Communist menace to Europe, including Spain. He admitted "the danger of a clash between the Western allies and Russia might have been exaggerated, particularly in their own press (plans for relaxation in the press control were under way now, he said). He thought it not unlikely that we would be able to work out many of our pending problems with the Russians although he was pessimistic of a favorable solution on the Polish question. But he emphasized that Spain was the particular target for communist propaganda and that France was playing Russia's game. The combined Soviet-French attacks, he said, made it necessary for them, in accomplishing their evolution, not unduly to weaken the central authority." He added that even now "he sincerely desired the closest relations with the United States and Great Britain and he could not believe that with the many grave problems that confronted us in Europe we would not be disposed to show a sympathetic understanding of Spain's difficulties, having in mind the nearness of their own civil war and therefore give them time to work out their problems in their own way, which he felt sure they would be able to do so." The conversation, entirely informal, saw Armour summarizing the U.S. position. He told El Caudillo that "we considered this to be an internal problem for Spain: That as he knew it was not our policy to interfere in the internal affairs of other countries but he must realize that until they at least made a real start in bringing this regime more into line with the new world currently he could not expect relations on the basis that we would like to have them."⁷

The same day that the *Quintanilla Motion* was passed, Franco conceded an interview to the U.S. news agency United Press, in which he referred to some political changes under way: the creation of a *Consejo del Reino* (Council of the Kingdom) and municipal elections in particular, so as to advance toward "complete and normal internal freedom."⁸ He also referred to the nondissolution of the Falange, which he had already made less significant from the point of view of political decision making.

A month later, on July 13, 1945, the Cortes approved the *Fuero de los Españoles*, and the next day, *Ley de Bases de Regimen Local*. These laws were so little democratic that they could in no way dupe the Allies with respect to the continuance of the dictatorship that they served. The *Fuero* in question instituted some rights which, nevertheless, were subject in their practical application to later laws and were moreover conditioned by the so-called "fundamental principles of the State and the spiritual, national, and social unity of Spain." Among the formally passed rights were equality before the law; the rights of expression, residence, and association; habeas corpus; and judicial security, all subject, as we said, to later regulation. But the *Fuero* also included an explicit reaffirmation of the Catholic confessionality of the State, of the indissolubility of matrimony, and of the prohibition of the collective exercise of the right to petition.

On the other hand, the elections that the new municipal law permitted were only being carried out by corporate suffrage, renewing half of the councilors every three years in a pseudo-democratic process of electing so-called *tercios* of the heads of family, trade union organizations and economic, cultural, and professional entities. The nomination of mayors remained in the hands of the government.⁹

But the star measure was Franco's call on July 17, 1945, before the National Council of the Falange Española Tradicionalista y de las Juntas de Ofensiva Nacional-Sindicalista (FET y de las JONS) for the prompt enactment of a law through which Spain would become a new kingdom, although without a king. This law, which would be delayed by two years and enacted only in 1947, guaranteed the permanence of Franco's position as head of state until he himself designated a successor, in the person of a royal lineage.

In October 1945, the so-called *Law of Referendum* was passed. A month earlier, Spanish troops had returned from the city and International Zone of Tangiers. These reforms were accompanied a maneuver to cover up the operation and hide role and importance of FET y de las JONS within the regime. The FET y de las JONS National Council would not meet again until 1956. On the other hand, the Vice-secretariat of Popular Education was effectively transferred from the party to the Ministry of National Education. And when the budget of the party for 1946 was prepared, Franco gave the order that funds for the Falange "[should be included] in the respective ministries [*sic*] as subsidies."¹⁰ In the following month, September, to meet the on the upping of the external anti-regime ante which we will examine next, the falangist-Nazi-fascist salute was abolished.

Earlier, however, July 20, 1945, Franco designated a new government in which the ministry of the party (the Secretariat General of the Movement) would be disappear—as did its head, Jose Luis de Arrese. Also removed from power was the most visible falangist minister, Agriculture Minister Miguel Primo de Rivera, brother of the founder of the Falange in 1933. Nevertheless, the other ministers of the party were returned to the cabinet (four in total), among them Giron de Velasco, in Labour, and Raimundo Fernandez-Cuesta, ex-secretary general of FET y de las JONS, in charge of the Justice portfolio and the office of party matters.

Along with this blurring of the presence of FET y de las JONS in the government, Franco opened its membership to the prominent Catholic sector of his regime, namely Alberto Martin Artajo, the highest member of the ecclesiastical hierarchy in Spain, in his position as National President of Catholic Action. Artajo asked for and obtained permission from both the papal nuncio and Cardinal Primado to accept the post.

With this move, Franco and his advisers tried to mobilize the Vatican and international Catholicism to defend the regime. The official Catholic sector was ready to work for a transformation of the regime into a monarchical, corporate, and semi-authoritarian system that would serve to dismantle the fascist component of FET y de las JONS. El Caudillo seemed, in this sense, to give

hope to Martin Artajo that this would occur, although in reality the party would never be suppressed. To allow militant Catholics to enter the party was an important strategic move by Franco and Carrero Blanco, one that would help greatly to carry the regime through the virtual desert crossing that awaited the regime in the following years. The heat was already being felt in 1945.¹¹ A few months earlier, in April, El Caudillo had given an interview to the head of the British weekly *The Tablet*, the Catholic organ of Britain, which had supported him during the Civil War. In this interview, he announced what would later be known as the *Fuero de los Españoles*, among other reforms. And above all, he stressed expressed that other countries knew very little about Spain, and that it was a mistake to identify Spain with the Axis.¹²

But if the United Nations Conference in San Francisco was the first blow, the Potsdam Conference of the Allied Forces, held from July 17–August 8, 1945, was the second and more stronger hit. Already in the first session, Soviet Premier Josif Stalin himself proposed the need to deal with the Spanish question, arguing that the Franco regime was a threat to the UN. He suggested that necessary political conditions should be created so that the Spanish people could get a representative regime. More specifically, in the third session, the Soviet leader proposed to the United States and the United Kingdom the breaking of all diplomatic relations with Spain and support for democratic Spanish forces to establish a regime that would respond to their wishes. The met with opposition from British Prime Minister Winston Churchill, who, during the same conference, came to learn of his party's defeat in the elections and his imminent stepping down from the Prime Minister's post (which came about July 28, 1945). Although he was against the Franco regime and the abuses that it had committed, he considered the breaking of ties hazardous. He argued that if this was adopted, contact would be lost with a country that, having a sensitive and proud people, would respond by uniting around their Caudillo. Besides, for him, "the breaking of relations with a state because of its internal conduct of affairs was a dangerous principle and he would greatly deplore anything which would lead Spain to Civil War."¹³

U.S. President Harry S Truman expressed a similar opinion, thus forcing the leadership of the conference to try to reconcile the divergent postures of the U.S. and U.K. with that of Stalin.¹⁴ He added that "While he had no love for Franco, he wanted no part in fomenting another civil war there. He would be glad to recognize another government, but Spain itself would have to decide the issue."

Stalin continued to affirm that the Spanish problem was neither internal nor domestic, but international, and that if Great Britain and United States did not want a regime like Franco's in Spain, they should make it clear through action. Besides, he was not proposing either a military intervention nor provoking a civil war, but merely want it made known to the Spanish people that "[t]he three governments had taken a stand on the side of the of the democratic forces among the Spanish people and that the Spanish people should have ground to believe that they were against Franco."¹⁵ He added that "[t]he

Spanish democrats had asked for the collaboration of the three greats and were confident of getting it, the press and the public opinion condemned the Franco regime and demanded the application of measures that would force its fall . . . it was the duty of the delegates present to adopt them.”¹⁶

The position of the Soviet leader should be understood in the sense that, on the one hand the USSR was anti-Franco, but on the other, that it was determined to counteract the Allied pressures that it was receiving with respect to the sovereignty of those countries that the USSR had just occupied in eastern Europe. The Anglo-Americans, he said, did nothing to end a fascist regime in their zone of influence, but at the same time criticized Soviet policy.

Churchill continued to refuse Stalin’s proposal. He saw no political utility in it, in that he believed that it would prejudice the several British economic interests in Spain and he did not want a destabilization of the country that would allow for future Soviet influence. And when the Soviet leader proposed that the Spanish case be put before the Commission of Ministries of Foreign Affairs of the conference, he again refused. On the contrary, Truman accepted and would end up clinching the issue.

But for the British Prime Minister, it was “[a] question of the principle of non-intervention in the internal affairs of another State.” And the controversy between the Soviet and British leaders increased. The former did not accept that the Spanish case was an internal matter, but rather considered it to be an international threat; to which the latter responded that that could be generalized for any country. Stalin adduced that Spain was a unique case in Europe, to which Churchill responded by saying that even Portugal was a dictatorship.¹⁷ But to the Soviet, the Portuguese case was very different. It was a result of internal evolution, whereas the Franco regime had been foisted on Spain thanks to Nazi Fascist intervention.

Churchill did not give in. He reaffirmed that he would not propose in his parliament any measures that would end up strengthening Franco. The regime, he adduced, was reaching its end, and it was not necessary to intervene from outside. Stalin then softened his posture, proposing that the Council of Foreign Ministers should try to find “a softer and more flexible method than the one suggested by the Soviet delegation.”¹⁸ Truman accepted, but Churchill still refused. The Soviet made another proposal: that the Council should prepare “an evaluation of the Franco regime, making it clear before public opinion that we do not support him.” And that the same could be included “in a declaration at the end of the conference.”¹⁹ Churchill again refused, arguing that Spain was a country “that had not been to war with us and that we had not liberated it,” rejecting any analogy with Yugoslavia, Romania, or Bulgaria. The mention of Yugoslavia put an end to the matter: Stalin, strengthened by Churchill’s earlier position, forcefully replied to Churchill’s protests about the sovietizing character of the government created there by Tito and refused to discuss the issue without the presence of a Yugoslav representative.²⁰

Once this issue was completely blocked, the effectiveness of the conference deteriorated. The British diplomats, worried about the situation, suggested to

their leader a transactional formula on Spain that would allow the impasse to be lifted. It dealt with “trying to find some weak form of an anti-Franco resolution,” as the continued British refusal would make “the Russians more obstinate in matters that we consider important” and it would create an impression “that we are pro-Franco reactionaries.”²¹ At the same time, they sought an agreement with the U.S. representation in the sense that the reference to Spain in the final declaration of the conference would be limited to vetoing its entry into the UN. This formula the Soviets ended up accepting, after trying to introduce into it “all kinds of sentences suggesting that Spain was a threat to world peace, that Franco was a criminal, etc. etc.,” according to British sources.²² This posture would be maintained on the arrival in Potsdam of the new British Prime Minister Clement Attlee and his Secretary of the Foreign Office Ernest Bevin.

The final declaration of the conference, issued on August 2, 1945, read:

The entry to the UN is open to all the peace-loving states that accept the obligations contained in the Charter [of the United Nations] and that in the opinion of the organization will be capable and ready to fulfill such obligations. The entry of such states would be decided by the General Assembly on recommendation of the Security Council. The three governments, in what concerns them, will support the candidatures for entry to all those countries that have remained neutral during the war and who fulfill the above mentioned conditions. *The three governments, nevertheless, would be obliged to declare that they will not support any request of entry from the present Spanish government, which, having been established with the support of the Axis forces, does not possess, for reasons of its origins, its nature, its history and its close association with the aggressor states, the necessary qualities for the justification of this entry* [emphasis added].²³

The agreement was absolutely coherent with the Anglo–American position adopted months earlier. It constituted a new notice to Franco, but, as always, without implying any measure of force. El Caudillo and his advisors focused on the latter. And, despite the official Spanish reaction, offended and proud, they interpreted it as fine for the continuity of the regime. To their relief, the replacement of Churchill by Attlee had not meant, as they feared, a hardening of the British position. According to a private report that undersecretary to the president Carrero Blanco prepared for Franco in August 1945:

(Although) the allusion to Spain in the joint declaration . . . [is] an injustice and an impertinence that in the red Spanish section produced enthusiasm . . . but if carefully read, we can see that in Potsdam we were strongly defended by Truman and Churchill . . . [W]hen . . . [Attlee reached the conference] as head of the British government and in plain euphoria of the Labour triumph, he did not wish to worsen what was already agreed . . . Now: if . . . they defended us from the designs of Stalin it wasn't for sympathy nor for humanity, nor for the spirit of justice. They defended us for interest . . . With the shooting of the last bullet in the Pacific, the diplomatic war between the Anglo–Americans and Russians has

begun . . . For this fundamental reason of cold interest, the Anglo-Americans not only will support but also will oppose all that which could bring about a situation of Soviet hegemony in the Iberian Peninsula. They are interested in this order and in anti-Communism, but would prefer to achieve this with a regime other than the present.²⁴

The consequence was that, until the furor died down, “the only formula for us can be none other than: order, unity, and endurance.”

But Soviet pressure for action against Franco did not cease, and in September the chief of Soviet diplomacy in Washington, Nikolai Kovikov, demanded during a new anti-Franco meeting in Madison Square Garden that Franco should be tried as a war criminal.²⁵ According to him, the Anglo-American antagonism against the regime was real, and the Truman administration was absolutely ready to make that clear. The President, on being asked in August about Spain—due to a statement given by Bevin reaffirming that the Three Greats were not going to intervene in Spain—showed his agreement with the British and, “gave his auditors the impression that so far as he was concerned there was nothing more to be said by this government to Spain or her people unless and until they got rid of the present government, but that he would not be sorry if his remark today had the effect of expediting that transition.”²⁶ The U.S. State Department, which bore the brunt of the anti-Franco pressure applied by sections of the press and public opinion, made efforts to demonstrate that the administration was also anti-Franco. And that, moreover, it had been observing a coherent Spanish policy for a long time. It was in this sense that acting secretary Dean Acheson got President Truman’s authorization to make public the letter U.S. President Franklin Delano Roosevelt sent Ambassador Armour last March. This was done in October 1945, and it appeared in a publication of the embassy in Madrid, *Semanario Grafico*.

Meanwhile, the State Department maintained contacts in Washington and Mexico with the republican government in exile of Dr. Giral and especially with the old republican ambassador in Washington, Fernando de los Ríos, the then exterior minister of the former government. Although State considered that these exiled republicans did not have enough force by themselves to uproot the regime, American officials, in particular those in the Western Europe division, tried to prevent possible Soviet influence in a future restored Spanish republic by maintaining relations with moderate elements, like de Los Rios himself, who was considered very highly by the State Department and whose actions were valued. The Spaniard did everything possible to convince them that the republican government was “made up entirely of honest and well-intentioned people.”²⁷

On the other hand, disagreements among the old Allies, particularly between the Anglo-American alliance and the Soviets, were becoming acute. A conference of the foreign ministers of the Three Greats held in London between September 1 and October 2, 1945, ended in failure, and the old alliance started to disintegrate. In the British capital, the Anglo-American

alliance refused to diplomatically recognize the countries of Eastern Europe because of their anti-democratic character, while the Soviet Minister threw in the face of his U.S. counterpart that "the present governments of Spain and Argentina were more fascist than democratic and still the government of the United States maintains diplomatic relations with them."²⁸

But the truth was that the Franco regime benefitted from these Allied actions against it, which were limited to simple condemnations contained in diplomatic agreements.

