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CONSULTATIVE ASSEMBLY

POLITICAL COMMITTEE

The situation in Spain

Revised memorandum submitted by
Mr. Gustafson, Rapporteur

1. On 25th April 1961 the Assembly referred the motion tabled by Mr. Kirk and others on the situation in Spain to the Political Committee for a report and to the Committee on Non-Represented Nations for an opinion. In accordance with the Assembly's decision, the Committee on Non-Represented Nations transmitted its opinion (which was prepared by Mrs. Renger) to the Political Committee on 16th November 1961. This document (AS/NR (13) 14 revised) is now before the Committee, together with Mr. Kirk's original motion (Doc. 1226 revised). The Political Committee must, therefore, decide what action to recommend on the opinion of the Committee on Non-Represented Nations and on Mr. Kirk's motion.

2. Mr. Kirk's motion proposed "that European public opinion should be full informed on current events in Spain through the medium of the Consultative Assembly of the Council of Europe." During the time that has elapsed since it was tabled, several organisations have published reports on particular aspects of the situation in Spain. Three reports, in particular, deserve

attention: the Economic Survey in Spain approved by the Economic and Development Review Committee of the OECD in May 1962 (1), the Report of the International Bank for Reconstruction and Development called "The Economic Development of Spain" issued in February 1963 and the Report published by the International Commission of Jurists in Geneva in November 1962.

3. Further, Mr. Maurice Macmillan (in Doc. 1420) and Mr. Margue (in Doc. 1477) have discussed the question of Spain's application for association with, leading to full membership of, the European Economic Community, and the Consultative Assembly took a stand on this matter in Recommendation 314 which was adopted on 17th May 1962. The Political Committee has also been able to study the opinion of the Committee on Non-Represented Nations, which was prepared after the Committee had heard evidence from both representatives of the present régime and from representatives of exile groups.

4. The report of the International Commission of Jurists published in Geneva in November 1962 has been much discussed. It was the result of very thorough investigation but was nevertheless criticised on some points even by some of the members of the International Commission. This shows that it is impossible to make a useful report on Spain unless it is based on first hand evidence concerning the present political, social and economic conditions there. This would involve a considerable amount of work, much of which would have to be done in Spain by a delegation from the Committee with the help of a number of experts.

5. From newspaper reports I see that changes were made last year in the composition of the Spanish Government and that social reforms and other measures are being introduced in Spain. If these developments can be verified, I am sure that the Committee will welcome them as far as they go, but to the best of my knowledge the changes that appear to have been made are not fundamental and in no way alter the basic character of the present régime.

6. The resolution adopted by the Congress of the European Movement at Munich on 8th June 1962 confirmed that in the eyes of the participants genuine democratic conditions did not exist as yet in Spain (see AS/Pol (14) 7).

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(1) Reports on Spain were also published by the OECD in July 1961 and by the OEEC in August 1960.

7. It will be recalled that the Spanish Government, in April 1962, invited a delegation of the Political Committee to visit Spain to study the situation on the spot. Such a visit is, however, not possible under the present circumstances, because of the following reasons:

- (a) A memorandum sent to certain members of the Political Committee by the Spanish Embassies in their countries in May 1962 contained the statement that the Spanish Government wished amendments to be made to the draft recommendation adopted by the Political Committee on 6th April 1962 and that "Spain would not welcome the visit of a sub-committee unless the body sending it - the Political Committee - had previously corrected the passage in its recommendation on general policy of the Council of Europe which relates to the association of Spain with the European Economic Community and had struck out all references to constitutional changes in Spain." The draft recommendation in question was not amended (see AS/Pol (13 PV 12 revised).
- (b) The Bureau decided on 5th July 1962, following certain events which took place in the summer of 1962, that a visit to Spain by a delegation of the Political Committee would be undesirable in the circumstances prevailing then.

8. Since Mr. Kirk's motion was tabled, several reports on Spain have been published by different organisations and there has been a lively international debate on some of them. The requirement that European public opinion should be fully informed on the situation in Spain has thus been fulfilled to the extent that is possible unless it is desired that the Assembly of the Council of Europe should undertake an investigation even more far-reaching and thorough than that of the International Commission of Jurists. But I submit that such an investigation would go beyond the resources of the Political Committee and indeed of the Assembly.

9. Accordingly, I would suggest to the Committee that, having regard to the above considerations, no further action need be taken for the time being on the motion tabled by Mr. Kirk and others and, if this solution is acceptable to the Political Committee, that the matter should be reported to the Bureau of the Assembly.

A P P E N D I X

NOTE ON CERTAIN RECENT DEVELOPMENTS IN SPAIN

This note contains some information about developments in Spain since the beginning of 1962 but in no way claims to give a comprehensive picture of what has happened in Spain during this period. It is appended to the preliminary Memorandum of the Rapporteur for the personal use of the Members of the Committee as it may on some points add to what Members have learned from other sources.

