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PROBABLE DEVELOPMENTS IN SPAIN



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CENTRAL INTELLIGENCE AGENCY

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PROBABLE DEVELOPMENTS IN SPAIN

THE PROBLEM

To assess the internal situation in Spain and to estimate probable Spanish domestic and foreign policies and Spain's probable role in the Western defense system.

CONCLUSIONS

1. The authoritarian Franco regime will almost certainly remain in power for some years to come. Franco has the support of the armed forces, the Church, the landowning and business interests, and the Falange. Political and social tensions in Spain are such that for the foreseeable future Spanish governments will probably have to depend on force to remain in power. Accordingly, the Army will almost certainly continue to play the key role in Spanish politics.
2. There is little likelihood of an attempt to overthrow the Franco regime by force. Most Spaniards profoundly fear a recurrence of civil war. The opposition to Franco is severely repressed and disorganized. The Communist party is outlawed, and Communist capabilities appear to be negligible.
3. At present there appears to be no individual in a position to succeed to Franco's full powers, and when Franco dies or retires it is possible that the sharp differences which exist between the groups supporting him will result in a struggle for power, the outcome of which we cannot predict. However, we believe that the chances are somewhat better than even that a successor government would be able to maintain stability. The likelihood of stability would be greater if a monarch had been installed for some time prior to Franco's death or retirement. We believe that any government likely to succeed the Franco regime will follow policies generally similar to Franco's.
4. The Spanish economy as a whole will probably show moderate growth over the next few years, if weather conditions are reasonably favorable. However, we do not foresee any substantial progress toward remedying Spain's basic economic weaknesses, and the economy will remain for many years generally backward.
5. The offensive capabilities of the Spanish armed forces will probably remain negligible. The Army as presently organized and equipped is not capable of successfully resisting an invasion in force, but it could slow an invader at the Pyrenees. However, Spain possesses a large reservoir of military manpower, and US aid will help to modernize the Spanish armed forces and to improve their capabilities.
6. Spanish foreign policy will aim to enlarge Spain's role in Western European

affairs by seeking US support, by developing closer ties with West Germany, and by exerting pressure upon France and the UK. We believe that Spain will continue to cooperate with the US but that it will remain a hard bargainer.

7. We believe that Franco will not seek to join NATO but will continue his efforts to strengthen Spanish security by bilateral arrangements. Opposition to close association with Franco is still strong in most NATO countries, but the political

sentiment against Franco has diminished considerably, and admission of Spain to NATO may become feasible at a later time.

8. In time of general war, Franco would almost certainly permit the US to use bases in Spain. In addition, he would probably be willing to send troops to fight abroad if he believed that they would not become involved in a general Western débâcle.

DISCUSSION

I. STRATEGIC IMPORTANCE OF SPAIN

9. From the point of view of Western defense, Spain's most important asset is its strategic location. The Iberian Peninsula dominates the Western entrance to the Mediterranean, flanks the Atlantic approaches to Western Europe, and lies on the normal air routes connecting Western Europe with South America and parts of Africa. Its rugged terrain provides strong defensive positions. Air and naval bases developed in Spain for US use would supplement those in North Africa, elsewhere on the European continent, and in the UK.

II. PROBABLE POLITICAL TRENDS

The Franco Regime

10. Spain is an authoritarian state under General Francisco Franco Bahamonde, the Chief of State, who is 61 years old. Franco won power through military force, and he maintains large and loyal police and military forces. He appoints, directly or indirectly, all important government, Church, military, and party officials, and he apparently possesses their personal loyalty. He has great prestige throughout the country because of his military exploits, his ability to maintain order, and his recent success in promoting Spain's interests abroad. Franco has virtually eliminated organized opposition and has curtailed civil liberties, although the highly

individualistic Spaniards retain some freedom of discussion. Dissatisfaction within Spain is widespread, especially among the urban workers, but Franco's position is probably stronger than at any time since 1940. Since most Spaniards profoundly fear civil war, there is little likelihood of an attempt to overthrow the regime by force.

11. Franco's position is based upon his control of the armed forces and upon the support of the Spanish Catholic Church and of the landowning and business interests. In addition, he uses the Falange, the only legal political organization, as an instrument of control. The Army, the Church, the landowning and business interests, and the Falange all participate in the government, and are the major groups in the Franquist coalition. These groups often differ on foreign and domestic policy, but they are united by their determination to retain power and by their strong fear of the Left. Franco plays upon this determination and fear to bind the coalition together. At the same time, he exploits policy differences within the coalition to prevent alignments against himself. His skill in handling these powerful but disparate groups is a vital element in the maintenance of the regime's stability.