THE UPSURGE OF THE SPANISH QUESTION FROM DECEMBER 1945

In December 1945, however, things changed. A month earlier, Armour had resigned from the post of ambassador in Madrid, citing personal reasons.²⁹ When he went to say goodbye to El Caudillo, he expressed in plain language the disappointment of his government over the slowness of the regime's political evolution, the continued existence of the Falange, and the continued existence of political prisoners, specifying clearly to Franco that his government was under strong pressure to break diplomatic ties with Spain. El Caudillo responded as usual, reaffirming his willingness to liberalize the regime but emphasizing above all the threat of the outbreak of another civil war. The final report of Armour on Franco highlighted that his "characteristic volubility was such as to justify description as a filibuster by a man not desiring to discuss certain unwelcome topics upon which his mind was made up."³⁰

In December, the U.S. State Department, in a new spin insofar as the pressure on Franco was concerned, announced the discovery and later publication of a set of 15 documents captured from the Nazis that showed the level of collaboration that Spain had come to have with the Axis, as well as some of his frustrated attempts to participate in the war. These documents would be published a few months later under the title *The Spanish Government and the Axis*.³¹ France reacted with unusual haste to the announcement of the discovery. France's Foreign Minister Bidault expressed to the American ambassador Caffery the need to mount a concerted action among France with the Three Greats to break relations with Spain and to recognize the Giral government.³² The proposal was made public in Madrid and an alarmed Madrid sent for Spanish Ambassador to Washington Francisco de Cárdenas to clarify U.S. intentions. Cardenas was told by Assistant Secretary Dunn that, in case a joint resolution on the breaking of diplomatic relations with Spain was adopted, the U.S. would support it. Dunn also told Cárdenas that Armour was not to be replaced.³³ Also in Washington, Giral and ex-President Negrin had also started to move, urging action. Giral would meet in February 1946 with Dean Acheson and with the chief of the division of Western European affairs, Culbertson.³⁴

This intensifying of the anti-Franco atmosphere found a USSR ready to continue its pressure, proposing anti-Franco actions in UN that alarmed some

of the U.S. diplomats. The U.S. State Department head in Madrid, Butterworth, and the charge d'affaires in Moscow, George Kennan, tried to alert Washington about the necessity of not following a path of sanctions against Spain that would only benefit the strategic interests of Russia. For Kennan, the Soviets were acting out of embarrassment from their defeat in the Spanish civil war and the aggression they had suffered from the Blue Division, as well as for politico-strategic motives. And they were mobilizing sections of Western public opinion to achieve the fall of Franco and a new Spanish civil war in which they believed they would prevail.³⁵ The proposal, in accordance with the policy followed until then, was well received by London, but Paris reacted in a different manner. According to what was communicated to the Americans, they agreed with the declaration of a joint statement, but wanted to go further, particularly in seeking more radical measures against Spain through the Security Council of the UN. They argued the concentration of Spanish troops on the French border, the continuation of executions and repression in the interior of Spain, and the fact that the regime had not at all evolved toward democracy. In accordance with its position and without waiting for a joint note, France decided to close its borders with Spain on February 28, 1946.³⁶ It seemed that the trigger of the order was the execution of several guerrilleros in Spain, who in France had fought against the Germans in the *Forces Françaises de l'Interieur (FFI)*, one among them being Lieutenant Colonel Cristino Garcia, for whom the French Government and several agencies had sought pardon from Franco.³⁷

The situation began to slip from the United States' grasp, which was also hardening its stance. The decision of Washington not to replace Armour was summarized in the tripartite Anglo-Franco-American statement of March 4, 1946, the brainchild of Acheson, which gave a new leap forward in creating anti-Franco pressure. It positioned itself unflinchingly against the Regime. The Declaration included expressions such as "it has been agreed that while General Franco continues . . . the Spanish people cannot expect a complete and cordial association with those nations of the world who, in a common effort, achieved the defeat of German Nazism and Italian Fascism that helped the present Spanish Government in its ascent to power and which this Regime adopted as a model," although it reiterated that "there is no intention of intervening in the internal affairs of Spain. The same Spanish people will be those who in the long run should forge their own destiny." Neither did it want to contribute to the outbreak of a new civil war: "In spite of the repressive measures of the present Regime against the political efforts of the Spanish people to organize themselves and express their political aspirations, the three governments are confident that the Spanish will not find themselves wrangled again in the horrors and bitterness of a civil conflict." On the other hand, it was a clear position against the regime, stating that "they [the three signatory states] have faith that the patriotic Spanish leaders of liberal spirit could find the means to soon achieve a peaceful fall of Franco, the abolition of the Falange, and the establishment of an interim government under which the people would have the possibility to freely express the kind of government that they desire, as also to freely pick their leaders. A political amnesty, the

return of the exiled, freedom of meeting and political association and holding of free elections are essential. [This would imply on our part] . . . total diplomatic relations and adoption of necessary practical measures to solve the economic problems of Spain to the extent possible given the circumstances. These measures are not possible in these moments." Finally, and innovatively, it left open the possibility of breaking relations with Spain if it did not produce the required changes: "For the governments of France, Great Britain, and the United States, the question of maintaining or ending diplomatic relations with the present Spanish Regime is an issue which will be decided in the light of the events and after taking into consideration the efforts of the Spanish people to achieve their own liberty."³⁸ On the same day, the U.S. State Department published the collection of documents found in the Nazi archives referring to Spain.

But the Garcia affair had mobilized Kennan, within the State Department, who wanted to rectify the political position of Roosevelt toward Spain in 1945. As David A. Messenger has written, "the development of Spanish policy thus became a part of the emerging East–West conflict in that Rooseveltian assumptions were replaced by Cold War perspectives."³⁹ That same month, on February 22, 1946, Kennan wrote his famous "long telegram," which later exercised a fundamental influence in the anti-Soviet policy of the State Department. Nevertheless, by then Acheson was not following this line but that of the late President.⁴⁰

France then formally requested a discussion of the Spanish issue in the UN Security Council. It immediately received, on March 7, support from the USSR. Alarmed, the U.S. State Department immediately ordered the U.S. ambassador in Paris to inform minister Bidault that the U.S. wanted changes in the government of Spain, but considered it an internal matter. According to what was explained to Caffery, Washington was conscious of the pressures that the French communists⁴¹ were exercising on his government, pressures that Bidault should have resisted in place of giving way. In the words of Secretary of State Byrnes,

After the closing of the Franco–Spanish border, it seems to us that this government's proposal for a tripartite statement should have enabled Bidault to resist further pressure at this moment. Instead of stopping at this point, however, the French government chose to proceed, without further consultation, to propose the injection of question into the security council and to seek outside support for this action. As our note implied, we are not prepared to support Bidault in following the line of least resistance by endorsing a proposal which so far as the French have explained it, cannot lead, in our view, to a solution to the Spanish problem. In fact, recent actions of the French government, according to information from Spain, have served to make more difficult peaceful evolution which is in the interest of all concerned including the Spanish people.⁴²

After understanding this clear American stance, Bidault tried to retreat, proposing to present his motion only to the council of foreign ministers of

the UNO or simply to the four Allied governments so that they could decide on economic sanctions against Spain.

The U.S. and Great Britain refused, leaving Bidault between the devil of internal pressures within France, and the deep blue sea of the Anglo–American refusal. In the words of Caffery,

I handed our reply to Bidault on the Spanish situation . . . He is very much perturbed because he does not know what to do. He says that he will do the best he can to avoid the issue placed before the Security Council but Bogomolov [the Soviet ambassador] has been trying to see him for some days and he will be compelled to receive him within the next few days and he is sure Bogomolov will press him for early Security Council action. He [Bidault] pathetically asks for suggestions. Bidault is well aware that he has gotten himself into a jam and is more anxious to get out of it.⁴³

The French minister then proposed to the U.S. and the United Kingdom that they should institute a petroleum embargo on Spain, and was met yet again with their refusal.

UNITES STATES AND THE SPANISH QUESTION BEFORE THE U.N. SECURITY COUNCIL

In a situation like this, the initiative in the UN went from the hands of France to those of Poland. The Polish representative requested and received permission that the Spanish issue would be carried to the Security Council, alleging that the regime was a threat to peace. The discussion commenced on April, 17, 1946. The position of the U.S. delegate and ex-Secretary of State Stettinius, on being instructed by a convinced Byrnes and following the wishes of the entire Truman administration, was that the USSR was behind the Polish action. The Truman administration believed that the USSR could benefit in the long run from a political change in Spain,⁴⁴ and therefore the U.S. denied that Spain constituted a threat for world peace. Instead, the U.S. delegation supported an initiative for the creation of a subcommittee of five members to deal with the Spanish issue. The said subcommittee deeply investigated the role of Spain during the Second World War, against the background of information given by the U.S. and other countries, and discovered for itself many of the Franco regime's activities to help the Axis. The subcommittee, on making its recommendation to the Council on June 1, 1946, reaffirmed that Spain was no threat to world peace and gave its help and support to the tripartite declaration of March 4 of the previous year. It also approved sending evidence collected to the General Assembly with the recommendation that, "unless the Franco regime is withdrawn and the other conditions of political freedom . . ." established in the declaration were "fully satisfied . . ." the assembly recommended that all its members immediately break diplomatic relations with Spain.⁴⁵

In the Security Council, the proposal found opposition from the U.S. and the U.K. The American representative inactivated it in good measure when he achieved an addition to the paragraph that recommended a break in relations, a sentence that allowed the General Assembly to adopt any other measure. The Soviet representative radically opposed the change,⁴⁶ and from that moment onward, the entire assembly—the Anglo-Americans, the Soviets, those countries under the influence of both, and even countries that acted freely—would be drawn into a long dispute about what actions would be taken against Spain. This dispute would last for the entire second half of 1946. At its heart was the discussion of whether to break relations with Spain or to impose those economic sanctions against the Franco regime that the USSR, France, and many other countries wanted, but which the United States and Great Britain opposed.

Until December 12, 1946, the resolution on Spain was not put to vote by the General Assembly. The final resolution that did not seek to break diplomatic relations with the regime, but rather referred to the adoption of “adequate measures” in the event that Spain did not convert itself into a democracy. The resolution reaffirmed that Franco’s Spain would be ineligible to join the UN, and it called for a general return of ambassadors from Madrid. It said, in particular:

The General Assembly, convinced that the Franco fascist government of Spain, which was imposed by force upon the Spanish people with aid of the Axis powers in the war, does not represent the Spanish people, and by its continued control of Spain is making impossible the participation of the Spanish people with the peoples of the United Nations in international affairs, recommends that the Franco Government of Spain be debarred from membership in international agencies established by or brought into relationship with the United Nations, and from participation in conferences or other activities which may be arranged by the United Nations or by these agencies, until a new and acceptable government is formed in Spain.

The general assembly, further desiring to secure the participation of all peace-loving peoples, including the people of Spain, in the community of nations, recommends that if within a reasonable time there is not established a government which derives its authority from the consent of the governed, committed to respect freedom of speech, religion, and assembly and to the prompt holding of an election in which the Spanish people, free from force and intimidation and not regardless of party, may express their will, the security council considered that adequate measures be taken in order to remedy the situation and recommends that all members of the United Nations immediately recall from Madrid their Ambassadors and Ministers Plenipotentiary accredited there.⁴⁷

The resolution obtained 33 votes in favor, 4 against, and 20 abstentions. The United States ended by voting affirmatively, in spite of abstaining from the voting on the paragraphs referring to the adoption of sanctions. Its anti-fascist role during the world war and the anti-Franco atmosphere prevailing in the country

did not let the U.S. delegation to act otherwise. Besides, the resolution did not imply any direct intervention, nor did it impose economic sanctions or other measures that could destabilize the regime or bring it to the brink of another civil war and foment the Soviet influence. As far as the rest was concerned, Washington had no ambassador to recall because the vacancy left by Armour was not yet filled. But when the resolution was carried out, the recall was almost total, starting with the U.K.; the only ambassadors who remained in Madrid were from Argentina, Switzerland, Ireland, Portugal, and the Vatican.

This was the latest manifestation of the U.S. policy toward Spain initiated in the months preceding the end of the Second World War in Europe. The resolution signified a failure, as it had not achieved the desired political evolution toward democracy in Spain. But it also constituted a success as the countries that had wanted the imposition of economic sanctions or the adoption of pressure tactics supposedly leading to the fall of Franco found that this could not be achieved. The U.K. also made its position clear. As one official of the Foreign Office affirmed a few months earlier: "Much as the Regime was hateful, the fact remained that Franco continued to be someone that did not represent a threat to anyone outside of Spain. Nevertheless, a civil war in Spain would create problems in all Western democracies and this is what the Soviet Government and its satellites want."⁴⁸

The truth was that a few months after the recall of ambassadors, in May 1947, the United States and its armed forces began to seriously consider the necessity of having bases in Spain. This was inserted into its new overall strategy in the Mediterranean, in which Spanish territory became once again strategically important in communications with Greece and Turkey, and for keeping open tanker routes to the Middle Eastern oil fields in the event of a possible confrontation with the USSR.⁴⁹ Nearly two months after Truman's speech on March 12, 1947, in which he had described the world as being divided into two irreconcilable blocks, the free nations and the "ones subjected to the dictatorship of Communism," a new era was already beginning to take shape, that of the Cold War, the culmination of an escalation in tensions between the Anglo-Americans and the Soviets since 1945. The new context also gave rise, in time, to a new North American policy toward the Franco Regime. A policy which would signify the rehabilitation of the same from its original sins.

But that is another story.

CONCLUSION

From 1930 onward, the relations of the United States with Spain under Francisco Franco passed through multiple political and economic conflicts caused by the fascistic ultra-nationalism of the regime and its pro-Axis political stance. A political stance that was shared by Franco and his chief political adviser until 1942—his brother-in-law and minister of Governance and Foreign Affairs Ramón Serrano Suñer—and also by wide sectors of the armed forces, the fascist Falange Española Tradicionalista y de las Juntas de Ofensiva Nacional-Sindicalista (FET y de las JONS) and what can be called the political and social Francoist bloc. On the other hand, during the first years of the Second World War, the policy of the Franklin Delano Roosevelt administration toward Spain was marked by the primary desire of the United States to help Great Britain in its project of keeping Franco from entering the war alongside the Axis.

Nevertheless, two months before Pearl Harbor, the United States designed another policy, more independent of the British, and based on obtaining a tangible quid pro quo on the supplies of petroleum, cotton, and other products that it sold to the Spaniards. It also began around that same time preemptive purchases of certain materials—that is, an economic war, initially begun by the United Kingdom, in which the Allies competed with Germany for the acquisition of strategic products and materials, with the primary objective of keeping these items from benefiting the German war machine.

This first stage of U.S.–Spanish relations ended with the resignation of Serrano Suñer because of interior political reasons, and because of President Roosevelt's assurances to Franco that Spain's colonial North African territories would not be affected by Allied landings carried out in French possessions (so-called Operation Torch) in November 1942.

Some months after this landing, and due to the expulsion Axis troops from North Africa upon the Allied conquest of Tunisia in May 1943, North American policy toward the regime started to harden, with the U.S. making increasing demands in return for supplying Spain with petroleum. It was to maintain this position until the end of the war, in tandem with Allied military successes in North Africa and Europe, as well as with its decreasing fear that Spain would enter the war.