Internal situation

The execution of Julian Grimau on the 20th April 1963 focussed public interest in Spain on the question of trials, and the kind of courts in which they are conducted. The other main points of interest at the moment are the relaxation of press censorship and movement in the direction of greater religious liberty for non-Catholics. Important developments during 1962 were the wave of industrial strikes which broke out in April of that year; demands made by members of the Cortes and underground political groups for political and social reforms, and giving support to the workers' claims; the reorganisation of the Spanish Government and the statement outlining the Government's forthcoming programme.

Trials

"Le Monde" of 5th/6th May 1963 and "The Times" of 7th May both report that the Government has submitted a draft law to the Cortes for setting up a "tribunal of public order" to judge civilians accused of certain political offences which have previously been handled by military courts.

Among the offences which will no longer, if the law is approved, be tried by military courts are: the distribution of leaflets expressing opposition to the Government; illegal meetings by banned political parties and strikes and other activities which have been described as "military rebellion" under the terms of the law of September 21st, 1960.

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The new court will be composed of civilian judges, but military courts will continue to try "acts of terrorism". Those who appear in military tribunals will, however, in future be defended by civil counsel.

The draft law provides for the ending of the special tribunal for the repression of Freemasonry and Communism in Spain, which has been in force since 1940, under military jurisdiction. According to "The Times" report several leading Spaniards have been imprisoned by this court for being Freemasons.

Mr. Fraga Iribarne, Minister of Information, described these moves as of great importance in "perfecting the state of law in Spain".

The same issue of "The Times" states that since February 1963 110 Spaniards have been tried by courts martial in Madrid on charges of "military rebellion" and sentenced to terms of imprisonment ranging from nine months to more than twenty years. Ten were acquitted and one, Julian Grimau, was executed.

The trial of Julian Grimau

Julian Grimau was executed on 20th April. Grimau had been accused of continuous military rebellion since 1936 and for plotting to overthrow the Government as a Communist. Subsidiary charges of torturing his political opponents in Barcelona during the Civil War were also brought against him.

The "Sunday Times" of 19th June 1963 reports that the trial was carried out by a military tribunal with seven officers: the prosecutor and defence counsel both being regular officers appointed to serve on the court martial. No witnesses were called and all evidence was hearsay taken from the depositions of people whom Grimau was supposed to have tortured. The defence plea that this evidence was inadmissible was rejected. Grimau denied all the atrocities and when asked if he wished an end to the present régime the "Sunday Times" states that he replied that he did since he favoured democracy, free elections and free trade unions. He was apparently stopped twice while trying to defend himself.

Mr. John Mendelson, M.P. for Penistone (Labour) who attended the trial as an observer as a member of the Committee for Amnesty for Political Prisoners in Spain said "I am shocked at the execution and I think this is an act of vengeance against a man and has nothing whatever to do with justice. I have ascertained that

there were people in Barcelona prepared to give evidence on Grimau's behalf, some of them people in responsible positions whose evidence would have carried weight: but they were kept out of court.

I have been sounding out Spanish opinion on the reasons for deciding to carry out the execution and I have come to the conclusion that this was done on the insistence of extremist elements as a counter-offensive against all possible plans for liberalising some aspects of the régime. This is the disturbing and political significance of the execution." ("Sunday Times")

The "Sunday Times" recalls that after Grimau had been arrested in November 1962 he fell (and the police allege jumped) from a first-floor window in the Directorate General of Security where he was being interrogated. His skull was fractured and his back and hands were injured. The police denied that he had been tortured.

Following Grimau's condemnation by the military court, the Council of Ministers and, finally, General Franco himself refused to pardon the prisoner.

Many telegrams from prominent political figures were sent to General Franco asking for a reprieve; amongst those who sent such appeals were Mr. Khrushchev and two French Cardinals, Cardinal Feltin, Archbishop of Paris, and Cardinal Gerlier, Archbishop of Lyon.

In his reply to Mr. Khrushchev's telegram, General Franco said that it was impossible to commute the sentence passed on Grimau since "The horrible crimes he had committed, for which there is abundant proof, and his pursuit of subversive activities, right up to the moment of his arrest, had not permitted the exercise of mercy".

"Le Monde" of 21st/22nd April stated "As the Daily Herald has stated, the execution of Julian Grimau is not so much an act of justice as a form of political revenge. It constitutes also a warning for men of all tendencies, who wish to push the movement of liberalisation further and faster. In causing blood to run at the moment when a French Minister has just arrived in Madrid, General Franco has shown without any doubt that he cares nothing for recriminations from abroad but he has perhaps underestimated the political consequences of the moral repercussion that his action justifies".

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Other recent trials of note have included one of 27 people from Valencia who were found guilty of "military rebellion" for the distribution of tracts, during the Spring of 1962, inciting the people of Valencia to support the strike of the Asturian miners. Further, some of the accused had tried to set up a committee of the Communist Party in Valencia. Twenty-five of the accused were condemned on 20th February 1963 to sentences of between one and ten years' imprisonment and two were acquitted. All the accused had been arrested between June and October 1962 ("Le Monde" of 22nd February 1963).

