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OFFICE OF
NATIONAL ESTIMATES

MEMORANDUM

Post-Franco Spain

Secret

12 March 1971

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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MEMORANDUM

SUBJECT: Post-Franco Spain*

Though occasionally dramatic, developments in Spain during the past year or two have not basically altered the political outlook for the post-Franco era. There have been some changes in degree, but not in kind. Franco is somewhat weaker as he draws nearer to the day he must relinquish his leadership; Juan Carlos now stands ready to assume titular leadership of a successor regime which will be dominated by the military; major elements of the Church are accelerating efforts to loosen close ties to the regime; the very small Communist Party is active in the extra-legal Workers' Commissions; and Spanish workers are exhibiting a growing willingness to go out on strike. The transition to a new regime is likely to be non-violent and, at least for a year or so, Franco's successors will emphasize and probably achieve essential continuity. It will be, however, a continuity beset by strong pressures for liberalization, from labor and from opposition forces and even from significant elements within the new regime itself. On the whole, the already visible trend toward moderation and Europeanization has a good chance of being sustained, but much will depend upon how the military and other conservative groups react to these pressures.

* *This memorandum was prepared by the Office of National Estimates and coordinated within the Central Intelligence Agency.*

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1. For over thirty years, Franco's political skill and personal mystique have dominated and held together the varied elements of his regime. Falangists, the Roman Catholic Church, the military, wealthy business interests, and the aristocratic elite have all supported the Caudillo, influenced him in varying degrees, and -- to some extent -- shared the responsibility of government. No single one of these elements, however, has been allowed to attain political ascendancy over the others or to challenge the supremacy of Franco.

2. But Franco is now in his 79th year and his vigor and authority are waning. Both within and outside the government, various forces are maneuvering for position in the post-Franco era and, as demonstrated recently in connection with the trial of Basque terrorists at Burgos, tensions are rising. Nevertheless Franco is still essentially in charge and the chances of a real eruption before his departure from the scene are low. Moreover, the tensions are not yet so great as to indicate a breakdown of the system upon his death. The immediate outlook after Franco is for a non-violent transition to a regime under Juan Carlos, who will reign with the support and sufferance of the military. But few Spaniards in or out of the military believe Juan Carlos capable of playing more than a figurehead role, and not many have any particular interest in the restoration of the monarchy. It will be during the initial period of military tutelage that the main battle for control of Spain will be joined.

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CONTENDING FORCES

3. The protagonists in the coming struggle may be arrayed under such familiar banners as Church, Military, Labor, and so on; but the basic conflict will be between those who advocate the easing or elimination of the choking restrictions of Francoism and those who believe that their interests or those of their country are threatened by currents for change. The rapid economic growth of the past decade has certainly increased the number of Spaniards willing to live with the regime. But even within the Spanish Establishment, significant elements admit that a post-Franco government should move in the direction of some change, some loosening of present restrictions on free expression and on the right to form free associations.

Elements of the Establishment

4. Franco's own recognition of the need for at least evolutionary change was signaled in October, 1969, when he broke precedent by appointing an "unbalanced" cabinet, dominated by European-minded technocrats of Opus Dei, the semi-secret Roman Catholic lay order. Members of this organization -- prominent in Spanish business, finance, publishing, and education -- are not politically liberal but favor economic modernization and a loosening of state economic controls.

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5. Opus Dei members insist they follow no central political guidance and have no particular political ambitions. But enemies of Opus Dei ranging from Falangists on the right to extremists on the left profess to believe that the order is bent on controlling the nation's economic, political, and educational life. And its conservative critics add that it is undermining Spanish traditionalism in the process. The Opus Dei faction enjoys a relatively favored position in the present cabinet and maintains a close relationship with Juan Carlos and several top military leaders and with Vice President Carrero Blanco, who appears to have the best chance of succeeding Franco as President of the Government (Prime Minister). But the Opus Dei faction has been hurt by a recent financial scandal allegedly involving Opus Dei members in the government and probably by the Burgos trial as well; it now seems more vulnerable to political attack.

6. The attitude of the Church proper toward Opus Dei is mixed. Some in the hierarchy are no doubt quite close to Opus Dei, others probably dislike its views and fear its politics, and still others -- particularly those in religious orders, such as the Jesuits -- seem to view it as a real or potential rival. The attitude of the Church in Spain toward the Franco regime in general is also mixed. Most of the top hierarchy still firmly supports Franco and will undoubtedly

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endorse a continuation of his policies in the post-Franco era. But a swelling minority of churchmen has been increasingly critical of both the regime and the Church's role in it. Individual priests and the labor and youth organizations of the Jesuits and of Catholic Action are increasingly influential among Spanish workers and intellectuals who have tended to reject the Church itself because of its identification with the regime. Roughly a third to a half of Spain's bishops are now considered to be on the "liberal" side, favoring in varying degrees a separation of Church and State and a stronger, more independent voice for Spanish workers.