The hardening of policy was due to the fact that, since mid-1943, the high U.S. military command, as well as sections of the civil administration including the Foreign Economic Administration (FEA) and the Iberian Peninsula Operating Committee (IPOC) of the State Department, proposed a change in strategy that depended on the need to end Spanish exports of wolfram to Germany. Wolfram, an important strategic material, became the primary object of economic warfare between contending Axis and Allied influences in the Iberian Peninsula. Behind this strategic policy change was an existing and growing anti-Franco sentiment in the United States Congress, the American press, and in U.S. public opinion, one spurred by the publication of a number of anti-Franco books and reports that achieved great popularity with the public.

This progressive change of policy was acknowledged by President Roosevelt, who had been opposed to the Franco dictatorship since the end of the Spanish civil war, but it clashed with the resistant opposition found in the U.S. Madrid embassy, and in particular with the views of Ambassador Carlton J.H. Hayes, his counselor Willard L. Beaulac, and the embassy staff, all of whom who wanted to draw Spain to the Allied cause. In this quest, they found the support of Spanish Foreign Minister Francisco Gomez Jordana y Souza, and of his successor José Félix de Lequerica Erquiza, both of whom maintained a neutral and even friendly attitude toward the U.S. and the Allies.

This was an attitude very different from that of Serrano Suñer. Consequently, relations between the U.S. State Department and its embassy in the Spanish capital passed through periods of tension during 1942–1945, with Ambassador Hayes acting as protagonist in several incidents. It could be said that he practiced, in some measure, his own private foreign policy in respect to Spain, taking refuge behind the fact that he had been a personal appointee of the president. And for this, he received a barrage of criticism from his country.

The hardening of U.S. policy toward Spain began in spring 1943, with an IPOC initiative to cut the supply of petroleum products flowing from the Americas to Spain. Hayes managed to stall the implementation of this plan. A second plan, one that proved ineffective, was a U.S. military proposal to economically pressure Spain to stop supplying wolfram to Germany; this plan was discussed at the Quebec Conference, in August 1943. The harshness of this proposal was softened by British suggestions for series of concessions that Spain could make to the Allies—the retreat of the Blue Division being among them—and that fixed a six-month period of embargo on the shipment of wolfram to Germany, which would translate into significant impact on the German war industry and the destructive capabilities of some of its weapons.

Nevertheless, the impetus for a total wolfram embargo would come from the U.S. FEA, a civil administration that had been initiated to oversee the U.S. economic war against Germany and that had been actively participating in the preemptive purchase of wolfram from both Spain and Portugal. In an effort to stop the considerable economic drain that preemptive purchase was having

on U.S. coffers, the FEA demanded a change in U.S. policy toward Spain that would force it to cut off the supply of this strategic material.

The petition found resistance in the U.S. Madrid embassy, but it received support from the military, the War Department, the Treasury, and the State Department, as well as from the President himself, all of which eventually led to its being proposed to Spain in the autumn of 1943. To lend even greater weight to this proposal, the so-called *Laurel incident* was utilized. This was a minor diplomatic issue amplified by the Office of War Information (OWI), which was profoundly anti-Franco and, above all by the U.S. government itself to pressure Spain into compliance. It was then that the list of demands approved by the U.S. and British military at the Quebec Conference was presented to the Regime. The Spaniards had already responded to earlier petitions to remove its Blue Division from the Eastern front, but was delaying the actual implementation of the retreat (and had permitted the creation of another small unit, the Blue Legion); in face of these dilatations, U.S. indignation against and pressure on Spain increased. This same delaying tactic occurred when the Spanish government was petitioned by the Allies to place an embargo on the export of wolfram, delays that were in part due to the friendly relations between Ambassador Hayes and Spanish Foreign Minister Jordana. The former tended to present his country's demands in a nondemanding, non-threatening tone, which respected the Francoist ultra-nationalistic resistance to cede to foreign demands. Hayes also tended to play on the tensions existing between Jordana and the Spanish Minister of Industry and Commerce Demetrio Carceller (a votary of maintaining the wolfram exports that were so lucrative to the Spanish economy). In the end, the Roosevelt administration, with the initial support of the British government, applied an embargo on the sale of petroleum products to Spain, which would last until the final signing of an agreement on May 1, 1944.

The wolfram embargo had been decided on at the Tehran Conference, in November 1943, with its start date fixed for the originally proposed D-day landing date in Normandy (May 1, 1944), in the hopes that depriving Germany of this strategic material would decrease its ability to respond to the Normandy landing. However, in January 1944, to the great indignation of the Allies, news came of a concession of credit on the behalf of Spain to Germany, negotiated in November 1943, which would permit Germany to increase its purchases of wolfram from Spain. Upon learning of this credit agreement, British support was fully behind the American oil embargo.

The subsequent Battle for Wolfram would last four months (January–April 1944) and would constitute the most important politico-diplomatic confrontation between the United States and Spain during the entire world war. Later, Franco and his entire government adopted an ultra-patriotic attitude of resistance, but different points of view began to emerge inside Franco's cabinet. Foreign Minister Jordana was frequently isolated from the rest of the cabinet, and eventually from El Caudillo himself. Jordana came to

see Minister of Industry and Commerce Carceller as a principal opponent to his efforts to move Spain closer to the Allied cause. Jordana had to work very hard and very tactfully to achieve both an end to an embargo that had the capacity to economically strangle his country and also for to save face before Germany. Carceller, on the other hand, wanted to resist Allied pressure and continue pursuing the lucrative wolfram trade with Germany, to benefit the Spanish economy, the treasury, and his own interests. He would work behind Jordana's back to keep Germany in the market, granting it the aforementioned credit and collaborating with it in the organization of a contraband network that would allow the Germans to mitigate the effects of the embargo achieved by Jordana.

But throughout its development, the Battle for Wolfram ended up placing the United Kingdom in a head-to-head conflict with the United States. Britain advocated a compromise solution, rather than a total embargo on wolfram, which it believed would jeopardize its own commercial interests with respect to other products that it obtained from Spain. The U.K. was even ready to a solitary agreement with Franco to supply him petroleum products, a move that could have meant a loss of the Spanish market for the U.S. oil companies and, above all, a breach in the Allied show of solidarity. Fearing this, President Roosevelt ceded to the agreement signed in May 1944. Spanish fulfillment of its commitment was unequal, especially when we see how long it took Spain to implement some of the points of the agreement. For its part, the United States presented, immediately after May 1, a series of new technical petitions that would be gradually conceded by Jordana and later by his successor Lequerica.

A new step forward in the hardening of American policy toward the regime was seen early in 1945 when, in concert with the United Kingdom, the U.S. began a series of petitions for the disbanding of Spain's single-party system, a stance that was officially communicated to the Spanish authorities and to Franco himself. These petitions included the demand of a political evolution of the regime away from its fascist character. Franco refused this petition, as well a specific request from the English ambassador Hoare that the monarchy should be restored in the person of Don Juan de Bourbon.

Nevertheless, this new political initiative adopted by the U.S. and the United Kingdom had clear limits: due to its fear of a destabilizing Spain and a future Soviet influence in the country, the Anglo-American alliance were not ready to implement decisive and interventionist policies that would lead to the fall of the regime. These limitations were known by Franco and his advisors. Ambassador Hayes himself took on the responsibility, on his own initiative and before his resignation in 1945, of pacifying Franco, carrying out actions which went beyond the policy set by Washington.

Upon the end of the war and during the international conferences that dealt with organizing peace, the "Big Three"—the U.S. (represented by President Roosevelt, and later, upon his death by President Harry S Truman), Great Britain (represented by Prime Minister Winston Churchill, who was later replaced by Clement Attlee upon losing re-election, and the USSR

(represented by Josif Stalin)—entered into an escalation of anti-Franco initiatives that sought to bring down the regime. The Anglo–American alliance tried to block the harshest of these initiatives, although they ended up accepting some sanctions, such as the general recall of ambassadors from Spain in December 1946.

Because of all this, in 1947, the beginnings of Cold War were initiated, a war in which Spain would find its place in the Western bloc, with the help of the United States. In the following years, an agreement would be reached in which Franco's anti-communist fears would find vindication.

The outbreak of the Cold War in 1947–1948, with the subsequent division of the former World War Allies into two bloc, would end up, in the long run, to favor a Spain under the Franco regime, which along with that of Portugal, would develop into the longest fascist dictatorship in the history of Europe, lasting until Franco's death in 1977. And this, largely due to U.S. policy toward it.

NOTES

CHAPTER 1

1. Dean Acheson to Hayes January 28, 1943. NARA RG 84 Box 28.
2. The Secretary of State to the Ambassador in Spain 29 of April 1943. FRUS 1943, vol. II, p. 678.
3. "He was one of our great historians of Europe; he had been a student of nationalism and knew how to distinguish between the exaltation of the state and legitimate patriotism; and it can be added to his credit that the Nazis had banned his book on Nationalism. He had been widely read by every university scholar in history; and men and women whom he taught at Columbia still tell tall tales of the great Professor Hayes. He loved music, especially Mozart and Beethoven; he took pride in the clothes he wore," E. Wilder Spaulding, *Ambassadors Ordinary and Extraordinary* (Washington D.C., Public Affairs Press, 1961, p. 177).
4. Among his extensive historical bibliography should be highlighted: *A Political and Social History of Modern Europe* (New York, The Macmillan Company, 1916); *Essays on Nationalism* (New York, The Macmillan Company, 1926); *Analytical Survey of Modern European History* (New York, The Macmillan Company, 1930–1931); *The Historical Evolution of Modern Nationalism* (New York, R.R. Smith Inc., 1931); and *A Generation of Materialism, 1871–1900* (New York, London, Harper & Brothers, 1941).
5. "Incidentally Hayes had become a convert to Catholicism while a graduate student at Columbia where he studied and taught history from 1907 to 1950 when he retired." Spaulding, op. cit., p. 177.
6. Letter of Hayes to John A. Carpenter, O.S.J., September 26m 1955: "My father was a very active Mason and myself joined the local lodge here (Afton, NY) when I was just twenty-one, and resigning of course, from it when subsequently I became a Catholic." Hayes Papers. Manuscripts and Rare Books Library. University of Columbia.
7. Sister Saint Callista Begnal, *The United States and Spain 1939–1946: A Study in Press Opinion and Public Reaction* (Ph.D. Dissertation, Fordham University, 1959, pp. 129–130).
8. "To this long Columbia academia career there were only a few interruptions such as intelligence service in the First World War and the three years in Spain." Spaulding, op. cit., p. 177.
9. *The New York Times*, April 4, 1942.
10. *The New Republic*, April 13, 1942, p. 476.
11. *The Nation*, April 11, 1942, p. 510.

12. James W. Cortada, *Relaciones España–USA, 1941–1945* (Barcelona, Dopesa, 1973, p. 148).
13. Sister Saint Callista Begnal, op. cit., p. 131 note 2.
14. Cortada, op. cit., p. 148.
15. Joan Maria Thomàs, *Roosevelt y Franco. De la Guerra Civil Española a Pearl Harbor* (Barcelona, EDHASA, 2007).
16. Cit. en Javier Tusell, *Franco, España y la Segunda Guerra Mundial. Entre el Eje y la neutralidad* (Madrid, Temas de hoy, 1995, p. 443).
17. Telegram Hayes-Hull April 30, 1943. NARA RG 84 Box 28.
18. Telegram Hayes-Hohental April 30, 1943. NARA RG 84 Box 28.
19. Herbert Feis, *The Spanish Story: Franco and the Nations at War* (New York, Alfred A. Knopf, 1948, pp. 198–203).
20. Bert Allan Watson, *United States–Spain Relations, 1939–1946* (Ph.D. Dissertation, George Washington University, 1971, pp. 228–230).
21. Id.
22. Id.
23. Feis, op. cit., p. 200.
24. Watson, op. cit., p. 229.
25. Feis, op. cit., p. 198.
26. Cortada, op. cit., p. 159.
27. Confidential note for his excellency the minister, December 23, 1942, AMAE R2246/75.
28. Enrique Moradiellos, *Franco Against Churchill. Spain and UK in the Second World War (1939–1945)* (Barcelona, Península, 2005, p. 302).
29. Thomàs, op. cit., p. 525.
30. Note for his Excellence, December 21, 1942, AMAE R2246/75.
31. James W. Cortada, *United States–Spanish Relations, Wolfram and World War II* (Barcelona, Manuel Pareja, 1971, p. 22).
32. Thomas J. Hamilton, *Appeasement's Child: The Franco Regime in Spain* (New York, Alfred A. Knopf, 1943).
33. The book contains an excellent story of the government, the conditions current in Spain, and the typical Spanish lifestyle.
34. Sister Saint Callista Begnal, op. cit., p. 172.
35. Id., p. 173.
36. Id.
37. Gómez-Jordana Souza, Francisco, *Milicia y diplomacia. Los Diarios del Conde de Jordana 1936–1944* (Burgos, Dossoles, 2002, p. 273); Hayes, Carlton J. H., *Wartime Mission in Spain, 1942–1945* (New York, Da Capo Press (reprint of the 1946 edition), 1971, p. 249).
38. Letter from George to Hayes, February 26, 1943. Hayes Papers.
39. *Address of The Honorable Carlton J.H. Hayes, Ambassador of the United States of America before the American Chamber of Commerce in Spain on the occasion of its 25th Anniversary. Barcelona, February 26, 1943*, p. 3. Hayes Papers.
40. Begnal, op. cit., p. 167.
41. Id.
42. *New York Times*, February 27, 1943.
43. *The New Republic*, vol. 108 (March 8, 1943), pp. 299–300.
44. *The New Republic*, March 8, 1943.
45. “PM,” March 1, 1943.