12. The present regime and its successors will continue to face a number of problems whose interaction has often in Spanish history pro-

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voked civil disorder. These include: the low real income of the people and the wide fluctuations in that income; the anticlericalism of the workers; the separatist tendencies of the Basques and Catalans; the illiteracy of about half the population; and the inability or unwillingness of most Spaniards to compromise and to cooperate with each other. Spain in the past has undergone alternating periods of political extremism and apathy. So long as progress is not made toward relieving political and social tensions, Spanish governments probably will have to depend on force to remain in power.

13. *The Army and the Police.* The most important element in the Franquist coalition is the Army, which is represented at the highest levels of government, and which will almost certainly continue to play the key role in Spanish politics. The Army is firmly under Franco's control, and its leaders are convinced that their interests and the interests of Spain require maintenance of the regime and support of its policies.

14. The Spanish national police forces are directly controlled by Franco's Minister of Interior. They include the uniformed Civil Guards (63,000), the Armed and Traffic Police (24,000), and the plainclothes General Police (7,200). The two former are quasi military organizations and in time of emergency would be quickly integrated into the Army. The national police are loyal to the regime, the quality of personnel is fairly high, and they are feared because of their extraordinary powers. The Minister of Interior has indirect control over the unarmed urban police, who are normally recruited from the Falange by municipal authorities, and over the rural Home Guards.

15. *The Church.* Catholicism is the religion of the vast majority of the Spanish people, and the Catholic Church is a powerful force in every sphere of Spanish life. The Church supports Franco and tolerates the Falange, with which it is in frequent and strong disagreement, largely because it sees no other means of preventing a return of the Left to

power. Its support of Franco is also based on his adoption of some Church-sponsored programs and his granting the Church substantial influence and financial assistance. However, there is disagreement in ecclesiastical circles about many of Franco's policies, and Franco is frequently criticized by members of the hierarchy, by priests, and by Catholic lay organizations for being either too radical or too conservative.

16. *Landed and Business Interests.* The landed and business interests support Franco because his is a conservative government. They have a deep fear of political and economic change. However, these groups have gained little from the regime, which in their opinion mismanages the national economy through state competition with private enterprise, forced loans, and unwise economic controls.

17. *The Falange.* The Falange is the only legal political party in Spain, and membership in the party or party-controlled syndicates is required for virtually all Spaniards. Franco uses the Falange to control the vertical syndicates in which Spanish labor, management, and government are represented, to channel political activity, and to counter the views and power of the Church. The Falange's leaders include militant Fascists, autocratic Carlists (a monarchist faction), rabble rousers, opportunists, political hacks, and social reformers. However, the Falange as a whole now has little dynamism, and many of its leaders appear primarily concerned with perpetuating their positions in the bureaucracies. Despite its strongly nationalistic flavor, the party is unpopular, especially with the conservative groups, largely because its leaders advocate increased state domination of national life and seek greater political power for themselves.

The Opposition

18. Dissatisfaction with the Franco regime is widespread. However, opposition activity has been systematically curtailed by police action, and the opposition is largely disorganized and leaderless. Its potential influence is further diluted by traditional divisions along regional, functional, class, and political lines.

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19. *The Monarchists.* Spain has been nominally a monarchy since 1947, when Franco's proposal to reestablish the monarchy (with Franco as Chief of State) was supported by the Spanish people in a referendum. However, Spain has no monarch, and it is clear that Franco is not yet prepared to surrender power, or even a share of power, to a king. Consequently, Franco lists the Monarchists among the opposition groups, although he does not repress them severely and although a few high government officials are monarchists. Don Juan, the chief claimant to the throne, has several rivals, and the Monarchists are deeply divided also by their political and economic views. Moreover, Franco helps to keep them disorganized by appearing at different times to support different pretenders.

20. *The Communists.* The Spanish Communist Party is outlawed and relentlessly pursued by the Spanish Government, and it is ostracized by the non-Communist opposition groups. There have been no known Communist-led strikes or acts of sabotage since the end of the civil war, and the party's present capabilities appear to be negligible. Estimates of Communist party membership vary, but the hard-core membership is probably about 3,000.