Sentences of imprisonment for "military rebellion" were also inflicted on fifteen out of seventeen Catalans, for supporting the strike of the Asturian miners in the Spring of 1962 ("Le Monde", 24th/25th February 1963).

Control of the Press

At the first meeting of the new Cabinet on 13th July 1962, Mr. Fraga Iribarne stated that the Government would "pay every attention to the various attitudes of public opinion and to its legitimate manifestations by means of public information". On 30th July Mr. Fraga announced that he would introduce a new press law in December to replace the press law of 1938. Mr. Manuel Jimenez Quilez was appointed Director-General of the Press by Mr. Fraga on 20th July. On 13th August he announced that direct state censorship had been lifted in all areas except in Madrid and Barcelona - he explained that this did not mean an abolition of the censor but the "transfer of our power to censor newspapers to the papers themselves". The announcement made by the Ministry of Information on the same day stated that foreign publications would no longer be banned "unless they offensively attacked the Head of State or contained flagrant errors". Details of the new press law do not appear to have been published yet, so that in spite of Mr. Fraga's promise no law has been brought into force. On 6th December 1962 Mr. Fraga announced the establishment of a national press council composed of sixty members, to be nominated by the Journalists' Union. One of the main tasks of the new council would be to consider a new draft press law.

Religious liberty for non-Catholics

In January 1963 there were widespread comments in the world press concerning the likelihood of some relaxation in the attitude of the Spanish Government towards the rights of Protestants to practice their religion in Spain. The Conference of Catholic Bishops recommended that Protestants should be allowed to have their own schools, that discrimination against their entry into the civil service should be abolished and that they should share fully in civil rights. ("Le Monde" of 22nd January 1963).

On 8th March Mr. Fraga announced that the British and Foreign Bible Society would be allowed to resume its activities in Spain, which had been suspended since 1956. (Keesing's Archives)

"The Times" of 14th May 1963 reports that following the Spanish Government's decision it was expected that the importation into Spain of 2070 Bibles and 4169 New Testaments would be sanctioned within a few weeks.

The strike movement

The principal factors believed to underlie the strikes of 1962 are these:

1. The effects of the economic stabilisation programme of the worst-paid workers, who had to face rising living costs with no compensatory wage increases;
2. The feeling that the official "vertical" syndicates were not suited to the system of direct collaborative bargaining concerning wages which had been introduced in 1958. Since employers were represented it was considered that these syndicates were not genuine trade unions; besides, the higher officials in the syndicates were appointed by the Government. Details of the new collective agreements also caused resentment, such as wage increases being linked with higher production targets. Higher-paid workers resented the threat of the elimination of pay differentials between them and less skilled workers, which would be the result of certain of these agreements.
3. Widespread resentment of denial of the right to strike and of official opposition to general wage increases.

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4. Resentment that the Papal encyclical Mater et Magistra had not resulted in many advances in social policy. In February 1962 the Bishop of Bilbao condemned: "these Catholics who think that there are people predestined to enjoy the abundance of wealth while others must be satisfied with the scraps falling from the tables of the powerful." The Archbishop of Seville, in March, called for a minimum daily wage of 110-120 pesetas for a married industrial worker with two children.
5. Growing awareness of the differences between the conditions in Spain and those of other countries in Europe.

Despite anti-strike legislation, 170,000 workers were affected by strikes between April and the beginning of June 1962, principally in the areas of Asturias, Vizcaya and Guipuzcoa. A large number of the strike leaders were reported to have been arrested, but there were no violent clashes between the police and strikers.

The Government declared "a state of exception" (emergency) for three months in the three affected areas on May 5th. This involved the suspension of certain rights contained in the Fuero de los Espanoles.

The Government decree of 24th May authorised a rise in coal prices and made possible pay increases for coal miners. Following this, the situation rapidly improved and there was a general return to work in the first week in June. (Keesing's Archives)

Demands for political and social reform

In the spring and summer of 1962 most of the underground political parties issued statements demanding various reforms. The Union of Democratic Forces (UFD, which is a left-of-centre political grouping, the first in Spain since 1936, and a potential rallying point for all radicals in Spain) issued a statement on 17th May denouncing the Government as "despotic and bankrupt" and calling on the Church to express her responsibility in favour of the settlement of the labour disputes. The document called on the professional classes and intellectuals to "heighten their fight for liberty" and on all Spaniards to "multiply their protests" and to "carry out acts of resistance" where possible. Finally, the document urged "all democratic political groups" to unite and to offer to the nation "a peaceful solution in place of the existing situation, which clearly represents both an obstacle in the way of social peace and of the integration of Spain in Europe".

The Union Espanola (an alliance of different monarchist groups) stated on 5th June that the situation must lead to "either a deliberate but honest and effective evolution, or else a revolution". Under the circumstances all classes should work for "a transition towards a democratic and enduring régime, which, in Spain, could only be the monarchy".