46. Feis, *op. cit.*, p. 199.
47. Hayes, *op. cit.*, p. 97.
48. The Acting Secretary of State March 1, 1943. NARA RG 84 Box 28.
49. Letter of Welles to Hayes, May 22, 1943. Hayes Papers.
50. Hull to Hayes May 14, 1943. FRUS 1943, vol. II, p. 687.
51. *Id.*
52. Memorandum from William T. Stone, Assistant Director to H. K. Fleming, Chief, Blockade Division, Washington FEA Records RG 169, Box 1664, Spain General Correspondence. NARA
53. Feis, *op. cit.*, p. 200.
54. *Cit. Watson, op. cit.*, pp. 234–235.
55. Telegram Hull-Hayes April 27, 1943. FRUS 1943, vol. II, pp. 676–677.
56. *Id.*
57. Telegram Hull-Hayes April 29, 1943. FRUS 1943, vol. II, p. 678.
58. Telegram Hull-Hayes April 30, 1943. FRUS 1943, vol. II, p. 678.
59. Telegram Hull-Hayes May 1, 1943. FRUS 1943, vol. II, p. 679.
60. Telegram Hull to Hayes May 2, 1943. NARA RG 84 Box 28.
61. Telegram Hayes-Hull May 2, 1943, 8 P.M. FRUS 1943, vol. II, pp. 682–684.
62. Telegram Hayes-Hull May 2, 1943, 11 A.M. FRUS 1943, vol. II, p. 682.
63. Letter of Hayes to FDR May 3, 1943. Hayes Papers.
64. Feis, *op. cit.*, p. 202.
65. *Id.*
66. George to Hayes May 3, 1943. Hayes Papers.
67. Memorandum of telephone conversation between Dean Acheson and Admiral Leahy May 5, 1943 *cit. in Watson, op. cit.*, p. 237.
68. Telegram Hayes-Hull May 5, 1943. FRUS 1943, vol. II, p. 684.
69. Telegram Hull-Hayes May 7, 1943. Hayes Papers.
70. Telegram Hull-Hayes May 7, 1943. FRUS 1943, vol. II, pp. 685–686.
71. Telegram Hayes-Hull May 14, 1943. FRUS 1943, vol. II, p. 687.
72. Telegram Hayes-Hull May 18, 1943. FRUS 1943, vol. II, pp. 688–689.
73. This is the opinion of Watson, *op. cit.*, p. 239.
74. Letter from Admiral William D. Leahy to Dean Acheson, Assistant Secretary of State, May 19, 1943, JCS Documents Washington (*cit. en Watson, op. cit.*, p. 239). See also telegram Hull-Hayes May 22, 1943. FRUS 1943, vol. II, pp. 689–691.
75. Telegram Hull-Hayes May 22, 1943 FRUS, 1943, vol. II, pp. 689–691.
76. Hayes-Hull May 22, 1943. Hayes Papers.
77. Hayes-Hull May 25, 1943.
78. Letter of George to Hayes, May 26, 1943. Hayes Papers.
79. Feis, *op. cit.*, p. 205.
80. Letter of Hayes to Hull June 7, 1943. Hayes Papers.
81. *Id.*
82. Counselor Beaulac, in a private interview with Bert Allan Watson, told Watson that the failure to fulfill the order was deliberate. (*Watson, op. cit.*, p. 243).
83. Hull to Hayes June 12, 1943. FRUS 1943, vol. II, p. 694.
84. Letter of W. Perry George to Hayes June 9, 1943. Hayes Papers.
85. Letter of Hayes to Hull June 22, 1943, FRUS 1943, vol. II, pp. 695–699.
86. Letter of Hayes to W. Perry George June 21, 1943. Hayes Papers.

87. Calvet, Josep, *Les muntanyes de la llibertat. El pas d'evadits pels Pirineus durant la Segona Guerra Mundial* (Barcelona, L'Avenç, 2008, p. 59).
88. Emmet Kennedy, "A Controversial Ambassador: Carlton J.H. Hayes and the Refugee Problem in Spain, 1942–1945" (unpublished)
89. Calvet, op. cit., p. 155.
90. Id.
91. Data of the Ministry of Foreign Affairs reproduced in Id., p. 96.
92. Secretary of State to Hayes February 5, 1943. FRUS 1943, vol. I, p. 258.
93. Hayes to Secretary of State March 15, 1943. FRUS 1943, vol. I, p. 270.
94. Hayes, op. cit., p. 119.
95. See Calvet, op. cit., pp. 104–106.
96. The Joint Chiefs of Staff to Sec. of State April 26, 1943. FRUS 1943, vol. I, p. 297.
97. Roosevelt to Sec. of State May 14, 1943. FRUS 1943, vol. I, p. 179.
98. Hayes, op. cit., p. 138.
99. Letter of Hayes to Elmer Davis October 20, 1943. Hayes Papers.
100. Letter of Hayes to George December 15, 1943. Hayes Papers.
101. Letter of George to Hayes July 9, 1943. Hayes Papers.
102. Letter of Hayes to Hull June 16, 1944. Hayes Papers.

CHAPTER 2

1. Cit. in Joan Maria Thomàs, *La Falange de Franco. Fascismo y fascistización en el Régimen de Franco (1937–1945)*, Barcelona, Plaza & Janés, 2001, p. 325.
2. Tusell, *Franco, España*, cit., p. 450.
3. Arnold Toynbee et al., *La guerra y los neutrales*, Barcelona, AHR, 1958, p. 392.
4. Memorandum of Conversation of Hayes-Jordana on March 29, 1943, FRUS 1943 vol. II, p. 601.
5. Hayes to Secretary of State on July 29, 1943, FRUS 1943 vol. II, pp. 611–617.
6. Hayes to Secretary of State August 28, 1943, FRUS 1943 vol. II, pp. 617–619.
7. Tusell, *Franco, España*, cit., p. 447.
8. FRUS Conferences at Washington and Quebec 1943, p. 1099–1101, University of Wisconsin Digital Collection.
9. Moradiellos, op. cit., pp. 324–325.
10. Enclosure Memorandum Prepared in the British Ministry of Economic Warfare.

Wolfram from the Iberian peninsula

1. Germany's Present Position
The virtual absence of stock, Allied preemptive purchasing in the Peninsula and the success achieved against blockade runners has made Germany's wolfram position critical.
2. Stocks and Supplies
Germany started the war with a stock of 12,000 tons of concentrates. After the outbreak of war, Germany was dependent upon what was then a small output in the Peninsula, of which Portugal provided some 2,000 to 3,000 tons and Spain only 300 tons. Until 1942 Germany used her stocks to maintain an annual consumption of about 9,000 tons. From

1942 onwards, her consumption has been at the rate of about 5,800 per year, of which about 4,300 are basic industrial consumption and the balance for A.P. projectiles. Mines in Germany and France produce about 250 tons a year. Should our preemptive purchases in Spain and Portugal continue to be successful Germany will receive only about 2,000 tons from each country in 1943 and may receive substantially less from Spain. As Germany started the year with only 500 tons of stock, a further cut in consumption will be necessary unless she succeeds in obtaining further supplies by blockade running.

3. Effects of Shortage

Germany's main uses for tungsten (the metal derived from wolfram) are to make tungsten carbide, which is used for providing a hard tip for machine tools, and for cores for armor piercing projectiles. Small quantities of tungsten are also used for providing filaments for electric lamps, radio valves, etc., and as a hydrogenation catalyst. A substantial reduction of supplies would therefore face Germany with the following alternatives: a. A cut in the production of weapons of all types, resulting from the absence of tungsten carbide tips from cutting tools and consequent less efficient production, orb. The sacrifice of armor piercing ammunition with tungsten carbide cores. Should supplies from the Peninsula be entirely cut off, Germany would probably suffer both as it is improbable that she would obtain sufficient supplies by blockade running. Blockade running by surface ships should prove impracticable in the future and submarines could only bring the desired quantity at the expense of all other much needed commodities.

4. Speed of Effect

The loss of supplies from the Iberian Peninsula would probably not affect military operations for six months but after that the effect would-be increasingly felt.

5. Conclusions

Failure to obtain wolfram from the Iberian Peninsula would seriously affect the rate of production throughout German industry and would render impossible the manufacture of armor piercing projectiles with tungsten carbide cores on any substantial scale. These effects would become apparent in actual operations after about six months, depending on the rate of military wastage.

11. Gellman, Irwin F., *Secret Affairs. Franklin Roosevelt, Cordell Hull, and Sumner Welles*, Baltimore-London, The John Hopkins University Press, 1995, p. 309: "From the very start of the New Deal, he [FDR] had welcomed Welles as well as others to come to the White House and present their ideas that could contradict the secretary's. The president was at last paying the price for his divisive management style. Already known for his antipathy toward the diplomatic corps, he was growing terribly frustrated with the Hull-Welles powder keg. That summer he remembered that as far back as 1932 he had intended 'to clean up the State Department,' but 'Hull had not done a thing.' Those accusations grew more caustic in late November 1942, when the president complained, 'Cordell was absolutely helpless as an administrator and . . . he claimed he didn't have any control over his own department.' Roosevelt also berated Welles and Berle for being publicity-hungry bureaucrats, but he

never acknowledged that, as president, he had permitted this unconventional structure to flourish.”

12. *Id.*, p. 310.
13. *Id.*, pp. 235–238.
14. *Id.*, p. 310.
15. *Id.*, p. 311.
16. *Id.*, pp. 312–313.
17. *Id.*, p. 316.
18. *Id.*, pp. 316–319.
19. Welles to FDR September 21, 1943 PSF Box 96 FDRPL.
20. Draft and Executive Order 9380, September 25, 1943, Byrnes Papers cit. in Gellman, *op. cit.*, p. 327.
21. *Id.*, pp. 323–331; *Id.*, p. 329: The void that Welles left signaled a massive bureaucratic disruption, for he had directed the daily departmental routine for over six years.
22. Other organizations who were united: the Office of Lend-Lease Administration and the Office of Foreign Relief and Rehabilitation Operations. Executive Order 9380 September 25, 1943, in Office of War Information, *United States Government Manual*, 1945, p. 65.
23. Watson, *op. cit.*, p. 258.
24. He wrote later, along with David L. Gordon, *The Hidden Weapon. The Story of Economic Warfare* (New York, Harper & Brothers, 1947).
25. Cortada, *US-Spain*, *cit.*, p. 27 nota 18.
26. Letter of Leo Crowley to Admiral Leahy on October 7, 1943. NARA, FEA Records, RG 169–FEA, BEW-OEW Executive Director, FEA Administrator, January 1942–July 1944.
27. Royden Dangerfield to Livingston T. Merchant (transmitting proposed draft of letter from Leo T. Crowley to JCS) September 22, 1943. DFDS-NA, Washington, 811.20 Defense (M) Spain 9/2243.
28. W. Perry George to Merchant, September 24, 1943. DFDS-NA Washington 811.20 Defense (M) Spain/9–2243.
29. Edgard R. Stettinius Jr. to Leahy October 11, 1943. DFDS-NA, Washington 740.00112 European War 1939/9923.
30. Hull Papers, Washington, Daily Summary Report of the Under Secretary’s Activities for Personal Information of the Secretary, October 11, 1943.
31. FEA Records, Minutes of the 117th Meeting of IPOC, October 12, 1943. NARA RG 169–FEA Box 1650 (355), IPOC.
32. Hull to Hayes on October 15, 1943. FRUS 1943 vol. II, p. 644.
33. Christian Leitz, *Economic Relations Between Nazi Germany and Franco’s Spain 1936–1945*, New York, Oxford University Press, 1996, p. 187.
34. Robert Patterson, Under Secretary of War, “Old Thorough,” as Colonel Stimson used to call him in Oliver Cromwell’s phrase. All Patterson’s opinions were strongly, even passionately, held. He disposed of the whole matter of neutral trade with Germany by announcing emphatically and upon the highest authority, “He that is not with me is against me!”: Dean Acheson, *Present at the Creation: My Years in the State Department*, New York, W.W. Norton, 1969, p. 49.
35. Allan Chase, *Falange, the Axis Secret Army in the Americas*, New York, G.P. Putnam Sons, 1943.

36. For the impact of the book of Chase, see Begnal, *op. cit.*, p. 197 and ss.
37. Hayes to Jordana on October 21, 1943. FRUS 1943 vol. II, p. 625.
38. It was published in a completely anti-Franco newspaper, "PM": Sister Calixta C. Begnal, *The United States and Spain* *cit.*, p. 193.
39. Roosevelt to Hayes October 25, 1943. FRUS 1943 vol. II, p. 627.
40. Hayes, *op. cit.*, p. 183.
41. *Id.*, p. 183: "In October 1943, with the tide running so generally favorable to us in Spain, it naturally occurred alike to the State Department and to the Embassy to halt wolfram exports to Germany altogether and thus to give a coup de grace to our adversary in the economic warfare. There was no difference between our people in Washington and our staff in Madrid about the desirability of the timeliness of such a move."
42. October 21, 1943. FRUS 1943 vol. II, pp. 644–645.
43. Medlicott, W.N., *The Economic Blockade*, London, His Majesty's Stationery Office-Longmans, Green & Co., 1952, p. 555.
44. Hayes to Hull October 26, 1943. FRUS 1943 vol. II, pp. 646–648.
45. *Id.*, p. 647.
46. Hull to Hayes October 27 1943. FRUS 1943, vol. II, p. 648.
47. Kuo-Chin Li-Chung Yu Wang, *Tungsten: Its History, Geology, Ore-Dressing, Metallurgy, Chemistry, Analysis, Applications, and Economics*, New York, Reinhold, 1947, p. 402. Later, in 1944, the U.S used those to destroy German tanks in the Battle of Ardenas.
48. Christian Leitz, *Economic Relations Between Nazi Germany and Franco's Spain 1936–1945*, Oxford, Clarendon Press, 1996, p. 171.
49. *Id.*, table 5.2, p. 173.
50. *Id.*, p. 177.
51. Thomàs, *Roosevelt . . . cit.*, p. 527: "When USCC representatives arrived in Madrid in April and May 1942, they had authority to purchase, jointly with the British, 55 tons." Blanche Britt Armfield, "*Preclusive Operations in the Neutral Countries in World War II.*" Prepared as one of the Foreign Economic Administration historical studies and typed by the USCC, N.d. FEA Records, NARA, p. 166.
52. Leitz, *Economic . . . cit.*, p. 172.
53. *Id.*, p. 179.
54. Christian Leitz, *Nazi Germany and Neutral Europe during the Second World War*, Manchester, Manchester University Press, 2000, p. 159.
55. Leitz, *Economic . . .*, pp. 182–183.
56. *Id.*
57. In "Wolfram and Scheelite Acquired in Spain for USCC-UKCC Joint Account." Hayes Papers is cited since April. García Pérez, on his part, said that "the law of 7–I-43 has increased the taxes of wolfram to 100 pesetas per kilogram of mineral, in all types of purchase," *op. cit.*, p. 392.
58. Leitz, *Nazi . . .* p. 159.
59. Gordon-Dangerfield, *op. cit.*, p. 114. He added that Ambassador's Hayes statement that from the spring of 1942 to April 1944 "we had purchased altogether 21, 680 tons" is undoubtedly incorrect with reference to Hayes, *op. cit.*, p. 231.
60. Leitz, *Economic . . . cit.*, p. 176.
61. *Id.*, pp. 180–181.

