HEMISPHERES

The Tufts University Journal of International Affairs

A Tufts University Student Publication

Interview

Essays

Editorials

Alliances and Agreements

VOL. 32, 2009

HEMISPHERES

THE TUFTS UNIVERSITY UNDERGRADUATE JOURNAL OF WORLD AFFAIRS

Hemispheres, the Tufts University Undergraduate Journal of International Affairs, is one of the oldest academic publications of its kind in the United States. In 1975, under the direction of an energetic group including Sashi Tharoor, the future undersecretary-general of the United Nations, the Fletcher School of Law & Diplomacy at Tufts established the *Fletcher Forum of World Affairs* Motivated by the *Fletcher Forum's* success, in 1977 students in the fledgling Tufts undergraduate program in international relations established their own academic journal of international affairs. In 2007, *Hemispheres* celebrated its 30th anniversary as the premier publication of one of the most prestigious international affairs programs in the country.

Throughout its history, *Hemispheres* has remained committed to publishing research-length articles, photo-essays, and editorials of the highest academic caliber. The Journal has become a reflection of our changing world. In the 1970s, Hemispheres principally focused on Cold War issues, discussing the validity of neo-realist, bi-polar relations and Realpolitik. In the spring 1978 issue, renowned international affairs theorist Stanley Hoffman (Harvard) argued about the merits and failures of 'Eurocommunism.' In the fall 1982 edition, Kosta Tsipis (MIT) and Robert Pfaltzgraff (Tufts) debated options of "how to enhance American security and prevent a nuclear holocaust." The 1990s witnessed a redirection in *Hemispheres'* aims, shifting away from a technical focus in favor of raising awareness within the Tufts community of contemporary international issues. Now, as we near the end of the first decade of the twenty-first century, *Hemispheres* has shifted its role once again, this time as a premier voice in undergraduate international affairs education, research, and debate, and is proud to be distributed to major research libraries and such independent booksellers as Labyrinth. It is an extraordinary time to become part of this outstanding publication.

Benefactors & Support

Hemispheres: The Tufts University Journal of International Affairs, is proud to thank the following organizations and individuals for their support:

The Tufts Community Union
The Tufts Media Advisory Board
The Program in International Affairs at Tufts University
The Department of Political Science
The Department of Economics
Kirk Lange
Malik Mufti
Moira Todd

Wish to donate or subscribe to *Hemispheres*? Write or email to

The Program in International Relations
Cabot Hall—6th Floor
Tufts University
Medford, Massachusetts
02155

617 627 2776

Or email *Hemispheres* at:
tuftshemispheres@gmail.com

Established in 1976, "Hemispheres" is the Tufts University *Journal of International Affairs*. The *Journal* addresses a variety of social, economic, political, and legal issues, both contemporary and historical, within the framework of international relations. The articles contained herein reflect the diverse views of undergraduates at Tufts and other universities. While the editorial board is solely responsible for the selection of articles appearing in Hemispheres, the board does not accept responsibility for any opinions or biases contained within.

Correspondence should be addressed to:
Hemispheres: The Tufts University Journal of International Affairs
Mayer Campus Center Box #52, Tufts University
Medford, Massachusetts 02155

tuftshemispheres@gmail.com
ase.tufts.edu/hemispheres

HEMISPHERES

THE TUFTS UNIVERSITY UNDERGRADUATE JOURNAL OF WORLD AFFAIRS

Editors-in-Chief
Benjamin J. Sacks
Christopher Giliberti

Associate Editors
Kalpana Ganti
Ernest Kim

Treasurer
Scott Newton

International Solicitations Coordinator
Christy Loftus

National Solicitations Coordinators
Richard Ammerman
Shani Scheiman

Director of Business Relations & Marketing
Arjun Verma

Production Manager
Robert Truglia

Photo & Textual Editors
Victoria Robinson-Hines
Christie Dias

Staff Editors
Ashley Semler
Steven Weiss

LIBRARY OF CONGRESS ISSN 0738—9825
ASE.TUFTS.EDU/HEMISPHERES | TUFTSHEMISPHERES@GMAIL.COM

Subscriptions

Subscriptions to *Hemispheres: the Tufts University Journal of International Affairs* are welcomed.

- *Hemispheres* is free to members of the Tufts University community (inclusive of the Tufts University Medical affiliates).
- All other subscriptions are $10.00 per year. Checks should be made out to:

The Trustees of Tufts College
cc: Hemispheres

Back Issues

Back issues of *Hemispheres* are currently being uploaded to our homepage: ase.tufts.edu/hemispheres. When completed in late 2009, the international affairs community will be able access outstanding student research and analysis from 2000 onwards. Unfortunately, we do not have digitized, PDF versions of issues prior to 2000.

If a pre-2000 issue is required, please contact the Program in International Relations at Tufts University for an article copy (if available).

The Program in International Relations
Cabot Hall—6th Floor
Tufts University
Medford, Massachusetts
02155

617 627 2776

Or email *Hemispheres* at:
tuftshemispheres@gmail.com

Contents

EDITORIALS

Dear Reader,

We are pleased to announce the thirty-second volume of *Hemispheres: the Tufts Journal of International* Affairs. Carefully selected from a large and diverse submission pool by our editorial board, the essays featured on the pages that follow represent the best of undergraduate analysis in the field of international affairs.