7. The foreign and economic policies associated with Opus Dei ministers are widely supported in the business community. Close economic ties with Western Europe and the US, increased foreign investment in Spain, gradual normalization of relations with the Soviet Bloc, and increased trade with North Africa, the Middle East, and Latin America -- all are meeting with increasing approval on the part of Spanish businessmen who have become markedly more self-confident during the past decade of growing prosperity. There are of course some businessmen who remain dependent on Spain's traditional "closed corporation" economic system and oppose a free market economy which could jeopardize their interests. And those with ties to the landed aristocracy oppose the growing pressures for social and economic change.

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But many who are hostile to Opus Dei as an organization now support the continued modernization and Europeanization of the economy and seem less fearful than formerly of gradual political liberalization.

8. The Falange, formerly one of the most important groups in the National Movement -- Spain's only legal political party -- has been steadily downgraded by Franco since the mid-1940s when its fascist aspects became an increasing embarrassment. It now lacks both a power center and a popular following. The ability of diehard Falangists to engage in effective resistance to change will be helped if they can ally themselves with conservative military leaders, as they apparently did last December during the large pro-Franco and anti-Opus Dei demonstrations following the trial at Burgos.

9. The Spanish Army, which dominates the other armed forces and the internal security services, has been the guarantor of order and of Franco's authority since the civil war. By tradition, by personal interest, and by conviction, most senior Army officers are devoted to preserving the form and stability of the regime. Among the lower echelons, however, there is much less satisfaction with the status quo. Promotions are slow and dependent upon "connections", which the younger officers, coming from lower middle class backgrounds, do not have; military pay has lagged badly behind civilian pay in many sectors of

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the economy; inflation is making ever deeper inroads into meager salaries, and -- unlike the top brass -- the younger officers are unable to supplement their earnings through lucrative family or business contacts; and, in many cases, senior officers have shown themselves to be incapable of dealing with the technical complexities of modern military concepts. Discontent among junior officers is not likely to reach the point of an open split in the intensely hierarchy-conscious Army. But it is no longer true that the Spanish officer corps is monolithic in its outlook, and this will become increasingly important, and evident, as some of the younger officers inherit the positions of their superannuated superiors.

Opposing Forces

10. The quality of life has been measurably improved for most Spaniards, and expectations and demands for further improvement are on the rise; Spain is no longer isolated from the main currents of European thought -- with over 23 million visitors in 1970, it has become the leading tourist country in Europe. Fear of radical change of a Marxist or Anarchist variety has declined, even among the regime's most reactionary elements. But while major critics of the regime do not threaten its survival while Franco lives, they have become increasingly vocal in the face of division and uncertainty among the regime's traditional supporters.

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11. One of the most important political developments in recent years has been the growth of the illegal Workers' Commissions. Formed in 1962 and initially sponsored by Church-connected organizations to protest the management bias of the government-controlled syndicates, they now control an estimated five to ten percent of the Spanish labor force. In many instances, they have achieved de facto recognition from management in negotiations to settle labor disputes. The Commissions are linked in a loose system of provincial and regional confederations under a national coordinating committee and secretariat. Many Commission leaders have outside affiliations with Church groups and illegal political parties, but some do not. The Communists are active in the movement and appear to dominate some of the Commissions.

12. The Workers' Commissions do not now have the capacity to organize a general strike. They have had some success, however, in leading demonstrations and strikes in several areas. To date, their efforts have been directed primarily at economic rather than political ends. But the Commissions provide valuable training ground for political activity and leadership, and their growing effectiveness is itself a challenge to the regime's prohibition of free association.

13. Though there were few student demonstrations last year, tensions among Spanish university students remain high. The goals of student activists have become increasingly political as demands

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for reforms of the universities have been superseded by demands for reforms of the regime. But Spanish students, by themselves, do not pose much of a threat to the present or post-Franco regime. Only a small minority of the 154,000 university students in Spain are politically active; and the traditional hostility of the workers to the rich men's sons in the universities has effectively blocked the efforts of a few student and worker leaders to reach any large-scale cooperative arrangement.

14. There is a certain comic opera aspect to the Spanish political opposition, with its plethora of badly fragmented Socialist, Christian Democratic, Communist, and Anarchist parties, each busy with clandestine plots and propaganda. None to date has commanded significant popular support, and none is strong enough or well enough organized to threaten the regime's existence. They are all eager to harness the growing worker and student movement to their own ends, and all now demand the right of associations -- political parties, labor organizations, student unions -- to exist legally and free of government control.