62. Id., p. 181.
63. Gordon-Royden Dangerfield, *op. cit.*, p. 110.
64. No significant change appears in the fact that Germany was back in the market. See Begnal in September.
65. "Blockade, Bargains and Bluff," RG 169 (FEA). Records of the Foreign Economic Administration Historical Monographs prepared outside Division Box #1, pp. 10–11.
66. Gordon-Dangerfield, *op. cit.*, p. 110.
67. Leitz, *Nazi* . . . , p. 164.
68. Cortada, *US-Spain* . . . *cit.*, p. 24. Fish died 21 July 21, 1943, and was replaced by George F. Kenna as *Chargé d'affaires*.
69. Melissa Teixeira, *Caught on the Periphery: Portuguese Neutrality during World War II and Anglo-American Negotiations with Salazar*, Senior thesis, Department of History, University of Pennsylvania, 2008, p. 128.
70. Armfield, *op. cit.*, p. 56.
71. Teixeira, *op. cit.*
72. Id., p. 104.
73. Teixeira, *op. cit.*, p. 134.
74. Fernando Rosas, "Portuguese neutrality in the Second World War" in Neville Wylie, *European Neutrals and Non-Belligerents during the Second World War*, Cambridge, Cambridge University Press, 2002, p. 278.
75. A detailed analysis of the negotiations and the Anglo-American differences in Teixeira, *op. cit.*, pp. 107–153.
76. Donald G. Stevens, "World War II Economic Warfare: The United States, Britain, and Portuguese wolfram," *The Historian*, vol. 61 Issue 3, March 1999, p. 555.
77. Gordon-Dangerfield, *op. cit.*, pp. 103–110.
78. Id., p. 110.
79. Feis, *op. cit.*, p. 221.
80. Id., p. 105.
81. Id., p. 111.
82. Id., p. 111.
83. Leitz, *Nazi* . . . *cit.*, p. 165.
84. García Pérez, *op. cit.*, pp. 340–343. Its use to pay the pending taxes on wolfram in Id., p. 393.
85. Id., p. 407.
86. Id., pp. 398–399.
87. Id., pp. 426–438; Leitz, *Nazi* . . . *cit.*, p. 135.
88. Laurel would be the subject of an attack by guerrillas. He survived and continued during his presidency a collaboration that offered some protection for the Philippines to Japan's harsh occupation. In 1945, when released, Laurel was arrested under General MacArthur's orders but failed to be judged. He was pardoned by President Manuel Roxas in 1948. He introduced several presidential elections in the following years, and was a senator and head of trade negotiations with the United States. He died in 1959. Cortada, *US-Spain* . . . *cit.*, p. 35; Theodore Friend, *Between Two Empires: The Ordeal of the Philippines, 1929–1946* (New Haven, Yale University Press, 1965), pp. 199–246, Theodoro A. Argoncillo, *The Fateful Years: Japan's Adventure*

- in the Philippines, 1941–1945* (2 vols., Quezon City, R.P. García Publis. Co.), 1965.
89. Sister Calixta Begnal, op. cit., p. 204.
 90. Id., p. 204; Cortada, *US-Spain . . .* cit., p. 36; José María Doussinague, *España tenía razón, 1939–1945*, Madrid, Espasa Calpe, 1949, p. 282.
 91. Tusell, *Franco, España . . .* cit., p. 452.
 92. Stettinius to Hayes November 31943. FRUS 1943 vol. II, p. 724.
 93. Sister Calixta Begnal, op. cit., p. 217.
 94. Cortada, *US-Spain . . .* cit., p. 36.
 95. The good news was correct. As Stettinius wrote to Hayes on October 23, 1943: "OWI reports a Tokyo broadcast in English, October 22, stating that Laurel has received congratulations from Jordana on proclamation of Philippine independence. The message attributed to Jordana expresses sentiments not only of General Franco and Foreign Office but of Spanish people. The broadcast stated Laurel had also received congratulations from local Italian and German communities and from Bulgaria. Please comment by cable." Telegram October 23, 1943. FRUS 1943 vol. II, p. 722.
 96. Hayes to Hull, October 26, 1943. FRUS 1943 vol. II, p. 723.
 97. Tusell, *Franco, España.* cit., p. 452.
 98. Hayes to Hull, November 5, 1943. FRUS 1943 vol. II, p. 731.
 99. Stettinius to Hayes, October 23, 1943. FRUS 1943 vol. II, p. 722
 100. Hayes to Hull, October 23, 1943. FRUS 1943 vol. II, pp. 722–723.
 101. Stettinius-Hayes, October 28, 1943. FRUS 1943 vol. II, pp. 723–724.
 102. Hayes, op. cit., p. 189.
 103. Stettinius-Hayes, November 3, 1943. FRUS 1943 vol. II, p. 725.
 104. Id., p. 726.
 105. Lindley, Ernest K.-Weintal, Edward, "How We Dealt with Spain. American Diplomacy in Madrid, 1940–1944," *Harper's Magazine*, December 1944, pp. 27–28 .
 106. Stettinius to Hayes. FRUS 1943 vol. II, p. 725–726.
 107. *New York Post*, November, 1 1943.
 108. "PM" November 3, 1943.
 109. *The Nation*, November 13, 1943, p. 556.
 110. *The CSM*, November 4, 1943.
 111. *New York Times*, November 4, 1943.
 112. Sister Calixta Begnal, op. cit., p. 221.
 113. *The Christian Century*, November 10, 1943.
 114. *New York Post*, November 11, 1943.
 115. *Post Dispatch*, November 11, 1943.
 116. "PM" in *New York Post*, November 12, 1943; Sister Calixta Begnal, op. cit., p. 225.
 117. As well as with Finland: Congressional Record vol. 89, p. 5.168–5.169 cit. in Sister Calixta Begnal, Id.
 118. Cit. in Id., pp. 225–226.
 119. Cortada, *US-Spain . . .* cit., p. 43.
 120. Hayes-Hull, November 2, 1943. FRUS 1943 vol. II, p. 724.
 121. Id., p. 725.
 122. Stettinius to Hayes, November 3, 1943. FRUS 1943 vol. II, p. 726.

123. Stettinius-Hayes, November 4, 1943. FRUS 1943 vol. II, pp. 726–727.
124. Hayes to Hull, November 5, 1943. FRUS 1943 vol. II, pp. 727–730.
125. On German espionage activities, see Collado Seidel, Carlos, “España y los agentes alemanes 1944–1947. Intransigencia y pragmatismo político,” *Espacio, Tiempo y Forma*, Serie V, Historia Contemporánea, t. 5, 1992, pp. 431–482; Manuel Ros Agudo, *La guerra secreta de Franco*, Barcelona, Critical, 2002.
126. Stettinius to Hayes, November 6, 1943. FRUS 1943 vol. II, p. 649.
127. The date of September of 1943 in Hayes, op. cit., p. 279.
128. Stettinius to Hayes, November 8, 1943. FRUS 1943 vol. II, pp. 733–734.
129. Id.
130. Hayes to Hull, November 10, 1943. FRUS 1943 vol. II, pp. 649–651.
131. Hull to Hayes, November 12, 1943. FRUS 1943 vol. II, p. 738.
132. Hayes to Hull, November 11, 1943. FRUS 1943 vol. II., pp. 651–653.
133. Hull to Hayes, November 15, 1943. FRUS 1943 vol. II, pp. 653–654.
134. Watson, op. cit., p. 269.
135. Hull to Hayes, November 15, 1943. FRUS 1943 vol. II, p.655. Hayes to Hull, November 17, 1943. FRUS 1943 vol. II, p. 656.
136. Hayes to Hull, November 18, 1943. FRUS 1943 vol. II, pp. 656–657. Hayes to Hull, November 18, 1943. FRUS 1943 vol. II, p. 658.
137. Hayes to Hull, November 18, 1943. FRUS 1943 vol. II, p. 658.
138. Hayes to Hull, December 1, 1943. FRUS 1943 vol. II, p. 660.
139. García Pérez, op. cit., p. 442.
140. Memorandum of Conversation, by the Secretary of State. FRUS 1943 vol. II, p. 631.
141. On the reevaluation, see Moradiellos, op. cit., pp. 339–344.
142. Hoare, Sir Samuel, *Ambassador on Special Mission*, London, Collins, 1946, p. 247.

CHAPTER 3

1. Herbert Feis, *The Spanish Story: Franco and the Nations at War* (New York, Alfred A. Knopf, 1948, p. 223).
2. “After six months of continuous controversy, the word ‘wolfram’ will probably be written on my tombstone—a word that before the war was practically unknown, a mineral that was as worthless as dust in 1939, and was selling at 7,000 pounds a ton in 1943. How has it come about that this hitherto valueless deposit in the Peninsula has become the magnet of international discussions, parliamentary questions, and even inter-Allied disputes?” Hoare to Eden, May 1 1944, in Paul Preston and Michael Partridge, *British Documents on Foreign Affairs* vol. 16, part III Series F (London, University Publications of America, 1998, p. 378).
3. Letter of W. Perry George to Hayes, December 14, 1943. Hayes Papers.
4. Letter of Hayes to George, December 27, 1943. Hayes Papers.
5. Josep Calvet, *Les muntanyes de la llibertat. El pas d’evadits pels Pirineus durant la Segona Guerra Mundial* (Barcelona, L’Avenç, 2008, pp. 149–150).
6. Letter of Hayes to Hull, December 27, 1943. Hayes Papers.
7. Letter of W. Perry George to Hayes, January 10, 1944. Hayes Papers.

8. The Allies suspected, as we have seen, that he himself had private interests in the business of wolfram. García Pérez also states it. : *Franquismo y Tercer Reich. Las relaciones económicas hispano-alemanas durante la Segunda Guerra Mundial* (Madrid, Centro de Estudios Constitucionales, 1994).
9. Rafael García Pérez, : *op. cit.*, pp. 443–445.
10. See, for example, the first proposal of Jordana, in Hayes to Hull, February 21, 1944. FRUS 1944, vol. IV, pp. 346–350.
11. Cited in Tusell, *Franco, España y la Segunda Guerra Mundial. Entre el Eje y la neutralidad* (Madrid, Temas de hoy, 1995, p. 498).
12. García Pérez, *op. cit.*, p. 426 and ss.
13. Feis, *op. cit.*, p. 238; W. N. Medlicott, *The Economic Blockade* (London, His Majesty's Stationery Office—Longmans, Green & Co, 1952, vol. II, p. 563); Arnold Toynbee et al., *La guerra y los neutrales* (Barcelona, AHR, 1958, p. 94).
14. Memorandum of Labouisse to Stettinius, January 31, 1944; Feis, *op. cit.*, p. 239.
15. Hayes to Hull, January 4, 1944. FRUS 1944, vol. IV, pp. 298–301.
16. Memorandum of George to Culbertson and Matthews, January 24, 1944. Cited in Bert Allan Watson, *United States-Spain Relations, 1939–1946* (Ph.D. Dissertation, George Washington University, 1971, p. 287). The conversation is explained in Hull to Hayes, January 29, 1944. FRUS 1944, vol. IV, pp. 307–308.
17. Hull to Hayes, January 25, 1944. FRUS 1944, vol. IV, p. 302.
18. Hull to Hayes, January 25, 1944. FRUS 1944, vol. IV, pp. 303–304.
19. Hull to Hayes, January 27, 1944. FRUS 1944, vol. IV, p. 304.
20. Hayes to Hull, January 28, 1944. FRUS 1944, vol. IV, pp. 305–306.
21. John MacCormac, “Policy on Spain Restudied by U.S.,” *New York Times*, January 29, 1944, cit. to Watson, *op. cit.*, p. 288.
22. Cited in James W. Cortada, *United States-Spanish Relations, Wolfram and World War II* (Barcelona, Manuel Pareja, 1971, p. 65).
23. This was the information which the British had; see Hayes to Hull, January 31, 1944. FRUS 1944, vol. IV, p. 316.
24. Hayes to Hull, January 28, 1943. FRUS 1944, vol. IV, pp. 305–306.
25. Hull to Hayes, January 29, 1944. FRUS 1944, vol. IV, p. 307.
26. Hayes to Hull, January 27, 1944. FRUS 1944, vol. IV, p. 305.
27. Hayes to Hull, January 30, 1944. FRUS 1944, vol. IV, pp. 311–314.
28. *Id.*
29. Conversation held between the Minister and the U.S. ambassador on January 29, 1944: Head of the State File 3, Expedient 5, Presidential Archive of the Government.
30. Conversation held between the Minister and the U.S. ambassador on February 15, 1944: Head of the State File 3, Expedient 5, Archive of the Presidency of the Government, p. 16.
31. Hayes to Hull, January 31, 1944. FRUS 1944, vol. IV, pp. 314–316; Hull to Hayes, January 31, 1944. FRUS 1944, vol. IV, p. 317.
32. Hull to Hayes February 1, 1944. FRUS 1944, vol. IV, pp. 317–318; On February 14, Stettinius wrote to the director of OWI Elmer Davis explaining the importance of Spain from the military perspective and saying that “this will not be achieved by talking too loudly about the Russian bogey bear attitude of Spain and stressing our closeness to the Soviet Union. Some things are

- better left unsaid in some quarters." Stettinius to Davis February 14, 1944. NARA 711.52/354 (cit. en Watson, op. cit., pp. 291–292).
33. Hull to Hayes February 5, 1944. FRUS 1944, vol. IV, p. 329.
 34. *New Republic*, CX February 7, 1944, pp. 166–167 cit. in Cortada, op. cit., p. 65.
 35. *New Republic*, CX February 7, 1944, pp. 166–167; Dorothy Thompson, "Franco New Axis Ally," *Nation*, February 5, 1944, pp. 158–160, cit in Id., p. 65.
 36. Xavier Moreno Juliá, *La División Azul : Sangre española en Rusia 1941–1945* (Barcelona, Crítica, 2004, p. 299).
 37. Hull to Hayes February 3, 1944. FRUS 1944, vol. IV, p. 318.
 38. Hull to Hayes February 8, 1944 FRUS 1944, vol. IV, pp. 332–334.
 39. Hull to Hayes February 1, 1944 FRUS 1944, vol. IV, pp. 317–318; on February 14, Stettinius wrote to the director of OWI Elmer Davis explaining the importance of Spain from the military perspective, saying that "this will not be achieved by talking too loudly about the Russian bogey bear attitude of Spain and stressing our closeness to the Soviet Union. Some things are better left unsaid in some quarters." Stettinius to Davis, February 14, 1944. NARA 711.52/354 (cit. en Watson, op. cit., pp. 291–292).
 40. Hayes to Hull February 3, 1944. FRUS 1944, vol. IV, pp. 326–327.
 41. Verbal note of the ministry of Foreign Affairs to the U.S. Embassy in Madrid on February 10, 1944.
 42. García Pérez, op. cit., pp. 449–450 y 457.
 43. Letter of Jordana to Carceller on January 29, 1944, and response of Carceller on February 1, 1944, both in AMAE R2245/8; García Pérez, op. cit., p. 448.
 44. Hayes to Hull February 5, 1944. FRUS 1944, vol. IV, p. 328; Verbal note of the Ministry of Foreign Affairs to the U.S. Embassy in Madrid, February 10, 1944, cit. in García Pérez, op. cit., p. 465.
 45. According to German sources cited in García Pérez, op. cit., p. 464.
 46. Id., pp. 465, 467 and ss.
 47. Id., p. 471.
 48. Id., p. 452 notes 105, 464, and 141.
 49. Id., p. 466.
 50. Id., p. 473.
 51. Christian Leitz, *Economic Relations Between Nazi Germany and Franco's Spain 1936–1945* (Oxford, Clarendon Press, 1996, p. 191): also it was exported in the form of lemons and oranges. Id.
 52. Hayes to Hull, January 31, 1944. FRUS 1944, vol. IV, p. 315.
 53. Hayes to Hull, February 3, 1944. FRUS 1944, vol. IV, pp. 319–325.
 54. Hayes to Hull, February 4, 1944. FRUS 1944, vol. IV, pp. 327–328.
 55. Hayes to Hull, February 5, 1944. FRUS 1944, vol. IV, p. 328.
 56. Memorandum of Conversation, by the Chief of the Eastern Hemisphere Division (Labouisse) February 5, 1944. FRUS 1944, vol. IV, pp. 329–331.
 57. Id.
 58. Christian Leitz, *Nazi Germany and Neutral Europe during the Second World War* (Manchester, Manchester University Press, 2000, p. 133).
 59. Id.
 60. Memorandum of Conversation by the Undersecretary of State (Stettinius) February 7, 1944. FRUS 1944, vol. IV, pp. 331–332.
 61. Hull to Hayes, February 8, 1944. FRUS 1944, vol. IV, p. 334.