In accordance with this year's theme of Alliances and Agreements, you will note a concerted effort on behalf of our staff and writers to address in a rigorous yet creative fashion the complex relationships that comprise the international system. We are proud to publish the thoughts of Barbara Bodine, former United States Ambassador to Yemen and a graduate of the Fletcher School of Law & Diplomacy at Tufts University. We are most grateful for her time, support, and thoughtful responses.

This year marks a number of changes to the journal. We now proudly sport an ISSN and as loyal ambassadors of Tufts' renowned program in international relations, are working with distributors to reach audiences off our hilltop campus. In accordance with Tufts' commitment to sustainability, we are pleased to note that you will find on our cover a subtle reminder to please recycle this issue.

We were immensely fortunate this year to have such a hard-working, ambitious, and supportive Editorial Board. It is only with their tremendous effort, thoughtful critiques and commentary, and new ideas that *Hemispheres* has become such a successful publication.

Our Best,
Benjamin J. Sacks *Co-Editor-in-Chief*
Christopher Giliberti *Co-Editor-in-Chief*

Interview

A Discussion with Barbara K. Bodine, former Ambassador to the Republic of Yemen and Diplomat-in-Residence at Princeton University's Woodrow Wilson School of Public and International Affairs

Reporting and transcription performed by Christopher Giliberti, with interview questions generated by the entire staff

---

Ambassador Barbara K. Bodine is lecturer and diplomat-in-residence at Princeton University's Woodrow Wilson School of Public and International Affairs where she teaches courses on the Iraq War and on US diplomacy in the Middle East as it relates to the Gulf region and southwest Asia.

Ms. Bodine's over 30 years in the US Foreign Service were spent primarily on Arabian Peninsula and great Persian Gulf issues, specifically US bilateral and regional policy, strategic security issues, counterterrorism, and governance and reform. Her tour as Ambassador to the Republic of Yemen 1997–2001, saw enhanced support for democratization and increased security and counterterrorism cooperation, the establishment of a coast guard, resumption of

Fulbright scholarships for Yemeni students, initiation of a $40 million/year economic assistance and development program, and an indigenous landmine awareness and demining program. Ms. Bodine also served in Baghdad as Deputy Principal Officer during the Iran-Iraq War, Kuwait as Deputy Chief of Mission during to Iraqi invasion and occupation of 1990–1991, and again, seconded to the Department of Defense, in Iraq in 2003 as the senior State Department official and the first coalition coordinator for reconstruction in Baghdad and the Central governorates.

In addition to several assignments in the State Department's Bureau of Near Eastern Affairs, she was Associate Coordinator for Counterterrorism Operations and subsequently acting overall Coordinator for Counterterrorism, Director of East African Affairs, Dean of the School of Professional Studies at the Foreign Service Institute, and Senior Advisor for International Security Negotiations and Agreements in the Bureau of Political-Military Affairs.

Since leaving the government, Ambassador Bodine has been Senior Research Fellow and Director of the Governance Initiative in the Middle East at the Kennedy School, Harvard University, Fellow at the School's Center for Public Leadership and Institute of Politics, and the Robert Wilhelm Fellow at MIT's Center for International Studies. She has also taught at the University of California, Santa Barbara and lectures at universities and civic groups across the country and abroad as well as a frequent commentator on NPR, the BBC and other media.

Ambassador Bodine is the recipient of a number of awards, including the Secretary's Award for valor for her work in occupied Kuwait, the Secretary's Career Achievement Award and Distinguished Service Award, the Distinguished Alumni Award from UC Santa Barbara, and has been recognized for her work by other agencies. She is the President of the Mine Action Group, America, a global NGO that provides technical expertise for the removal of remnants of conflict worldwide.

Ms. Bodine is a graduate of the University of California, Santa Barbara, Phi Beta Kappa and magna cum laude, and the Fletcher School of Law and Diplomacy. She is a past Regent of the University of California.

Courtesy of Princeton University

1. *While the word Jihad is interpreted in many different ways by scholars, politicians, and ordinary citizens, it is causing conflict universally in current affairs. What steps need to be taken within the religion of Islam to prevent people from using this word to cause violence rather than spread the religion's peaceful nature? Essentially, who can implement this reform and how should it be done?*

BB: There is a lot of the misunderstanding on our side about what "jihad" means. While nearly 50% of Americans reportedly have a negative view of Islam, driven in large part by this negative understanding of "jihad," over 50% also admit to a lack of knowledge about Islam, and over 50% admit to not knowing a Muslim. I've had people, Americans, tell me that jihad (in its most violent meanings) is one of the pillars of Islam. It's not.

Muslims well understand that jihad is not necessarily, primarily, a call to external action—certainly not to violence—but a commitment to, an effort at personal betterment. As a personal struggle, it is inward not outward focused. Somebody once noted that many of us may grow up singing "Onward Christian Soldiers (marching as to war)," but we don't grab a pitchfork and storm the barricades. A very small group has hijacked the term "jihad," and we then validated this expropriation and created the noun jihadis. If there is any reform to take place, we need to recognize that some must come from a better understanding of the true nature of Islam and also an understanding that the hijacking of the word and the concept is not an accurate reflection of the religion or the culture.