The Popular Liberation Front (FLP), a left-wing group containing socialists and "Catholic progressive" members, gave solid support to the strikers. In a declaration issued on 22nd May it supported the strikers and stated that the Government's alleged suppression of news about the strike showed its fear of public opinion.

The Communist Party supported the strikers, declaring on 22nd May that the time for co-ordinating action against the position of General Franco was ripe and called for "every form of mass struggle" leading up to a general strike. After this statement the UFD stated that its constituent groups were not allied to the Communist Party.

On 8th May a group of distinguished intellectuals, including opposition politicians, issued a statement which called for the establishment of "a system of negotiations for meeting wage claims by the methods in general practice in the world" and also for "freedom of information".

Certain outbreaks of terrorism have been reported. The "Irish Times" of 6th December 1962 stated that four plastic bombs had been exploded in Madrid and other Spanish cities within the previous week. It commented that these explosions "are a clear indication that the opposition to the Franco régime is not only persevering in its work, but what is more, is doing so with organisation and decision behind it". According to the official "Agencia Cifra" the Basque separatist party and Communists are responsible for the explosions. The "Irish Times" comments that the Government is anxious to conceal the fact that many Catholics are now in opposition to the Franco régime. It considers that recent speeches made by Cardinal Montini "must have provoked something like hysteria in the heart of the Government".

In Madrid 70 women were arrested on 15th May during a "silent demonstration" in the Central Square in support of the strikers. Many of them were subsequently fined.

On 11th July General Franco reorganised his Government - making the first major changes since 1957. Eight new ministers were appointed and seven ministers were retired. Captain-General Munoz Grandes was appointed Deputy Prime Minister. The Falangist element in the Cabinet was weakened. The Deputy Prime Minister was to "carry out those functions which are expressly delegated to him" by General Franco and act as his substitute "in the event of absence or illness".

The other principal appointment was that of Senor Manuel Fraga Iribarne as Minister of Information and Tourism. Mr. Fraga, who was one of the witnesses who made a statement to the Committee on Non-represented Nations, is regarded as representing the advent of a rather more liberal point of view into the Cabinet.

A plenary session of the Cortes approved several bills on 14th July 1962 including (i) legislation on industrial co-partnership, providing for one workers' representative to sit on boards of directors for every six management directors, and for similar representation on workers' factory councils; and (ii) a bill on the terms of the valuation of compulsorily purchased land, to enable land to be bought at reasonable prices for housing and resettlement schemes. (Keesing's Archives)

The New York Times of 1st December 1962 reported that the Falange was "launching a drive of activism and individuality" in the form of establishing political clubs. The paper commented that these clubs were aimed at directing the Spaniard's innate passion for political debate into legal channels. Critics of the Falange interpreted this tendency as one that will introduce splits into the monolithic unity of the Falange, thus leading to the formation of splinter groups. The views of these new Falange clubs are said to be "radical". In discussion these clubs have advocated higher living standards for workers and peasants and the introduction of measures of social reform.

The New York Times of 14th December 1962 states that the Falange newspaper "Arriba" of Madrid had criticised the large profits made by Spanish banks and demanded their nationalisation. "Arriba" is reported as stating that the capital of the banks was dominating the national economy and was keeping workers' salaries far below European standards. The paper further stated that the Spanish development plan for 1964/67 would provide improved opportunities for profiteering by the banks. It stated that 130 board members of the five major private banks control 745 industrial enterprises with capital investments totalling 1,760 million US Dollars. The right wing Roman Catholic technocrats who hold high posts in the economic and State administration were also criticised.

A further session of the Cortes was held on 19th and 20th December 1962. A remarkable feature of this session was the presentation of a petition to the Government by over 400 of the 605 members of the Cortes asking for a more active rôle in making the country's laws. It asked that the Cortes should meet at least between three and five times a year and stated: "a greater number of plenary meetings would make unnecessary a large number of legal decrees that should be reserved only for cases of extreme urgency". The petition also criticised the internal administration of the Cortes and asked for higher salaries for the staff and for better office equipment and facilities for members. A Government statement issued on 19th December said that in future meetings of the Committees of the Cortes, previously held in secret, would be "regularly" opened to the press.

At its December session, the Cortes approved 263 laws in two days.

Among the new laws that were approved by the Cortes were: one laying down the scale of punishment for driving offences and making third-party insurance obligatory; another concerning the reform of municipal finances and one concerning the freeing of certain imports from customs duties. (Keessing's Archives)

New social legislation

After the first meeting of the new Cabinet on 13th July 1962 Mr. Fraga made a statement outlining the Government's programme.

In the economic field Mr. Fraga said the Government would continue its existing policies as the monetary stability attained since 1959 had provided a firm contribution for future development, which would be achieved through the proposed development plan. All Spaniards would benefit from this and the Government would pursue its efforts in housing and agrarian reform. In the latter connexion, the Cabinet had approved a decree establishing an agricultural credit bank.