62. Hull to Hayes, February 11, 1944. FRUS 1944, vol. IV, p. 336.
63. Conversation held between the Minister and the U.S. ambassador on February 15, 1944. Head of State File 3, Expedient 5 Archive of the Presidency of the Government.
64. Telegram FDR to Churchill, February 15, 1944. FRUS 1944, vol. IV, pp. 337–338.
65. Memorandum of Stettinius to FDR, February 22, 1944. NARA cit. en Watson, op. cit., p. 296.
66. Conversation held between the Minister and the U.S. ambassador on February 17, 1944. Head of the State File 3, Expedient 5, Archive of the Presidency of the Government.
67. Id., p. 16.
68. Message of Jordana to the government of U.S. Included in Hayes-Hull, February 16, 1944. FRUS 1944, vol. IV, pp. 339–340.
69. Stettinius to Hayes February 18, 1944. FRUS 1944, vol. IV, pp. 343–344.
70. Cortada, op. cit., pp. 74–75.
71. Stettinius to Hayes February 19, 1944. FRUS 1944, vol. IV, pp. 344–345.
72. Hayes to Hull February 16, 1944. FRUS 1944, vol. IV, pp. 341–343.
73. Memorandum of Meeting between P. Perry George and Guy Thorold and R. E. Barclay of the British Embassy February 19, 1944 cit. en Watson, op. cit., p. 295.
74. Stettinius to Hayes February 19, 1944. FRUS 1944, vol. IV, pp. 344–345.
75. Leitz, *Nazi Germany and Neutral Europe during the Second World War*; Cuadro, p. 100.
76. Conversation held between the Minister and the U.S. ambassador on February 21, 1944. Head of the State File 3, Expedient 5, Archive of the Presidency of the Government.
77. Hayes to Hull, February 21, 1944. FRUS 1944, vol. IV, pp. 347–350.
78. Memorandum Stettinius-FDR, February 22, 1944, with the handwritten note in FDR's hand, "OK": PSF 50 FDRPL.
79. Id.
80. Loewenheim, Francis L.-L., Harold D.-J., Manfred, *Roosevelt and Churchill: Their Secret Wartime Correspondence* (New York, Saturday Review Press/E.P. Dutton & Co., 1975, pp. 445–446).
81. Cit. in Enrique Moradiellos, *Franco frente a Churchill. España y Gran Bretaña en la Segunda guerra mundial (1939–1945)* (Barcelona, Península, 2005, p. 353).
82. Stettinius to Hayes, February 24, 1944. FRUS 1944, vol. IV, pp. 351–353.
83. Hayes to Hull, February 28, 1944. FRUS 1944, vol. IV, pp. 353–354.
84. Hull-Winant, March 2, 1944. NARA 711.52/368.
85. "According to the minister's figures, the exports in 1943 had totalled 3,100 tons. Ten percent of this would be 310 tons, and inasmuch as 300 tons had already gone out in January 1944, only ten tons would go during the remainder of the year. Here, it appeared to me as well to Sir Samuel Hoare, was the basis for a settlement. Spain would save its face by calling it "a drastic limitation," while we would obtain a practical embargo." Carlton J. H. Hayes, *Wartime Mission in Spain, 1942–1945* (New York, Da Capo Press (reprint of the 1946 edition), 1971, p. 218).
86. Hayes to Hull, February 28, 1944. NARA 711.52/368. It also got clear in the telegram of Hayes to Hull, 23 February 23, 1944. NARA 711.52/363,

when he says that “it seems clear that the limitation of ten percent of total exports proposed by Jordana relates to the year 1944 and not to a twelve month period dating from the present. However he was not specific on this point. From the know export permits granted during 1943 we estimate that total exports were 3,100 tons. During January 1944 actual exports made by the Germans, apparently on export applications submitted during 1943, were 303 tons. If Jordana referred to physical exports during 1944 it will be seen that the deliveries made in January are approximately equivalent to the total he suggests, consequently there would be a practical embargo for the remainder of this year. In that case his proposal is a bid to comply in fact with our request if not with the letter of it.”

87. Leitz, *op. cit.*, p. 133.
88. Conversation held between the Minister and the U.S. ambassador on February 29, 1944. Head of the State File 3, Expedient 5, Archive of the Presidency of the Government.
89. *Id.*
90. Letter of German ambassador to Jordana, February 25, 1944. Head of the State File 3, Expedient 5, Archive of the Presidency of the Government.
91. Francisco Gómez-Jordana Souza, *Milicia y diplomacia. Los Diarios del Conde de Jordana 1936–1944* (Burgos, Dossoles, 2002, pp. 250–251). He did not attend the session authorized by Franco on the evening of the 29th of February and of the 1st March.
92. Nine hundred in García Pérez, *op. cit.*, p. 457.
93. Draft of the letter to the general Asensio s.f. cit. in Luis Suárez Fernández, *Francisco Franco y su tiempo*, vol. III (Madrid, Fundación Nacional Francisco Franco, 1984, pp. 489–490). Cit. also in García Pérez, *op. cit.*, p. 457.
94. *Id.*, p. 456.
95. Hayes to Hull, March 7, 1944. FRUS 1944, vol. IV, pp. 356–358.
96. *Id.*
97. Conversation held between the Minister and the U.S. ambassador on March 8, 1944. Head of the State File 3, Expedient 5, Archive of the Presidency of the Government.
98. Conversation Franco-Dieckhoff, March 17, 1944, cit. en García Pérez, *op. cit.*, pp. 459–460.
99. Hayes to Hull, March 9, 1944. FRUS 1944, vol. IV, pp. 359–363.
100. Hull to Hayes, March 16, 1944. FRUS 1944, vol. IV, pp. 365–366 and Hull to Hayes, March 18, 1944. FRUS 1944, vol. IV, pp. 366–367.
101. Memorandum from H. Freeman Matthews to Culbertson, George, and Labouisse. NARA cit. in Watson, *op. cit.*, p. 298.
102. Hayes to Hull, March 24, 1944. FRUS 1944, vol. IV, pp. 367–370.
103. Hull to Hayes, March 24, 1944. FRUS 1944, vol. IV, pp. 370–372.
104. Hayes to Hull, March 25, 1944. FRUS 1944, vol. IV, pp. 373–375.
105. Hayes to Hull, March 30, 1944. FRUS 1944, vol. IV, pp. 375–376.
106. Loewenheim, *op. cit.*, p. 481, note 1.
107. Loewenheim, *op. cit.*, pp. 481–482.
108. Hull to Hayes, April 4, 1944. FRUS 1944, vol. IV, pp. 377–378.
109. Memorandum Paul T. Culbertson to James Dunn, April 1, 1944. NARA.
110. Memorandum William Stone, director of the Special Branch of the FEA to Lauchlin Currie, Deputy Administrator of the FEA and James L. McCamy,

- executive director of Bureau of Regional FEA, April 4, 1944. RG 169 FEA Box 51 cit. in Watson, op. cit., p. 301.
111. Hayes to Hull, April 8, 1944. FRUS 1944, vol. IV, pp. 379–381.
 112. Aide-mémoire, The British Embassy to the Department of State April 10, 1944. FRUS 1944, vol. IV, pp. 381–382.
 113. Dean Acheson, *Present at the Creation: My Years in the State Department* (New York, Norton & Co., 1969, pp. 55–57).
 114. Hayes to Hull, April 11, 1944, vol. IV, p. 385.
 115. Winant to Hull, April 15, 1944 cit.
 116. Draft of the letter of Hayes to A. Uhl de “PM” (s.f.) (1944). Hayes Papers.
 117. Letter of Hayes to Charles A. Beard, March 6, 1944. Hayes Papers.
 118. Hayes to Hull, March 24, 1944. Hayes Papers.
 119. George to Hayes, February 25, 1944. Hayes Papers.
 120. Medlicott, op. cit., p. 573.
 121. Perry George to Hayes, April 11, 1944. NARA.
 122. Telegram of Hayes to Hull, not sent, April 19, 1944. Hayes Papers.
 123. Hayes to Hull, April 17, 1944. Spain 1942–1945 FDRPL.
 124. Hayes a Hull, April 17, 1944. PSF 50 Spain FDRPL.
 125. Cordell Hull Memorandum for the President, April 28, 1944. PSF 50 Spain FDRPL.
 126. Note of FDR to Cordell Hull, May 1, 1944. PSF 50 Spain FDRPL.
 127. Letter of Robert D. Murphy to Hayes Tänger, April 18, 1944. Hayes Papers.
 128. On the update of Currie as an informant of USSR. V. John Earl Haynes and Harvey Klehr, *Venona: Soviet Espionage in America in the Stalin Era*, 1999.
 129. Memorandum from Lauchlin Currie to President Roosevelt, April 13, 1944. President’s Secretary’s File Spain FDRPL.
 130. Id.
 131. Churchill to Roosevelt, April 17, 1944. FRUS 1944, vol. IV, p. 386.
 132. Hayes to Hull, April 18, 1944. FRUS 1944, vol. IV, pp. 388–390.
 133. Act of the interview of April 14, 1944. In Jordana, op. cit., pp. 270–273.
 134. Hayes to Hull, April 18, 1944. FRUS 1944, vol. IV, p. 391.
 135. García Pérez, op. cit., p. 471.
 136. Id., p. 469.
 137. Id., p. 471.
 138. Jordana, op. cit., pp. 229–231.
 139. Hull to Winant, April 17, 1944. FRUS 1944, vol. IV, pp. 386–387.
 140. Hull to Hayes, April 17, 1944. FRUS 1944, vol. IV, pp. 386–387.
 141. Hayes to Hull, April 20, 1944. FRUS 1944, vol. IV, pp. 391–393.
 142. Hayes to Hull, April 21, 1944. FRUS 1944, vol. IV, pp. 394–396.
 143. V. Memorandum by the Secretary of State to President Roosevelt, April 20, 1944. FRUS 1944, vol. IV, pp. 393–394. See also memorandum Hull-FDR, April 20, 1944. NARA 711.52/452.
 144. FDR to Churchill, April 21, 1944. FRUS 1944, vol. IV, p. 396; Loewenheim, op. cit., pp. 491–492.
 145. Id., Loewenheim note 2: In Sweden, efforts were made to restrict the shipments of ball bearings to Germany, and Turkey was being urged to discontinue shipping chrome ore. In December 1943, the Swiss had agreed to reduce by 45 percent their export of arms, ammunition, and machinery and by 40 percent the sale of precision tools, fuses, ball bearings, and arms.

146. Hull to Hayes, April 22, 1944. FRUS 1944, vol. IV, pp. 397–398.
147. Medlicott, *op. cit.*, vol. II, p. 575.
148. Hull to Hayes, April 22, 1944. FRUS 1944, vol. IV, pp. 397–398.
149. Extract of the conversation held between the Minister and the U.S. on April 21, 1944. Head of the State File 3, Expedient 5, Presidential Archive of the Government.
150. *Id.*
151. Conversation held between the Minister and the U.S. ambassador on April 17, 1944. Head of the State File 3, Expedient 5 Presidential Archive of the Government.
152. Hayes to Hull, April 25, 1944. FRUS 1944, vol. IV, pp. 398–400.
153. Jordana, *op. cit.*, p. 276.
154. Hayes to Hull, April 25, 1944. FRUS 1944, vol. IV, pp. 400–402.
155. *Id.*
156. Hayes to Hull, April 27, 1944. FRUS 1944, vol. IV, p. 406.
157. Hayes to Hull, p. 403.
158. Hayes to Hull, April 25, 1944. FRUS 1944, vol. IV, pp. 402–403.
159. *Id.*
160. Loewenheim, *op. cit.*, p. 492.
161. Hayes to Hayes, April 29, 1944. FRUS 1944, vol. IV, pp. 407–408.
162. *Id.*
163. Hayes, *op. cit.*, pp. 224–225.
164. Jordana, *op. cit.*, pp. 281–283.
165. *Id.*, p. 281.
166. Hull to Hayes, April 27, 1944. FRUS 1944, vol. IV, pp. 404–406.
167. Act of the interview, Jordana-Hoare, April 26, 1944. In Jordana, *op. cit.*, pp. 278–279.
168. Jordana, *op. cit.*, pp. 278–281.
169. Memorandum of Conversation between the Ambassador and Mr. Casares Madrid, April 27, 1944. Hayes Papers.
170. Jordana, *op. cit.*, pp. 277–278, 281.
171. Hayes to Hull, April 27, 1944. FRUS 1944, vol. IV, pp. 404–406; Hayes to Hull April 29, 1944. FRUS 1944, vol. IV, pp. 407–408.
172. Memorandum prepared by military attaché, Lisbon, May 15, 1944. Hayes Papers.
173. Jordana-Dieckhoff, June 13, 1944 *cit. en* García Pérez, *op. cit.*, pp. 482–483.
174. *Id.*, pp. 483–484.
175. Jordana, *op. cit.*, annotation of April 29, 1944, p. 282.
176. Hayes to Hull, May 4, 1944. FRUS 1944, vol. IV, p. 410.
177. Jordana, *op. cit.*, pp. 285–287.
178. Jordana to Cárdenas, April 30 and May 3, 1944. AGA AAEE Caja 8892; About the controversy between those two, see Jordana to Hayes, May 2, 1944. FRUS 1944, vol. IV, p. 412, and a negative response of Hayes that was not definitive but finished with accepting exports in January 1945, in Hayes to Jordana, May 3, 1944.
179. Jordana to Cárdenas, May 3, 1944. AGA AAEE Caja 8892.
180. Hull to Hayes, April 28, 1944. FRUS 1944, vol. IV, p. 406.

181. Hull to Hayes, May 1, 1944. FRUS 1944, vol. IV, pp. 408–409.
182. Hayes, op. cit., p. 226.
183. Id., pp. 226–227.
184. Department of State Radio Bulletin. Num. 106, May 3, 1944. AMAE Leg. 2421 Exp. 9.
185. *New York Times*, May 3, 1944, cit. in Hayes, op. cit., p. 228.
186. Sister Saint Calixta Begnal, *The United States and Spain 1939–1946: A Study in Press Opinion and Public Reaction* (Ph.D. Dissertation, Fordham University, 1959, pp. 266–269).
187. In *Baltimore Sun*, May 3, 1944: “Bargaining is never easy and it never produces perfect results. But the terms of the new agreement with Spain, published yesterday, show that the main objective has been all but achieved. Spain’s shipments of wolfram to Germany are to be reduced to a mere trickle . . . We can be hard, but not too hard. For the most part we have to depend upon the appreciation, by the neutrals themselves, of the changed position of the opposing powers.” cit. in Hayes, op. cit., p. 228.
188. Id.
189. Cortada, op. cit., p. 99.
190. For example, the ambassador in Turkey, Steinhardt, who wrote: “Any emphasis placed by OWI on American dissatisfaction with the action taken by the Spaniards will unquestionably cause the Turks to feel that, having discontinued chrome shipments to Germany, they need be in no hurry to make substantial reductions in export of other strategic materials.” cit. in Hayes, op. cit., pp. 227–228.
191. Cárdenas to Jordana, May 4, 1944. MAE caja 8892 AGA.
192. *New York Times*, May 6, 1944, cit. in Watson, op. cit., p. 310; letter of Cárdenas to Jordana, May 26, 1944. MAE caja 8892 AGA.
193. Cárdenas to Jordana, May 26, 1944. MAE caja 8892 AGA.
194. Memorandum of conversation with the Foreign Minister, June 7, 1944, at 1 p.m. Hayes Papers.
195. Note 7357 for Franco of service of information 9–6–1944. Presidential Archive of Government, Head of the State File 4, Exp. 6.
196. Note of Franco, in Suárez Fernández, op. cit., pp. 495–496.
197. Id.
198. Memorandum of conversation with the Foreign Minister, June 3, 1944. Hayes Papers; and Memorandum of conversation with the Foreign Minister, June 7, 1944. Hayes Papers.
199. Annotation of May 2, 1944, in Jordana, op. cit., p. 288.
200. Annotation of May 5, in Id.
201. Annotation of May 6, in Id.
202. Annotations of May 26 and July 18, 1944, in Id., pp. 292–293, 297.
203. Id., pp. 291–292.
204. Jordana, op. cit., p. 295; annotation June 28, 1944.
205. Moradiellos, op. cit., pp. 362–363.
206. Annotation of May 27, 1944, in Jordana, op. cit., p. 293.
207. May 15, annotation in Id., p. 290.
208. Hayes, op. cit., pp. 231–232.
209. Jordana, annotation July 2, 1944, in op. cit., p. 295.

