Approved For Release 1999/09/09 CIA RDP82-00457R009400500002-5 CLASSIFICATION STATE TO THE TROUBLE OF THE CLASSIFICATION. OFFICIALS ONLY CENTRAL INTELLIGENCE AGENCY REPORT NO. INTELLOFAX 11 INFORMATION REPORT CD NO. DATE DISTR. 23 Nov. 1951 COUNTRY Spain SUBJECT Roundup of Opinions Regarding American Aid NO. OF PAGES 25X1A NO. OF ENCLS. PLACE ACQUIRED SUPPLEMENT TO DATE OF 25X1X REPORT NO. INFO. 25X1A The optimism in official circles regarding the scope of American aid to Spain appeared to be declining by the first of October 1951. A member of the 25X1X stated that Spanish officials who had been in contact with the U.S. Military Mission had lost their confidence that the U.S. would supply 25X1X complete and unconditional financial support. Official circles reportedly that the U.S. attitude had changed since the Ottawa Conference. reported a drop in the optimism formerly noted in official circles. He learned from a member of an advisory board attached to the Finance linistry that official circles had come to the conclusion that the Americans would not be as easy to manage as at first had been thought. stated in early October that no matter what agreement might be reached between Spanish civilians and U.S. representatives, the "Lieutenant Generals" would never consent to any arr ngement which violated the spirit of 18 July 1936. Specifically, he referred to an alleged American suggestion that the Spanish government consent to the revival of certain of the old political parties. 25X1A 25X1X noting that the U.S.-Spanish negotiations had been subject to a series of advances and set-backs, felt that FRANCO would extract every possible advantage from the military necessities which had led the U.S. to seek an agreement with Spain. They looked upon a reported refusal by the Chief of State to consent to the use of Spanish troops abroad as a maneuver to secure the inclusion of Spain in the Atlantic Fact through American pressure. 25X1X felt that the agreement to rearm Germany had shifted the emphasis away from Spain, and that the Americans had come to realize that it would be poor policy to count on Spain CONFIDENTIAL CLASSIFICATION SECRET/CONTROL NSRB DISTRIBUTION Document Mc. STATE NAVY AIR No Charge to ARMY Dociansified RETURN TO RECORDS CENTER Class. Changed To: IMMEDIATELY AFTER USE Auth.: KR 70-2

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militarily. He added that in order to get out of the negotiations gracefully, the U.S. had made demands on Spain which Spain could not accept, such as a 25X1X demand for complete control of 18 peninsular and island bases. 25X1X financial circles in the Spanish capital expected American aid to be limited to purely commercial enterprises, in view of the poor condition of Spanish industry to face the demands of a war and of the lack of trustworthy men to guarantee the proper application of any funds granted to Spain. 25X1X

news of the appointment of an American Military mission 25X1X was greeted first with incredulity, developing into a sense of having been deserted, and finally, into a strong anti-American feeling.

In early October that the anti-American sentiment had not noticeably abated, although the Republicans had observed with satisfaction that the

Americans were being cautious in the distribution of dollars. The Republican leaders still regarded American activities with a certain reserve, but were trying to divert the rank and file from the feeling that the Americans were making a "pact with the enemy." In spite of the feeling of hostility toward the U.S.,

little pro-Russian sentiment.

The "neutral" masses, more interested in economic factors than in politics, had inclined toward anti-Franquism during the Spring economic crisis, but with the initiation of American negotiations had turned to hope that even with FRANCO there would be dollars, white bread and salary increases. These masses, slow to react, had not as of the beginning of October abandoned hope for economic betterment through U.S. aid.

At the end of September, the advisability of calling a series of strikes. They decided that they had let slip a good opportunity for synchronization of strikes with the arrival of American study commissions, and that they should now wait for the period of disenchantment which they expected to follow the popular realization that such American aid as might be given would not be adequate to solve all Spain's economic ills.

The rightist Republican exile Miguel MAURA had appeared in mid-September to be convinced that the U.S. was proceeding in Spain in a manner designed to liberalize the regime in a series of stages to be completed by the summer of 1952. By October, however, MAURA had changed his views and harshly criticized U.S. policy in Spain. Americans were not interested in democracy in Spain and would aid FRANCO because

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that was the best means of turning Spain into a colony of the U.S.

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