The Government would also ensure parallel social progress and well-being on the basis of the encyclical Mater et Magistra. The syndicalist organisation would be perfected; popular participation in public affairs "by way of organic representation" would be increased and there would be judicial reforms.

The Government reaffirmed Spain's "European vocation" and her readiness to take an increasingly active part in economic co-operation and political integration. It believed that Spain could give special help in meeting the challenge facing the free world, chiefly through her relations with Portugal and her ties with the Hispanic peoples and the Arab countries. (Keesing's Archives)

General Franco, in his New Year Message of 30th December 1962, announced that from the beginning of 1963 the minimum daily wage for unskilled workers would be increased from 36 pesetas (4/6d) to 60 pesetas (7/6d). The increase would affect about 1,600,000 of the country's nine million workers and a Government spokesman stated that after family allowances and extra pay for Sundays and official holidays had been added the actual daily pay packet would amount to about 100 pesetas (12/6d). (Keesing's Archives)

Reorganisation of the Trade Unions

"Le Monde" of 23rd March 1963 reports "Arriba" as envisaging the reorganisation of the structure of the trade unions in Spain, and notably more genuine representation of the workers in them. "Le Monde" of 7th May 1963 quotes Mr. Solis, Minister and Secretary of the Trade Union Movement, as declaring in Barcelona: "In the forthcoming trade union elections in June there will be a more genuine system of representation and the unions will be strengthened." "Le Monde's" correspondent in Spain states, however, that after conversations with a number of miners in the Terver Valley his impression was that the forthcoming elections, like preceding ones, would not be taken very seriously since the workers did not have much confidence in their effectiveness. In the previous elections Sophia Loren apparently obtained the greatest number of votes from the workers in several firms. "Le Monde" commented that this was a serious situation since, for better or worse, state-controlled trade unions constituted the only forum in which workers could freely express their views.

Economic position

The OEEC annual report on Spain of July 1961 stated that "internal financial stability, which has been restored - after a longer period of pressure - through the stabilisation programme of July 1959, has been maintained ever since. On the other hand, the rather prolonged recession which had followed the stabilisation measures, has given place, after the summer of 1960, to a

gradual recovery in production, so that many branches of industry in the first months of the current year had gained or exceeded their pre-recession levels of output".

"Spain's foreign balance of payments deficits have been replaced, after the devaluation and reforms of 1959, by considerable surpluses and by an important accumulation of foreign exchange reserves." (In the first six months of 1961 foreign exchange reserves increased by approximately 190 million US Dollars.)

The OEEC report stated that the stabilisation programme reforms should be completed and, secondly, "a long-term balanced policy will have to be elaborated for exploiting the country's considerable economic potential and thus achieving substantial improvement in the present standard of living".

The cost-of-living index rose very slightly since the previous summer.

In its conclusions the OEEC report of July 1961 stated: "Continued substantial surpluses in Spain's balance of payments are partly due to a number of exceptionally favourable factors and to the low level of domestic economic activity. It is, however, beyond any reason of doubt that there are also more permanent elements of improvement, resulting from the restoration of financial stability established by a realistic rate of exchange and the wide and indirect benefits of a changeover to liberal and multilateral trade and payments. The present very comfortable level of external reserves and the prospect of a new surplus in 1961 permit substantial increases in production and investment to take place without important strains on the price level, since any excess demand that might appear could, and should, be matched by an increased flow of imports, and it would be quite inappropriate that part of domestic saving should continue to result in further increases in foreign reserves, when the funds for productive investment in the country are so substantial."

The 1961 report finally concluded "Spain's great possibilities for economic progress are not always fully realised. If the same determination in the choice of rational economic policies, which made a success of the Stabilisation Programme, is also shown in the preparation and application of the Development Programme, a substantial increase in the standard of living of the Spanish people will not take very long to materialise".

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The 1962 OECD report

The 1962 report on Spain of OECD states that the recovery during 1961 from the period of stagnation "was very gradual, and it is only in the last months of 1961 that the movement of expansion has accelerated". The prospects at the beginning of 1962 are for an appreciable further increase of internal demand, due to a considerable rise in public expenditure as well as to a comparable increase in private effective demand. Provided that appropriate measures of policy are taken in time, these developments should not endanger internal financial stability, which has been maintained up to the present. There are indeed important margins on the side of the balance of payments, which continues to yield surpluses despite the fact that exports have remained approximately stable, while imports have increased considerably; the level of external reserves is particularly high, representing about nine months' imports.

OECD states: "Apart from the immediate problem of combining a high level of economic activity with the maintenance of financial stability, the Spanish authorities are faced with certain fundamental issues of economic policy. Although the basic option made in 1959 to give a preponderant rôle to domestic and international market forces was followed by important measures in certain fields - for instance, import liberalisation - in some others the reforms consistent with the new general direction of policy have not so far been carried out." The report states that Spain's application for association with and ultimate full membership of EEC "calls for early action to correct a number of structural defects in the country's economy and to help forward the process of industrial development".