21. *Other Opposition Groups.* The Franco regime has forcefully destroyed and discredited the political parties which provided the main support for the Republic. The republican tradition in Spain is extremely weak, and the Republican Government-in-Exile has negligible and ever declining influence. The principal opposition groups, the Anarchists, Socialists, and Basques, are forced to carry on most of their limited political activities from abroad, and now appear willing to accept a constitutional monarchy.

The Succession

22. We believe that the Army, the Church, the landed and business interests, and the Falange will continue to work together under Franco's rule. Since most Spaniards profoundly fear a recurrence of civil war, there

is little likelihood of an attempt to overthrow the regime by force. Franco's regime will therefore almost certainly remain in power as long as his good health continues.

23. The Law of Succession of 1947 gives Franco the right to nominate a monarch and, if necessary, a regent, and to install them in office before his death. It is possible that he will declare himself regent for Juan Carlos, the 16-year-old son of the principal pretender. In any event, we believe that Franco will retain power in his own hands as long as he is in good health.

24. If the succession has not been settled before Franco's death, the law provides that the principal officials are to select either a king or regent. Under such circumstances, the most likely development would be the selection of a king (probably Juan Carlos) with a general as regent. The chances are somewhat better than even that such a successor government would be able to maintain stability. The likelihood for stability would be greater if the monarch had been established for some time before Franco's death. So far as we can determine, there is no individual in a position to succeed to Franco's full powers, and it is possible that the sharp differences which exist between members of the Franco coalition will come to the fore once he disappears from the scene. In such an event, a struggle for power might ensue, the outcome of which we cannot predict. We believe that any government likely to succeed the Franco regime will follow policies generally similar to Franco's.

III. PROBABLE ECONOMIC TRENDS

25. Spain is a predominantly agricultural country, but it produces many minerals and a wide range of manufactured goods. The level of living is lower than that of any Western European country except Portugal, though higher than that of Yugoslavia, Greece, and Turkey. Spanish GNP is in the neighborhood of eight-nine billion dollars. Over the next decade, it will probably increase unevenly but at an annual average rate of three to four percent, provided weather conditions are not abnormal.

26. The Spanish economy has considerable potential for growth and industrial development, although deep-seated weaknesses will make the realization of this potential difficult.

a. Agriculture. Spain is capable of providing its growing population with more and better foods. Wheat, olives, grapes, and citrus fruits are the principal agricultural products. Spain also has adequate supplies of livestock, particularly sheep, and ranks third in Western Europe after Norway and the UK in its fish catch.

b. Manpower. Spain has adequate manpower reserves available for increasing industrial and agricultural production. There are an estimated 3,000,000 unemployed or underemployed.

c. Other Resources. Spain has extensive reserves of bituminous coal, lignite, high quality iron ore, mercury, potash, and iron and copper pyrites. It has important reserves of tungsten, lead, zinc, antimony, fluor spar, and cement. The country has a hydroelectric potential of approximately three times its present developed capacity. It has a productive forest area of about 20 million acres.

27. The principal basic limitations on Spanish economic and industrial development include:

a. Weather. Spain is the driest country in Europe, with a broken terrain and poor soil. About 90 percent of the cultivated land is suitable only for dry farming and on most of it, no matter what technical progress is achieved, the range of crops that are grown must remain limited. The scanty and irregular rainfall has severe effects on the entire economy and is a serious obstacle to steady economic development.

b. Foreign Trade. Although Spain's total foreign trade is small (only five percent of GNP in 1952), Spain has a chronic foreign payments problem which arises from the composition of its trade. Spain is heavily dependent upon foreign sources for such essential imports as petroleum products, high grade coal, cotton, nitrogenous fertilizer, and various types of machinery. In drought years, it must also import foodstuffs. In contrast

to the essential nature of its imports, Spain's exports comprise mainly a few raw materials and luxuries, for which world demand is variable, and some agricultural products, which suffer sharp and erratic fluctuations in output.