15. If political parties should be legalized in Spain, none of the existing opposition parties seems likely to emerge as a dominant force. Still, the Socialists would benefit initially from their close relations with and support from West European Socialists and unionists and from the traditional anti-clericalism of many Spanish workers and

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intellectuals. A fairly strong Christian Democratic Party might also emerge, drawing support from some of the Workers' Commissions, various religious organizations, and members of the business community. The orthodox Communists are probably the best organized but are few in number, and the Spanish Communist movement as a whole is in factional disarray. In any case, popular hostility to Communism is deep and widespread, knowing this, the orthodox Communists are working for tactical alliances with one or both of the larger groups.

THE LONG TERM

16. While the authoritarian pattern of Spanish government will no doubt persist for some time after Franco goes, there will clearly be many pressures to alter many of the practices and even the structure of the regime. There will also be a period -- perhaps lasting for several years -- of shifting alliances among and within groups which now count as regime and opposition. Those in the regime, and especially the military, will certainly occupy advantageous positions, and this will improve chances for an orderly evolution. Economic improvements, better and more widespread education, population movement, and increased contacts with Western Europe have done something to soften class, religious, political, and regional animosities.

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17. But there are obviously some very serious obstacles to gradual and orderly change. Even if none of the contending groups should try to bring down the system, they could nevertheless make it difficult for the government to control the course of events. The arena of politics might spread on an ever widening scale from the councils of government to the general public. Labor organizations would probably become stronger and more independent; workers would feel even freer to strike. The role of students and student movements would probably also grow; student demonstrations would become more frequent and marked increasingly by violence. The Communists, Anarchists, and Basque and Catalan separatists might seize the opportunity for mischiefmaking. A recession or serious inflation, if it should occur, would make it easier for these various oppositionists to garner popular support.

18. If events began to unfold in this manner, some of the military chiefs almost certainly would seek to restore "stability" by imposing a more authoritarian system. Providing civil disruption were great enough, they probably could unite around one of their own number and gain the approval of their own forces and of many Falange, Church, and business leaders. But there would be a question about how long they could keep the situation stabilized. And it is possible that the military leaders could not gain the cooperation or acquiescence of powerful

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segments of Spanish society in the imposition of a military dictatorship -- in short that they could not put humpty-dumpty back together again.

19. On the whole, the already visible trend toward moderation and Europeanization has a good chance of being sustained. Much will depend upon how the military and other conservative groups react to the pressures for change. If the pressures become too strong and the reaction too repressive, Spain could plunge into a spiral of violence. On the other hand, moderate pressures and a regime which makes concessions to them would enable Spain to evolve peacefully into the West European mold.

20. In the political milieu which seems likely to emerge, foreign influences will play an increasingly important role. Spaniards who think of themselves as "modern" will more and more look to West Europeans for ideas and for material support. (This process is already well underway, as indicated by the conclusion last year of Spain's preferential trade agreement with the EC and of the Spanish/French arms deals.) Various Socialist, Christian Democratic, and Communist groups, and their trade union affiliates, already receive training and support from their brother organizations in Western Europe, and more than a million Spaniards have worked there since 1960. Expanding Spanish contacts with other nations would in effect mean a reduction in the relative influence which the US now exerts -- especially if Spain should achieve its long-coveted association with NATO. Indeed, one of the few

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areas of agreement shared by almost all the rival Spanish forces is a desire to lessen their present dependence on the US and to diversify their foreign ties. But most want these new links in addition to, rather than instead of, those with the US.

21. On the whole, the Spaniards seem likely to continue to view their relations with the US largely in pragmatic terms. There will nevertheless be a possibility that various factions in Spain may try to use, or abuse, the US in their domestic power struggle. Despite Spain's increasing contacts with Europe, a large element of xenophobia still is part of the Spanish character. A pretext for anti-Americanism already exists in the bitterness felt by opposition groups over US military and economic support of Franco's regime. At best, the situation could evolve gradually in a way for the US to remain aloof and on good terms with all. At worst, the US military role in Spain could become a target for the frustrations and defeats of the contending factions.

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Next 17 Page(s) In Document Exempt

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MEMORANDUM FOR: The Director

Here is the memorandum on Spain which I promised you.

We propose to give it on Monday the ordinary distribution of an ONE Memorandum, with the usual cover.

ABBOT SMITH
Director
National Estimates

Attachment:

Memorandum, dated 12 March 71 12 March 71
"Post-Franco Spain" (DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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