The report states that the striking feature of 1961 was the "progressive recovery of internal demand". Imports increased steadily during 1961, and private consumption increased partly because of longer working hours and wage increases.

The OECD report concludes: "A fundamental issue of general and economic policy is the degree to which the Spanish economy should be integrated with the major Western markets. Experience has proved conclusively that rapid and sustainable growth in Spain is incompatible with autarkic economic policies. The new orientation of official policy since the Stabilisation Programme stems from that experience and the recent decision to seek negotiations with EEC is a confirmation of the trend towards an open economy. This process of integration, which will require an important measure of understanding and co-operation on the part of

the industrialised countries, must be prepared by adequate action on the Spanish side. The early formulation of a national tariff policy, implying no more than a reasonably low and selective protection of domestic industries, the detailed study of export potentialities, and the adoption of measures to promote the expansion and diversification of Spanish exports have undoubtedly the highest priorities in this respect."

Conclusions of the Report of the Commission sent to Spain by the International Bank for Reconstruction and Development, "The Economic Development of Spain", February 1963

"It is only by a policy of stimulating the growth of the economy as a whole that a general solution can be found to the problems caused by disequilibrium in employment, income and regional development. The high rate of growth, reinforced by measures to assist the free mobility of men and capital, is the most positive means of raising living standards and relieving the hardships of rural poverty.

The prospects for the growth of the Spanish economy are very favourable and, with suitable policies and the requisite public and private investment effort, an annual growth rate of 5% per capita should be possible over an extended period. This would make it possible to raise the level of income in the industrial and service sectors twofold within a decade; income would also grow in the agricultural sector, but necessarily at a slower rate. Total employment could increase by about 1 million persons over the decade: at the same time, there should be a large shift of manpower out of agriculture, especially from the more traditional pursuits. With this movement of manpower which the Government should actively encourage, it should be possible for per capita incomes of those who remain in rural areas to rise at much the same rate as those in the rest of the economy and, subsequently, the level of agricultural incomes to approach more closely those elsewhere in the economy."

Repayment of International Monetary Fund Loan

On 1st May 1962, the IMF announced that Spain had repaid, ahead of schedule, the equivalent of 50 million US Dollars obtained in credits in 1959 for Spain's new economic measures.

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Earlier in 1961 Spain had repaid 24 million US Dollars, which it had drawn from the European Monetary Fund under the 1959 arrangements with OEEC. The balance of undrawn IMF and EMF credits were also cancelled at the same time.

The IMF announcement said that "these advance repayments and cancellations reflected the success of the Spanish stabilisation programme". It stated that Spain's gold and foreign exchange reserves had increased from 63 million US Dollars at the time of the introduction of the programme to 600 million Dollars by the end of March 1961. Rises in prices had been checked, exports substantially increased and the income from tourism greatly expanded. Restrictions on imports and unfavourable transactions had been considerably reduced and with new foreign investment legislation the chances of attracting foreign capital had been enhanced. Thus "the stage has been set for renewed efforts to accelerate the development of the Spanish economy under conditions of balance of growth". (Keesing's Archives)

Establishment of BANDESCO

It was announced in Washington on 5th February 1963 that the International Finance Corporation, which is affiliated to the World Bank (IBRD), had decided to join with the Banco Espanol de Credito to establish a new industrial investment bank, to be called the Banco de Desarrollo Economico Espanol (BANDESCO). Several major European banks have decided to co-operate in this scheme, the aim of which is to broaden the investment market in Spain and thus to improve industrial financing which is a serious need of the Spanish economy. (Keesing's Archives)

The French Government's loan

Mr. Giscard d'Estaing was in Madrid at the time of the execution of Julian Grimau in order to arrange a loan of 150 million dollars by the French Government to Spain. He broke short the talks that he was holding with the Spanish Government and indicated that the discussions concerning the loan, which it had been expected would be finalised at this meeting, would be continued at expert level. "Le Monde" of 21st/22nd April commented that "It seems that Grimau's execution, of which news was received in Paris on Saturday morning, led to the suspension of the talks which should have continued until Sunday." The newspaper stated that it was expected, however, that the signature of an agreement between France and Spain concerning this loan would take place within the next few months.

Human Rights in Spain

In December 1962 the International Commission of Jurists published a report on "Spain and the Rule of Law". The report says that the exercise of certain freedoms contained in the Charter of the Spanish people "has for years been rendered impossible" by legislation. In particular, "the press is completely gagged" and "freedom of association is in a similar predicament. Freedom is not granted in precisely that area in which there is the most urgent need for an organised and autonomous union of individuals, namely in the creation of political parties and labour unions, activities which are forbidden and punishable by law".