28. In addition to these basic structural weaknesses in the Spanish economy, there are numerous other obstacles to the development of Spain's agricultural and industrial potential.

a. Agricultural productivity is low because of the land tenure system and deficiencies in irrigation, use of fertilizer, farm roads, storage and marketing facilities, agricultural education systems, farm machinery, pest control, and high-quality seed. Capital resources for overcoming these deficiencies are not sufficient and, even if these resources were available, it would take many years before significant production increases could be achieved.

b. Fuller exploitation of Spain's extensive mineral reserves will require substantial capital outlays for modernization and expansion, as well as the use of foreign technicians. Industrial production is handicapped and in many fields well below capacity. Limitations include obsolescence of equipment and inadequacies in such basic sectors of the economy as mining, electric power, and transport. Spain's railroads are poor. The tracks are in bad condition, and there is a shortage of rolling stock. Although Spanish main highways are in good condition, they are not built to stand up under heavy military or commercial traffic. There is also a shortage of trucks.

c. The policies and actions of the Franco regime are an additional obstacle to the development of Spain's economic potential. Cumbersome and inefficiently administered governmental regulations of all phases of business, combined with the regime's nationalist economic policies, are a strong deterrent to the investment of foreign capital necessary for the modernization of Spain's mining and industrial plant. The adverse economic effects of crop failures during drought years are increased by the govern-

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ment's inefficiency in collecting and distributing available foodstuffs. There has been a steady rise in prices, although government control of prices and wages has prevented runaway inflation. The strong disagreements among the groups supporting Franco prevent the adoption of economic policies which would increase incentives for greater production by workers, peasants, and private business.

29. If the agricultural sector of the economy is not hampered by prolonged drought, the Spanish economy as a whole will probably show moderate improvement over the next few years. The US economic aid and base program, by supplying Spain with capital goods, raw materials, and munitions production equipment, will assist in alleviating the power and transportation problems and will help bring about moderate increases in industrial and agricultural production. The inflationary impact of the program will probably be minor. However, we do not foresee any substantial progress toward remedying Spain's basic economic weaknesses. The economy will remain for many years generally backward, with a low level of living for the vast majority of the people.

IV. PROBABLE MILITARY TRENDS

30. The Spanish armed forces are effectively controlled by Franco and constitute the major element in the regime's control system. Despite the fact that low pay creates a morale problem, the officers and men are generally loyal to Franco. Most of them also support the US-Spanish agreements.

31. *Army.* The Spanish Army numbers 335,000 men organized into 19 divisions — one "cavalry," one "armored," four mountain, 12 infantry divisions, and one special mixed coastal group of division size — and numerous independent brigades, regiments, and battalions. An additional four infantry divisions could be formed by grouping existing units in Spanish Morocco. The actual strength of the infantry and mountain divisions is 5,600 and 9,000, respectively, although the table of organization strength is 8,900 and 11,800. About two-thirds of the Army are professional

soldiers, while the remainder are two-year draftees. The army-trained reserves are estimated at approximately 1,030,000, but their mobilization would be hampered by the lack of heavy equipment.

32. The Army suffers from training deficiencies and lack of modern weapons and equipment. The troops are tough and well disciplined, and the number of officers with combat experience is high. The quality of leadership is generally good. The combat effectiveness of the Army is fair, and the Army can be depended upon to fight courageously to defend the homeland. Infantry weapons and field artillery pieces up to medium calibre are sufficient for army needs. However, heavy artillery, self-propelled guns, armored vehicles, and dependable motor transport are insufficient for sustained combat operations. Spanish industry produces sufficient light weapons for the Army but is incapable of producing tanks, medium and heavy artillery, and military vehicles in quantity. US aid will improve the defensive capabilities of the Army.

33. The Army is capable of maintaining internal security, but not of resisting successfully an invasion in force. However, it could slow an invader at the Pyrenees. Spain's offensive capabilities are negligible.

34. Spain represents to the West a potential source of military strength. The populace, particularly the Army, has been oriented by the State and by the Catholic Church toward a strong anti-Communist policy and attitude. We believe that the Spanish soldier is capable of absorbing the necessary technical training required in a modern army and that he has the will to fight.

35. *Air Force.* The current capabilities of the Spanish Air Force are negligible, due to obsolete equipment and insufficient experience in tactical operations. At present there are 33,000 men in the Air Force, including 1,000 pilots and 200 student pilots in varying stages of training. Although the Spanish Air Force has approximately 900 aircraft, this total represents a variety of obsolete domestic and

foreign types, and less than 100 of these are considered operational by US standards.

36. With US assistance, the Spanish Air Force by 1957 is to be equipped with six squadrons of jet fighters and one rescue squadron comprising amphibians and helicopters. By mid-1958, the seven squadrons should attain a high state of combat readiness and will provide Spain with an improved air defense capability. Spain will be well equipped with air bases; in addition to the present nine major airfields, at least five others currently less well developed will be improved by 1958 with US assistance. US funds will also build an inland pipeline servicing the major airfields and will help to remedy defects in base operating facilities. While the Spanish aircraft industry will not be capable of producing modern high performance aircraft at least for some years, US aid should enable it to furnish maintenance support for the newly equipped Spanish Air Force.