210. Hayes-Hull, May 10, 1944. NARA 711.52/449.
211. García Pérez, *op. cit.*, pp. 482–483.
212. Hayes, *op. cit.*, pp. 225–226.
213. Hayes to Hull, May 5, 1944. Hayes Papers.
214. Memorandum George to Culbertson and Matthews, April 11, 1944. NARA.
215. On March 25, 1944 the embassy bid him goodbye: Hayes, *op. cit.*, p. 232.
216. Beaulac to Hayes, June 16, 1944. Hayes Papers.
217. Vid. Agreement of May 1, 1944, about the export of wolfram.
218. Hayes to Jordana, May 1, 1944. FRUS 1944, vol. IV, pp. 410–411.
219. Established Plan between the Fuel station and the petroleum service of the American Embassy. April 30, 1944. AMAE Leg. 2421 Exp. 9.
220. Annotation of May 24, 1944, in Jordana, *op. cit.*, p. 292.
221. García Pérez, *op. cit.*, p. 488.
222. According to the note that was sent by Jordana to Franco on June 12.
223. García Pérez, *op. cit.*, pp. 488–489; See also Leitz, *op. cit.*, p. 192.
224. Jordana, *op. cit.*, p. 294.
225. Memorandum of conversation with General Franco at the Pardo, Thursday, July 6, 1944, at noon. Hayes Papers.
226. *Id.*
227. Hayes visited EEUU.
228. Hayes, *op. cit.*, p. 233
229. Conversation held between the Minister and the U.S. ambassador on July 28, 1944. Head of the State File 3, Expedient 5 Presidential Archive of the Government.
230. Letter of Jordana to Dávila, May 3, 1944. Head of the State File 3, Expedient 5 Presidential Archive of the Government.
231. Letter of Jordana to Benjumea, May 3, 1944. Head of the State File 3, Expedient 5.
232. García Pérez, *op. cit.*, p. 487.
233. *Id.*, pp. 489–490.
234. *Id.*, pp. 490–491.
235. García Pérez, *op. cit.*, p. 193.
236. Leitz, *op. cit.*, p. 176 Table 5.3. Here Cortada is mistaken: *op. cit.*, p. 100.
237. Watson, *op. cit.*, pp. 310–311.
238. Leitz, *Economic . . .*, p. 193.
239. Leitz, *Nazi Germany . . .*, p. 165, note 95.
240. Gordon and Dangerfield, *op. cit.*, p. 114.
241. *Id.*, p. 166.
242. In his conversation with German ambassador Dieckhoff of April 21, 1944, he told to Franco that Germany has the reservation of wolfram without specifying the quantity.
243. Leitz, *op. cit.*, pp. 194–195.
244. Leonard Caruana and Hugh Rockoff, “A Wolfram in Sheep’s Clothing: Economic Warfare in Spain, 1940–1944,” *The Journal of Economic History*, vol. 63, issue 1, March 2003, p. 118.
245. That is the quantity already purchased. All of them were not exported by U.S. and U.K.

246. Robert L. Beir (with Brian Josepher), *Roosevelt and the Holocaust. A Rooseveltian Examines the policies and Remembers the Times*, Fort Lee (NJ), Barricade Books, 2006.
247. Emmet Kennedy, "A Controversial Ambassador . . .", op. cit., p. 22.
248. Gellman, op. cit., pp. 346–347.
249. Hayes to Secretary of State, 20 March 1944. WRB FDRPL.
250. Calvet, op. cit., p. 113.
251. Executive Order 9417 Establishing the War Refugee Board.
252. Kennedy, op. cit., p. 25.
253. Hayes to Secretary of State 26 May 1944 WRB FDRPL.
254. Statement by the Honorable Emmanuel Celler of New York 21 June 1944 WRB FDRPL.
255. Kennedy, op. cit., p. 27.

CHAPTER 4

1. Moreno Juliá, *La División Azul. Sangre española en Rusia 1941–1945* (Barcelona, Crítica, 2004, p. 303).
2. García Pérez, *Franquismo y Tercer Reich. Las relaciones económicas hispano-alemanas durante la Segunda Guerra Mundial* (Madrid, Centro de Estudios Constitucionales, 1994, p. 455); the thing was slow and was not free of loopholes: on May 18, for example, although the flag and the shield had been removed, the consulate was still working. NARA 711.52/480.
3. Moreno Juliá, op. cit., p. 301 and 303.
4. Interview held by the Minister with the Charge d'Affaires of the United States, on July 28, 1944. Archives of the Prime Minister, Head of State Bundle 4, File 9.
5. Memorandum of conversation with the Foreign Minister, San Sebastián, Wednesday, August 30, 1944 at 11:30 A.M. Hayes Papers.
6. Collado Seidel, Carlos, ¿De Hendaya a San Francisco? Londres y Washington contra Franco y la Falange (1942–1945), *Espacio, Tiempo y Forma*, Serie V, Historia Contemporánea, t. 7, 1994, p. 71; Collado Seidel, Carlos, España y los agentes alemanes 1944–1947. Intransigencia y pragmatismo político, *Espacio, Tiempo y Forma*, Serie V, Historia Contemporánea, t. 5, 1992, p. 443.
7. Id., pp. 454–455.
8. García Pérez, op. cit., p. 474.
9. Letter of Hayes to FDR, February 24, 1945. PSF Box 50 FDRPL.
10. The date in Hayes, *Wartime Mission in Spain, 1942–1945*, p. 279.
11. Id., p. 279.
12. Memorandum of conversation with the Foreign Minister, Monday, October 9, 1944, at 11 o'clock. Hayes Papers; Hayes, op. cit., p. 279.
13. Memorandum of conversation with the Foreign Minister, Thursday, November 2, 1944, at 11 A.M. Hayes Papers. A fact that the U.S. ambassador did not reflect in his reports.
14. Memorandum of conversation with the Foreign Minister, Monday, November 13, 1944, at 11 A.M. Hayes Papers.
15. Memorandum of conversation with the Foreign Minister, Thursday, December 14, 1944, at 11:30 A.M. Hayes Papers; Hayes, op. cit., pp. 280–281.

16. Hayes, op. cit., p. 281.
17. Memorandum of conversation with the Foreign Minister, Saturday, June 3, 1994 at 12 o'clock. Hayes Papers.
18. Hayes, Memorandum of conversation with the Foreign Minister, Saturday, June 7, 1944, at 12 o'clock. Hayes Papers.
19. Hayes, Memorandum of conversation with the Foreign Minister, Saturday June 3, 1944, at 12 o'clock. Hayes Papers.
20. Hayes, Memorandum of conversation with the Foreign Minister, Saturday June 7, 1944, at 12 o'clock. Hayes Papers.
21. The BBC. Franco–Jordana note, June 14, 1944. Francisco Franco Bundle File 202 folio 204; Coffee OID in a telegram on June 20 Francisco Franco Bundle, folio 265 cit. in Suárez Fernández, *Francisco Franco y su tiempo*, vol. III (Madrid, Fundación Nacional Francisco Franco, 1984, tomo III, pp. 504–505).
22. Hayes, Memorandum of conversation with the Foreign Minister, Monday, July 3, 1944. Hayes Papers.
23. Id.
24. Id.
25. Memorandum of Conversation with General Franco at the Pardo, Thursday, July 6, 1944, at noon. Hayes Papers.
26. Memorandum of Conversation with the Foreign Minister Madrid, July 5, 1944. Hayes Papers.
27. Id.
28. Memorandum of Conversation with General Franco at the Pardo, Thursday, July 6, 1944, at noon. Hayes Papers.
29. Id.
30. Id., here the document is cut on p. 6. I am going to use the review of the interview from within the chief of state: Summary of the meeting held between His Excellency the Head of State and the Hon. Ambassador of the United States, Mr. Hayes, assisted by the Hon. Mr. Minister of Foreign Affairs, the 6th of June in July 1944. Archive of the Presidency of the Government, Head of State.
31. Summary of the meeting held between His Excellency the Head of State and the Hon. Ambassador of the United States, Mr. Hayes, assisted by the Hon. Mr. Minister of Foreign Affairs, the 6th of June in July 1944. Prime Minister's Office file Head of State cit.
32. Id.
33. Hayes to FDR, June 26, 1944. PSF 50 Spain FDRPL. The President passed the letter on to Hull with a note saying: for your eyes only. To read and prepare reply. *FDR*: FDR to Cordell Hull, July 3, 1944 cut in note 4, PSF 50 Spain FDRPL.
34. Interview held by the Minister with the Charge d'affaires, July 28, 1994 cit.
35. Yencken died in May, after attending the 17th, next to Hayes in a prisoner exchange sponsored by the Spanish and Swiss governments and two ships of the International Red Cross in the port of Barcelona. His plane crashed on its return to Madrid: Hayes, op. cit., p. 234. His funeral was attended by the Conde de Jordana (annotation of May 22, 1944: Gómez-Jordana Souza, Francisco, *Milicia y diplomacia. Los Diarios del Conde de Jordana 1936–1944* (Burgos, Dossoles, 2002, p. 292).

36. Suárez Fernández, op. cit., p. 508.
37. Letter of Jordana and response of Franco on July 1, 1944. AFF leg. 41 folio 31 cit. en Suarez Fernandez, op. cit., pp. 507–508.
38. Interviews and meeting between Hoare or Yencken and Jordana during the days of May 15, 12, 14, June 30, and July 19: Jordana, op. cit., pp. 290–299. Two divergent descriptions of exact content of incident in Jordana, op. cit., pp. 297–298 y Suárez Fernández, op. cit., pp. 508–509.
39. Id., pp. 509–510.
40. Id., p. 516.
41. Jordana, op. cit., pp. 298–299.
42. Id., p. 307.
43. Id., p. 309.
44. Hayes, op. cit., p. 248.
45. Department of State. José Félix de Lequerica s/f. Hayes Papers.
46. From the Secret Intelligence Service. Secret s/f. Hayes Papers. Nor is it not easy to exclude from this and other extraditions to the then Minister of the Interior Serrano Suner, who, however, in its reports put the responsibility of them only in the pro-German ambassador Lequerica.
47. A biographical approach to character, María Jesús Cava Mesa, *Los diplomáticos de Franco. J.F. of Lequerica, tenacity and temple* (Bilbao, Universidad de Deusto, 1989).
48. According to Suárez Fernández, Franco actually tried to solve, in an indirect way, the delicate problem of relations with Petain, whose government was dissolved: he had to go through the process of withdrawing an ambassador, and leave the position vacant indefinitely: op. cit., p. 515.
49. If he were an American he would be almost certainly be the head of a Rotary Club in some county seat and also a prominent 'Shriner.' Memorandum of initial conversation with the new Spanish Foreign Minister, Señor José F. De Lequerica, in San Sebastián, Saturday, August 26, 1944, at 11 o'clock. Hayes Papers.
50. Memorandum of conversation with the Foreign Minister, San Sebastián, Wednesday, August 30, 1944 at 11:30 A.M. Hayes Papers.
51. Id. See also Memorandum of conversation with the Foreign Minister, Monday, September 4, 1944, 11:00 A.M., in San Sebastián. Hayes Papers.
52. Interview Hayes-Franco September 11, 1944. Hayes Papers.
53. Interview Hayes-Lequerica September 22, 1944. Hayes Papers.
54. Interview Hayes-Lequerica October 9, 1944. Hayes Papers.
55. Interview Hayes-Lequerica August 30, 1944. Hayes Papers.
56. Interview Hayes-Lequerica November 2, 1944. Hayes Papers.
57. Interview Hayes-Lequerica September 22, 1944. Hayes Papers.
58. Interview Hayes-Lequerica October 9, 1944.
59. Bert Allan Watson, *United States-Spain Relations, 1939–1946*, Ph. D. Dissertation, George Washington University, 1971, p. 332.
60. Interview of November 2 cit.
61. Interview Hayes-Lequerica of September 28, 1944. Hayes Papers.
62. Id.
63. Sobre el asunto de los maquis españoles. See David A. Messenger, *L'Espagne Républicaine. French Policy and French Maquisards in Liberated France*, Eastbourne, Sussex Academic Press, 2008, p. 40 and ss.

64. Interview Hayes-Lequerica of August 30 and September 4.
65. Interview Hayes-Lequerica of September 22 cit.
66. Interview Hayes-Lequerica of September 28.
67. Note of Hayes to Department of State, October 27, 1944. Hayes Papers.
68. Interview Hayes-Lequerica of November 2.
69. Watson, op. cit., p. 213 y ss. Abel Plenn would write an anti-Franco book in 1946: *Wind in the Olive Trees: Spain from the Inside* (New York: Boni & Gaer). We did not find traces of these contacts in the documentation of President Roosevelt.
70. See Joan Maria Thomàs, *Roosevelt y Franco. De la Guerra Civil Española a Pearl Harbor*, Barcelona, EDHASA, 2007 (English language edition: New York, Palgrave Macmillan, 2008).
71. Interview Hayes-Lequerica of September 28 Id.
72. With dates April 4, May 6, July 7, August 12 and 24, and September 12: Memorandum of conversation with the Foreign Minister, Thursday, November 2, 1944, at 11 A.M. Hayes Papers.
73. Interview September 28 cit.
74. Id.
75. Memorandum of conversation with the Foreign Minister, Monday, October 9, 1944, at 11 o'clock. Hayes Papers.
76. Ministry of External Affairs. Allocution by the Spanish Minister of Foreign Affairs D. José Félix de Lequerica, on occasion of the farewell luncheon to H. E., the American Ambassador Carlton Joseph Huntley Hayes. Hayes Papers.
77. Memorandum of conversation with General Franco at the Pardo, Monday, September 11, 1944, at 12:30. Hayes Papers.
78. Memorandum of conversation with the Foreign Minister, Thursday, September 28, 1944, at 10:30 A.M. Hayes Papers.
79. Conversation by the Ambassador of the United States of America Mr. Doussinague November 23, 1944. Archives of the Prime Minister Head of State Bundle 4, File 17.
80. Cit. in Tusell, *Franco y Mussolini. La política española durante la Segunda Guerra Mundial* (Barcelona, Planeta, 1985, p. 558).
81. Memorandum of conversation with the Foreign Minister, Thursday, December 14, 1944, at 11:30 A.M. Hayes Papers.
82. Cit. in Enrique Moradiellos, *Franco frente a Churchill. España y Gran Bretaña en la Segunda guerra mundial (1939–1945)* (Barcelona, Península, 2005, p. 401).
83. Report of Doussinague on January 9, 1945. Archive of the Presidency of the Government. Head of the State Leg. 5 (1667), exp. 1.3.
84. Cit. en Moradiellos, op. cit., p. 402 note 143.
85. Id., p. 402.
86. Letter of Hayes to FDR, November 9, 1944. Hayes Papers. See also Hayes letter from Cordell Hull, November 9, 1944. Hayes Papers.
87. Letter from FDR to Hayes, November 22, 1944, in Hayes, op. cit., pp. 285–286.
88. Letter of Cordell Hull to Hayes, November 30, 1944, in Hayes, op. cit., p. 286.