The publication of this report was given wide publicity in the world press and, in Spain, Senor Iturmendi, the Minister of Justice, speaking on 12th December, rejected the allegations made in the document. The Minister read at a press conference a statement of over 5,000 words, in which he declared that the present Spanish régime has always been concerned with ensuring the fundamental bases of liberty and the independence and responsibility of its judges and magistrates. He referred to "the confused allegations of the jurists" who had claimed that "a lack of rule of law" characterised Spain's present régime. The Minister said that the rights of all Spaniards were guaranteed by law.

The Minister stated that prisons in Spain were inspired "by a high sense of humanity, a profound Christian spirit, and respect for the personality of the prisoner". Nobody in Spain was condemned for his political ideology, but only for activities of a subversive character and attempts to disturb social and institutional order. The Minister explained that those responsible for banditry, bomb explosions, etc., could not be tried as political delinquents "and this is why they were summarily brought before military courts which could provide quick and adequate justice". The Minister stated that Spain had no Iron Curtain and welcomed all who desired to find out objectively how the régime was solving its problems but no-one, he said, would be authorised to interfere in Spain's internal affairs.

Spain and European activities

Eurochemic. In January 1959 the Council of OEEC approved Spanish participation in Eurochemic - a scheme for the chemical processing of irradiated fuels at Mol in Belgium, and this was followed by an agreement by Spain and the United Kingdom in January 1960 opening up possibilities for exchanging information on the peaceful uses of nuclear energy.

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Space Research. Spain took part in a twelve-country conference on European space research which was held in Strasbourg in January 1961.

EEC application. Spain made her application to the Council of Ministers of EEC for association with the Community leading to full membership in February 1962. The Council of Ministers held an exchange of views on this application at its meeting on 5th December 1962.

The Assembly of the Council of Europe adopted Recommendation 314 on 17th May 1962, which recommended that the Members of the EEC should examine the possibility of some form of economic agreement between Spain and the European Economic Community, bearing in mind the constitutional changes that will be necessary before any form of political association can be contemplated.

In a speech made at the December 1962 session of the Cortes, Mr. Ullastres, the Minister of Commerce, said that he wished "to thank France and Germany for the help that their Governments have given to Spain by supporting its request for entry into the Common Market". He further said that "Spain wishes to become integrated in Europe but it is not prepared to pay for entry with a blank cheque". He concluded by saying "if we continue to pursue the same ordered and peaceful policy, we will succeed in integrating ourselves with Europe. Time is working for us and we are moving towards Europe, but at our own speed".

Munich. The Congress of the European Movement held in Munich on 7th and 8th June 1962 approved a resolution calling for "the establishment of authentically representative and democratic institutions" as a condition of Spain's participation in the process of European integration. This resolution had been drafted, on 5th and 6th June, by representatives of Spanish opposition groups from both inside and outside Spain, including eighty representatives of movements within Spain and thirty-eight exiles.

The leading delegate from Spain was Senor Jose Maria Gil Robles, leader of the Right Wing Group of Christian Democrats and a member of the Privy Council of the Pretender Don Juan. Other prominent delegates from Spain included Senor Joaqui Satrustegui, leader of the "Union Espanola", Senor Fernando Alvarez de Miranda, Secretary of the Spanish Association for European Co-operation (who had made a statement to the Committee on Non-represented Nations on the situation in Spain) and Senor Ridruejo, the poet. The exiles included Senor Rodolfo Llopis, leader of the Socialist Party, and Don Salvador de Madariaga.

Two committees of the Congress, one including all the representatives from inside Spain, under the chairmanship of Señor Robles, and the other including most of the exiles under the chairmanship of Don Salvador de Madariaga, had drawn up separate resolutions but an agreement was eventually reached on a compromise which was said to be closer to the terms of the draft of the exile group.

The resolution as finally approved by the Congress states:

"The Congress of the European Movement which met in Munich on 7th and 8th June 1962 considers that the integration of every country with Europe, either in the form of membership or in the form of association, demands that the country in question possess democratic institutions. This requires the recognition of the following privileges in Spain, in accordance with the European Convention of Human Rights and the European Social Charter, to wit:

- (1) the establishment of truly representative and democratic institutions, which guarantee that the Government be founded upon the consent of the governed;
- (2) the effective guarantee of all the Human Rights, in particular those of personal liberty and freedom of opinion and the suppression of government censorship;
- (3) recognition of the legal personality of various groups and communities;
- (4) the exercise of the right to organise trade unions on a democratic basis and the right of the workers to defend their fundamental rights, notably by strike action;
- (5) the opportunity of organising different currents of opinion and political parties, as well as respect of the rights of the opposition.

The Congress expresses the profound hope that the evolution which follows the application of these points will make possible the incorporation of Spain within Europe of which it is an essential part. The Congress records the firm conviction, expressed by all the Spanish delegates present at the Congress, that the immense majority of Spanish people desire that this evolution take place according to the rules of political wisdom and as rapidly as the circumstances will permit, with the sincerity of all concerned and their commitment to refrain from all active or passive violence before, during, and after this process of evolution."