37. *Navy.* The personnel strength of the Spanish Navy is approximately 34,000 officers and men, of whom about 7,500 are members of the Naval Infantry. Vessel strength includes five old cruisers of various classes, 19 destroyers, six submarines, 26 escort and patrol vessels, 16 mine-warfare vessels, and 49 miscellaneous auxiliary and amphibious types. Combat effectiveness is limited by want of experience in naval warfare and by lack of POL reserves, modern electronic detection gear, AA and ASW armament, and mine countermeasures equipment.

38. US aid will modernize and reequip the smaller units of the Spanish Navy and will help to transform it into a force capable of effective patrol, escort, ASW, minelaying and sweeping, AA defense, and submarine operations. Ship modernization will include installation of modern armament and electronic equipment. US funds will greatly expand naval facilities for US-Spanish use at four and possibly six ports.

V. SPANISH FOREIGN POLICY

39. Franco's foreign policy has aimed at extricating Spain from the political quarantine

established in 1946 when the UN recommended that member states withdraw their chiefs of diplomatic missions from Madrid and barred Spain from membership in UN specialized agencies. Franco's government was later excluded from Marshall Plan aid at a time when Spain was undergoing severe economic difficulties. The French Government in 1946 closed the Pyrenees border for two years. In its efforts to break out of isolation, Spain cultivated close relations with other countries, primarily with the Latin American and Arab states. It also sought to strengthen its ties with Portugal, to negotiate a concordat with the Vatican, and to improve relations with the US.

40. Franco's efforts have had considerable success. Most nations outside the Soviet Bloc now maintain formal diplomatic relations with Spain, agreements have been signed with the Vatican and the US, and Spain has been admitted to some international organizations. Franco is currently attempting to develop closer ties with West Germany in the hope of increasing Spain's foreign trade and of improving Spain's international position.

41. *Relations with the US.* In 1953, the US and Spain concluded three bilateral agreements covering US construction and joint use of Spanish air and naval facilities, military end-item assistance, and economic and technical assistance (defense support). These agreements represent a commitment by the Franco government to side with the West, but will have little influence toward liberalizing the authoritarian character and policies of the Franco regime. Although disappointed over the relatively small sums (especially of economic aid) allotted to Spain, Spanish officials represent the agreements as a triumph for the policies of the regime.

42. The Spanish Government, aware of the reservations of some members of the Falange and of the Church hierarchy toward the base agreements, has gone to great lengths in asserting that Spanish sovereignty will not be impaired by the agreements or by the presence of US troops on Spanish bases. Spain has agreed to the stationing of US

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military personnel in Spain, but will insist upon limiting the number, at least during peacetime. Most Spaniards are more interested in the economic than in the military implications of the agreements.

43. We believe that the Franco regime will continue to cooperate with the US, but that it will remain a hard bargainer. It will support the US because of Spain's strong anti-Communist attitude and because the regime considers the US the strongest bulwark against Communist aggression and a source of military and economic aid. It will also seek US support for Spanish foreign policy objectives.