89. Irwin F. Gellman, *Secret Affairs: Franklin Roosevelt, Cordell Hull, and Sumner Welles* (Baltimore-London, The John Hopkins University Press, 1995, p. 362).
90. Dean Acheson, *Present at the Creation: My Years in the State Department* (New York, Norton & Co, 1969, p. 88).
91. Letter of FDR to Hayes March 14, 1945. PSF 50. FDRPL.
92. Watson, *op. cit.*, p. 368.
93. Memorandum on the Spanish Situation with Special Reference to Relations between Spain and the United States (by Ambassador Hayes, February 1945), PSF 50. FDRPL.
94. He was accused of trying to force on Spain such exports from the United States as moving pictures, toilet articles, and other things which are deemed luxuries by her Government and which served to eat up her dollar balances. We might, much more helpfully to ourselves and to the well-being of the Spanish people, remove some of our restrictions on the export of materials vitally needful to the domestic and foreign economy of Spain. As soon as possible in the future, Spain will want to import a large number of motor trucks, a large amount of hydro-electric equipment, and a large miscellany of agricultural implements and machine tools and spare parts. She wishes to import them from the United States rather than from Germany, which in any event would be in no position after the war to supply them, or from Great Britain, whose intentions toward Spain are distrusted. If we meet Spain half-way, we shall have in her a good customer as well as a good neighbor.
95. Emmet Kennedy, *The George Washington University, A Controversial Ambassador: Carlton J. H. Hayes and the Refuge Problem in Spain, 1942–1945*. (unpublished manuscript), p. 30.
96. Adoración Álvaro Moya, *Redes empresariales, inversión directa extranjera y monopolio: El caso de Telefónica, 1924—c. 1965*, VIII Congreso de la Asociación Española de Historia Económica, Santiago de Compostela, Septiembre 2005.
97. Butterworth to Secretary of State, March 13 1945. FRUS, vol. V, pp. 723–724.
98. Álvaro Moya, *op. cit.*
99. Note communicated by the Ministry of Foreign Affairs, s.f. (1945): Archive of the Presidency of Government Head of the State R 1676/6.
100. Morgenthau to Stettinius, March 17, 1945. NARA 852.75. National Telephone Company 3–1745 *cit. in* Watson, *op. cit.*, p. 334.
101. Dean Acheson, Acting Secretary of State: Memorandum for the President, September 21, 1945. NARA 711.52/9–2245.
102. Communication of Foreign Office to Department of State December 19, 1944, *cit. en* Moradiellos, *op. cit.*, pp. 395–396.
103. Aide Memoire, British Embassy March 13, 1945. NARA WE/OTC.
104. Letter of Churchill to Franco, December 20, 1944, *cit. in* Moradiellos, *op. cit.*, pp. 399–400.
105. In his long career, he served in Argentina, in countries like czarist Russia, in France, Haiti, Canada, and Chile. And after his return from Madrid and his first retirement, he was reinstated to active duty in 1945 and was appointed in 1947 Assistant Secretary of State of Political Affairs to George C. Marshall. After his second retirement, he returned yet again to serve as ambassador

- to Venezuela and Guatemala, finally retiring in 1954. The *New York Times* would refer to him as ever the perfect diplomat.
106. Joseph C. Grew, Memorandum for the President, March 9, 1945. PSF 50 FDPL. Grew wrote in an attached note for FDR: I attach for your consideration and if you approve for your signature a letter to Mr. Armour, our Ambassador to Madrid. I feel that it will be very helpful if you can give Mr. Armour a frank statement of our views with regard to the Franco Government. Such a letter will be very useful to Mr. Armour as guidance and for such use as he may find most appropriate in his dealings with General Franco and the Spanish authorities.
 107. Letter of FDR to Norman Armour, March 3, 1945. PSF 50 FDRPL. The letter was reproduced intact by *New York Times* after six months, on September 25, 1945.
 108. Armour later met ex-ambassador Hayes.
 109. Armour to Secretary of State March 24, 1945. FRUS 1945, vol. V, pp. 668–671.
 110. Franco had already been warned of Armour's intentions by Lequerica and had been ready to hear what the U.S. ambassador would say. Lequerica had been informed by Armour and counselor Butterworth.
 111. Id., Armour to Secretary of State, March 24, 1945. FRUS, 1945, vol. V, pp. 668–671.
 112. Cárdenas to Lequerica, March 13, 1945. APG FJE MAE Leg. 5, cit. en F. Portero, *Franco aislado. La cuestión española (1945–1950)* (Madrid, Aguilar, 1989, p. 96).
 113. As he wrote the same, Lequerica to Cárdenas, February 5, 1945. The U.S. media generally refuses to gather news or articles from Spanish newspapers, considering that in Spain there is no freedom of press. This explains, but does not justify, the serious challenges we face to make ourselves heard, and now we have to centralize our efforts around the Catholic press, which generally provides support, though not wholly, or in all occasions. Cárdenas to Lequerica, February 5, 1945. APG FJE leg. 5 cit. en Portero, op. cit., p. 97.
 114. Watson, op. cit., p. 355.
 115. Id.
 116. Portero, op. cit., p. 77.
 117. Watson, op. cit., pp. 359–360.
 118. *The Nation*, vol. 160 (January 20, 1945), p. 72 cit., en Portero, p. 361.
 119. Cit. in F. Portero, op. cit., p. 97.
 120. U.S., *Congressional Record*, 79th Congress, 1st Session, 1945, vol. 91, Part 1, p. 431.
 121. Acting Secretary of State Grew to American Embassy in Madrid, February 9, 1945. cit. en Watson, op. cit., p. 361.
 122. January 17, 1945, as we have cited: Aide Memoire British Embassy March 13, 1945 cit.
 123. Secretary of State Stettinius: Memorandum for the President, January 18, 1945. NARA 711.52/1–18 45.
 124. Id.
 125. Id.
 126. Memorandum from Alistair MacLeish to Joseph Grew, March 12, 1942. NARA 711.52/3–1245 cit. en Watson, op. cit., p. 363.

127. Letter from Joseph Grew, Acting Secretary of State to Leo T. Crowley, Administrator of FEA, Washington n.d. [January–February 1945] [NARA RG 169–FEA, Box 102, FEA Administrator, August 1944–October 1945] cit. en Watson, op. cit., p. 364.
128. Letter from W. L. Clayton to Leo T. Crowley, June 20, 1945. NARA DFDS-DS, Washington, 852.24/6–2045 cit. en Id., p. 365.
129. Memorandum, Acheson-FDR, April 4, 1945. PSF FDRPL.
130. Cit. in Laureano López Rodó, *La larga marcha hacia la Monarquía* (Barcelona, Noguer, 1977, pp. 48–49).
131. Cit. Moradiellos, op. cit., p. 407.
132. These steps were taken by Laureano López Rodó, op. cit., pp. 54–55.
133. According to a British source cited in Portero, op. cit., p. 61.
134. Moradiellos, op. cit., p. 384.
135. Cit. en Id., p. 385.
136. Id.
137. Portero, op. cit., p. 30 and ss.
138. *Prime Minister's Personal Minutes to the Foreign Secretary*, November 10, 1944, cit. in Moradiellos, op. cit., pp. 387–388. Any explanation of the internal discussion of the British war cabinet comes from Moradiellos, pp. 384–420.
139. Id., pp. 388–389.
140. Personal letter of Eden to Churchill, November 17, 1944, cit. en Id., pp. 389–390.
141. War Cabinet Conclusions, November 27, 1944, cit. en Moradiellos, pp. 392–394.
142. Cit. in Moradiellos, pp. 394–395.
143. Cit. in Moradiellos, p. 396.
144. Portero, op. cit., p. 57.
145. Moradiellos, op. cit., p. 400.
146. January 30, 1945, telegram of Sir Victor Mallett to FO, cit. en Moradiellos, op. cit., p. 401.
147. Id., p. 405.
148. Telegram of Bowker to FO, February 13, 1945, cit. en Moradiellos, pp. 404–405.
149. According to Florentino Portero, who quotes British sources, Prime Minister Churchill has been shown to act contrary of the pursuit of the common U.K.–U.S. policy with respect to Spain, op. cit., p. 57.
150. Portero, op. cit., p. 58.
151. Aide-Mémoire Department of State to the British Embassy April 6, 1945. FRUS 1945, vol. V, pp. 672–673.
152. Aide-Mémoire Department of State to the British Embassy April 6, 1945. FRUS 1945, vol. V, pp. 672–673; Telegram State Department to FO, April 7, 1945, cit. en Moradiellos, op. cit., p. 412.
153. Memorandum of Conversation, by the Ambassador in Spain (Armour), April 12, 1945. FRUS 1945, vol. V, pp. 673–676.
154. In April, the Tribunal de Responsabilidades Políticas (Tribunal of Political Responsibilities) was abolished: Thomàs, *La Falange de Franco. Fascismo y fascistización en el Régimen de Franco (1937–1945)* (Barcelona, Plaza and Janés, 2001, p. 344).
155. Id.

156. Id.
157. Ultimately, historian Irwin Gellman has questioned (op. cit., *Foreword*) such relations.
158. Gellman, op. cit., pp. 374–376.
159. Id., p. 377.
160. Id., pp. 379–380.

CHAPTER 5

1. Caffery to Secretary of State, January 19, 1945, 852.00/1–1945 NARA.
2. Cit. in F. Portero, *Franco aislado. La cuestión española (1945–1950)* (Madrid, Aguilar, 1989, pp. 77–78).
3. Freda Kirchwey, “Spain Stays Out,” *The Nation*, vol. 160, June 30, 1945, p. 712.
4. The United Nations Conference on International Organization Meeting of the United States Delegation, U.S. Cr Min 76 June 19, 1945, DFDS (Lot 60D, Box 96).
5. Portero, op. cit., p. 78.
6. Armour to Secretary of State, May 1, 1945. FRUS 1945, vol. V, pp. 676–678.
7. Armour to Secretary of State, June 2, 1945. FRUS 1945, vol. V, pp. 679–680.
8. Ricardo de la Cierva, *Francisco Franco* (vol. II, Madrid, 1973, p. 411).
9. Thomàs, *La Falange de Franco. Fascismo y fascistización en el Régimen de Franco (1937–1945)* (Barcelona, Plaza and Janés, 2001, p. 344).
10. Id., pp. 346–347.
11. Id.
12. Cit. en Tusell, *Franco, España y la Segunda Guerra Mundial. Entre el Eje y la neutralidad* (Madrid, Temas de hoy, 1995, p. 576).
13. The Conference of Berlin (The Potsdam Conference), Minutes of the Third Plenary Meeting held on July 19, 1945 (taken from the Truman Papers, Thompson Minutes), FRUS, vol. II, p. 123.
14. Portero, op. cit., p. 80.
15. The Conference of Berlin (The Potsdam Conference), Minutes of the Third Plenary Meeting held on July 19, 1945 (taken from the Truman Papers, Thompson Minutes), FRUS, vol. II, p. 124.
16. Portero, op. cit., pp. 80–81.
17. Id.
18. Cit. in Enrique Moradiellos, *Franco frente a Churchill. España y Gran Bretaña en la Segunda guerra mundial (1939–1945)* (Barcelona, Península, 2005, p. 430).
19. Id.
20. Id., p. 431.
21. Id.
22. Id., p. 432.
23. Lleonart and F.M. de Castiella, *España y ONU*, vol. I (1945–1946), p. 37.
24. Tusell, *Carrero, la eminencia gris del Régimen* (Madrid, Temas de Hoy, 1993, p. 129).
25. *New York Times*, September 25, 1945.
26. Felix Belair, Jr., “Truman Says We Don’t Like Franco or His Government,” *New York Times*, August 24, 1945.
27. Memorandum from President Truman to Acting Secretary Acheson, September 25, 1945. NARA 711.52/9–2545.

28. Ambassador Messersmith to John W. Carrigan, Chief of the Division of Mexican Affairs, October 23, 1945.
29. Cit. in Moradiellos, op. cit., p. 440.
30. *New York Times*, November 21, 1945.
31. Armour to Secretary of State, November 30, 1945. FRUS 1945, vol. V, p. 694.
32. U.S. Department of State, *The Spanish Government and the Axis*, Washington, U.S. Government Printing Office, 1946.
33. Caffery to Secretary of State, December 12, 1945. FRUS 1945, vol. V, pp. 698–699.
34. Conversation between Cárdenas and Dunn, December 20, 1945. APG FJE Leg. 7.3.1.
35. Memorandum of conversation by Chief of the Division of Western European Affairs, Culbertson, February 6, 1946. FRUS 1946, vol. V, pp. 1036–1037.
36. Kennan to Secretary of State, February 3, 1946. FRUS 1946, vol. V, pp. 1033–1036.
37. Byrnes to British ambassador, February 21, 1946. FRUS, 1946, vol. V, pp. 1042–1043.
38. Caffery to Secretary of State, February 27, 1946. FRUS 1946, vol. V, pp. 1043–1044.
39. Jordi Guixé i Coromines, *L'Europa de Franco. L'esquerra antifranquista i la "caça de bruixes" a l'inici de la Guerra Freda. França 1943–1951* (Barcelona, Publicacions de l'Abadia de Montserrat, 2002, p. 45).
40. The text, with some corrections, comes from APG FJE MAE Leg. 8.3.5.
41. Messenger, *L'Espagne Républicaine. French Policy and Spanish Republicanism in Liberated France* (Eastbourne, Sussex Academic Press, 2008, p. 103).
42. Id., p. 104.
43. About the circumstances of French government, see Messenger, op. cit., p. 75 and ss.
44. Secretary of State to Caffery, March 12, 1946. FRUS 1946, vol. V, pp. 1051–1052.
45. Caffery to Secretary of State, March 20, 1946. FRUS 1946, vol. V, pp. 1052–1054.
46. Byrnes to Stettinius, April 12, 1946. FRUS 1946, vol. V, pp. 1065–1069.
47. Johnson to Secretary of State, June 1, 1946. FRUS 1946, vol. V, p. 1073.
48. A good summary of the controversy is found in Jarque Iñíguez, Arturo, *Queremos esas bases. El acercamiento de Estados Unidos a la España de Franco* (Madrid, Universidad de Alcalá, 1998, p. 119 and ss).
49. Austin to Secretary of State, December 10, 1946. FRUS 1946, vol. V, pp. 1084–1085.

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