The immediate reaction of the Spanish Government was to issue a decree suspending the right of Spaniards to choose their own place of residence within Spain as laid down in the Fuero de los Españoles. A number of the more prominent participants in the Munich Congress were detained when they

returned to Spain and were offered the choice between exile or being sent to Fuerteventura in the Canary Islands. Gil Robles chose exile while certain others accepted forced residence in the Canaries. By the time of 14th June twelve people were reported to have been sent to the Canary Islands including Alvarez de Miranda. All of the Congress delegates were, however, later allowed to return to their normal homes.

The Spanish press denounced the Congress as "the ultra secret and un-Spanish conspiracy of Munich" carried out by "traitors plotting against Spain". Señor Robles, in an interview in "Le Monde" of 10th June, denied that the Munich meeting was part of any conspiracy against General Franco's Government.

Señor Robles said that he had written to the Under-Secretary to the Presidency before leaving for the Congress stating the reasons for his journey and outlining the views which he would put forward at the meeting. He said that at the meeting there had been "no formal pact of union" between the political groups in Spain and those outside Spain but there had been "a very much more profound agreement" since there was a "fundamental solidarity" between the sometimes apparently divergent views of the different groups. Both the groups in Spain and out of Spain were agreed that there should be no renewal of violence.

General Franco strongly attacked critics of his regime in several speeches made in the Valencia area between 16th and 18th June. Declaring his support for European unity, General Franco said: "Our wish to unite with Europe is sincere, because we feel ourselves to be Europeans; but in no case will we give up our domestic peace solely to please people abroad. People in foreign countries may or may not like what we possess in Spain, but it must be recognised that our regime is incomparably more democratic in essence and in practice than the other systems existing in the world".

On 5th July 1962 General Franco received a delegation from the European Movement led by Mr. Pierre Wigny and including Mr. John Hynd, M.P., and Mr. Etienne Hirsch, though General Franco refused to receive the fourth member, Mr. Robert van Schendel (Secretary-General of the Movement).

Following this meeting Mr. Wigny and Mr. Hynd said that they had expressed the European Movement's concern at the punishment of the Spanish representatives at Munich. General Franco had said that in the event of Spain's association with the Common Market, he would respect the terms of the Treaty of Rome; he had no objections to Spaniards being members of the European Movement; the Spanish delegates were not punished for taking part in the Congress but for their other political activities in Munich. (All the information concerning the Munich Conference is drawn from Keesing's Archives).

NATO

There were several press reports, in January 1963, concerning the Spanish Government's hope of obtaining its entry into NATO. As far as Spanish defence co-operation with France is concerned General Ailleret, Chief-of-Staff of the French armed forces, visited Madrid at the beginning of February and it was announced later in February that four Franco-Spanish combined naval exercises would be held in the course of 1963. Mr. Garrigues, Spanish Ambassador in Washington, was reported by "Le Monde" of 5th January as stating that when the present military agreements between Spain and the United States lapse, "they may be replaced by the incorporation of Spain and its bases into NATO".

In an article in "Le Monde" of 26th April 1963, Maurice Duverger states : "To maintain and even to develop cultural and economic relations with Spain is one thing; to support - as some people do - the entry of General Franco's Government into NATO or the Council of Europe is quite another proposition. The Atlantic Treaty was concluded between states 'determined to safeguard the freedom, common heritage and civilisation of their peoples, founded on the principles of democracy, individual liberty and the rule of law'. The Council of Europe is based on 'devotion to the spiritual and moral values which are the common heritage of their peoples and the true source of individual freedom, political liberty and the rule of law, principles which form the basis of all genuine democracy'. One could multiply similar quotations. It is clear that the regime of General Franco is directly opposed, both philosophically and in practice, to the fundamental democratic principles which are the basis and the justification for alliances between countries of the West. To ignore this would endanger the future of democracy both in Spain and elsewhere."

American military bases

Negotiations for a new lease by the United States of military bases in Spain were to have been held at the beginning of 1963 but these negotiations have been postponed. As a result of the Nassau agreement, the American base at Rota in the Gulf of Cadiz has become more important and it is expected that the American Government would like to station Polaris submarines there. American air bases in Spain, on the other hand, have diminished in importance with the phasing out of the B 47 bomber, which has been replaced by the B 52 which can operate directly from the United States. It is understood that the Spanish Government intends to ask for considerably larger sums of aid from the American Government in return for the renewal of leases for military bases.

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"The Times" of 14th May reports the return to Spain of Mr. Garrigues, Spanish Ambassador in Washington, who had just held talks with President Kennedy, Mr. Dean Rusk, Mr. McNamara and other political and military leaders which "The Times" judged to have been concerned with the possible renewal of the United States lease of military bases and the ten-year agreement, which expires during 1963, concerning the United States economic aid to Spain in return for the use of the bases.