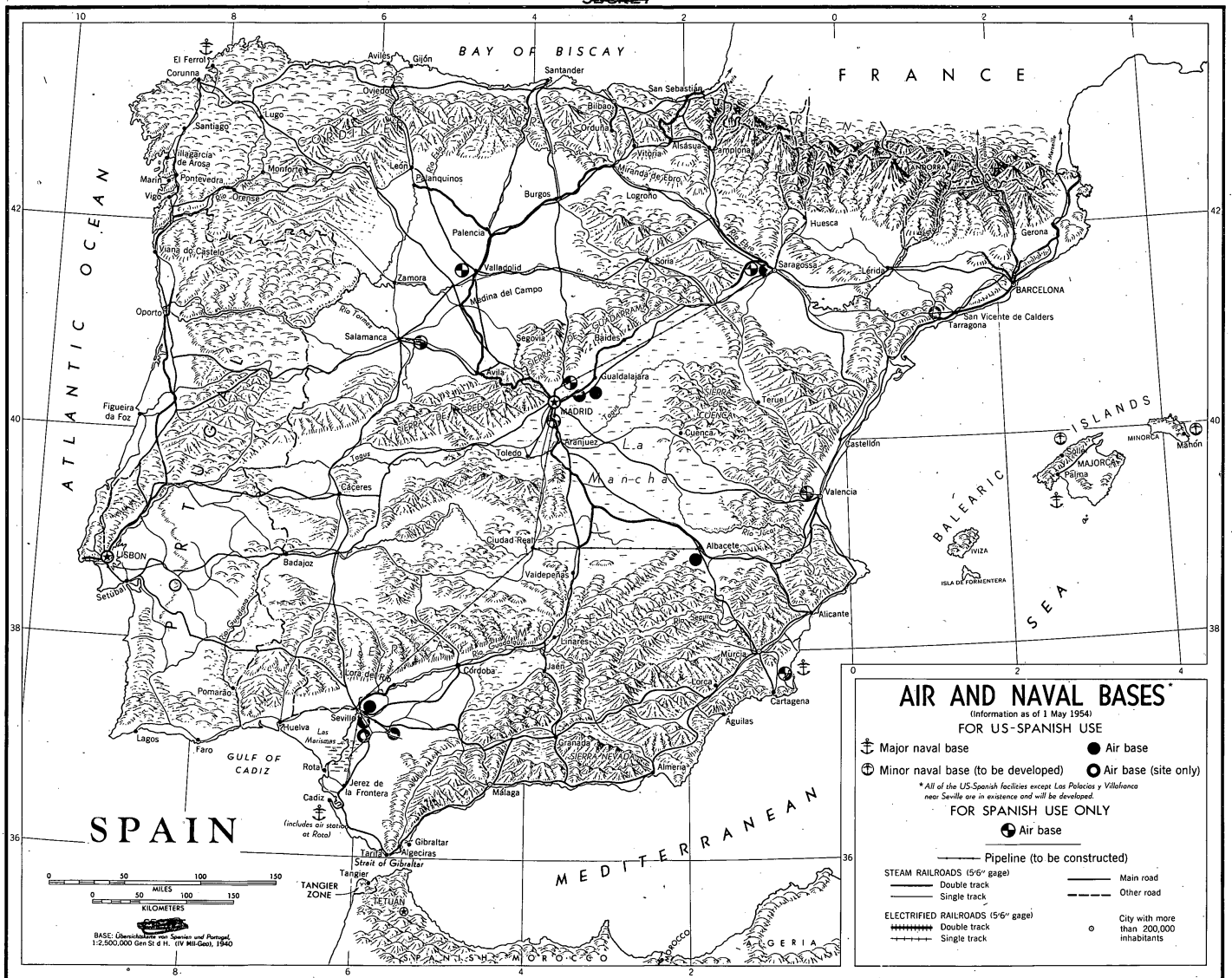
44. *Relations with NATO and the NATO states.* We believe that Franco will not seek to join NATO but will continue his efforts to strengthen Spanish security by bilateral arrangements. The Spanish Government takes the line that NATO's value will remain severely limited as long as the organization subordinates military affairs to political considerations and as long as important member states have large Communist parties. It also believes that the US is shifting the emphasis of its defense policy toward reliance upon peripheral bastions, of which Spain would be one of the most important. Spain might accept NATO membership if Franco felt that such membership would increase his prestige and enable him to play a more important role in international affairs. The likelihood of Spain's accepting NATO membership would be substantially increased if US aid were contingent on Spanish membership or if West Germany became a NATO member.

45. In most NATO countries, there is strong opposition to close association with Franco Spain, although political sentiment against Franco has diminished considerably since the immediate postwar period. There is also some distaste for the agreements providing US economic and military aid to Franco, which is reinforced by the fear that in building up Spain the US is demonstrating an interest in peripheral strategy. However, Western Europeans are increasingly aware of the contributions which Spain could make to the common defense, and the admission of Spain to NATO may become feasible at a later date if relations with France and the UK become less strained.

46. Franco is now harassing France and the UK over Morocco and Gibraltar, respectively. He almost certainly does not estimate that the UK will surrender Gibraltar to Spain, though he may believe that he will be able to increase Spanish power and influence in Morocco. Franco is probably using these issues primarily as levers to negotiate a general settlement of outstanding problems with France and the UK.

47. In time of general war, Franco would almost certainly permit the US to use bases in Spain. In addition, he would probably be willing to send troops to fight abroad if he believed that they would not become involved in a general Western débâcle. The regime would be unlikely to send Spanish troops abroad to participate in actions against local aggressions, except to the extent that Franco has committed himself to do so.

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