On the other side, on how to counter the manipulation and exploitation by a small element, a number of governments have called on what we would consider moderate Islamic clerics to work with young men, young jihadis, in jail or under the influence of radical clerics and attempted something akin to cult deprogramming. At its simplest, a cleric confronts the young jihadi with the challenge "If you can convince me that your understanding of jihad is the proper Islamic version of jihad, I will join you. But, if

I convince you that it is not, you must foreswear this path." This is a very Islamic way of going about it—the dialogue and the debate. It does not always work, but is preferable to locking up every susceptible young man (or woman) out there.

There are parallels not only with cult deprogramming but with young urban gang members. Do you write them all off, lock them all up as hardened criminals for the rest of their lives? Or do you try to find people who can relate to them, talk to them within their own context, and see if you can bring them out of the gang mentality? We need to be more supportive of those kinds of efforts, and recognize that they can work. It is important we recognize that it is a kind of can be valid. We also have to recognize that this must come from within the Islamic community. This is not the sort of program we as outsiders can set up, fund or too overtly support

2. *In you article in the Boston Review a few years back, you criticized the three part solution presented by Barry Posen and instead advised that setting a deadline for disengagement would do more good for the cause. Does the current date set by the president qualify as a "pragmatic compromise" as you saw it then, or now?*

BB: Yes. We have set a reasonable date for the withdrawal of combat forces (2010), and I think it's important to note that the Iraqis also set a date certain for the withdrawal of all forces in 2011 in the Status of Forces Agreement. When I advocated a date certain a few years back, I envisioned a date far enough in advance to allow for proper planning, phased drawdown and that it would be agreed and planned in collaboration with the Iraqis. That was a key element. I did not envision or advocate an arbitrary date for precipitous unilateral action.

I made the point then, I believe, that we needed to leave a lot more prudently than we went in, something President Obama echoed in his campaign. And I think that's what we're now doing. We have set a date far enough in advance that we can do the logistical planning, which is important, but also with enough time that we can work with the Iraqis to do reasonable handovers and reasonable transfers. Those have already begun, in fact.

I think another element that we're getting right now is we're talking more about how we transition our presence and our relationship, and get away from the vocabulary of withdrawal. It was always do we withdraw or not? It was a yes or no. It was binary. Now we're talking about how do we transition to a post-occupation relationship, which includes normal political relations, diplomacy, development and governance, with the military being an element of that, but not the lead or dominant element.

You mentioned the tri-partite division; I thought that was neither necessary, inevitable, nor wise. My position then was there is a very strong Iraqi identity. We may not have recognized it, or chosen not to recognize it, but the Iraqis did. What we failed to understand, or even acknowledge in some cases, were the centripetal forces that kept Iraq together. Other multi-ethnic or multi-sectarian countries going through the anarchy Iraq experienced 2005–2006 might have fallen apart (although except for Yugoslavia, few have). There's something there that holds Iraq together beyond a strongman ruler or American forces. Let's look at the centripetal forces and stop looking at the divisive forces. I never thought Iraq was going to fall apart. I think the odds are even less so now.

3. *In a July '08 article, you criticized some ambassadorships as remnants of the 19th century spoils system (over 30% are non-career ambassadors). Is the Obama administration working to change that system?*

BB: There is an understanding within the Obama administration of the importance of professional, career public service. The President made that clear during the campaign, and since he has taken office. Since this is a Tufts-based journal, I'll cite the appointment of the dean of the Fletcher School, Ambassador Stephen Bosworth as a special envoy on North Korea. Calling upon someone of his experience and expertise exemplifies an appreciation for career diplomats not much in evidence in the last administration.

Are there still going to be political ambassadors? The gentleman who was just selected for Ireland is the owner of the Pittsburgh Steelers; there will be some. Few expect there will be none.

I am confident, though, that there will be fewer. In key countries where you need a good understanding of the culture, the language and the politics, there is going to be a much higher standard for the next group of ambassadorships.

The last administration, and this isn't breaking news, was pretty hostile towards career public servants not just in the State Department, but at CIA and even at FEMA–across the board. We're now looking at a very different administration.

4. *In a speech to the House committee on Armed Services in Jan 2008, you mentioned the grotesquely understaffed status of the State Department, which only has 6,500 FSOs. You also mentioned USAID's horrible shape on staffing and funding. Do you think the Obama administration is committed to address these inefficiencies?*

BB: Yes. What I would refer you and your readers to is a very comprehensive study written by the American Academy of Diplomacy and the Stimson Center on what it would take to rebuild the civilian national security apparatus. Interestingly, the Obama transition team reached out to the Academy to get a full briefing on the results of the study, a study commissioned by key Congressional appropriators—the guys with the money to make change happen. We have begun to see signs of increased numbers at State, in core diplomatic competencies, in public diplomacy and at USAID. President Obama, during the campaign, talked a great deal about the importance of diplomacy; he still does. He understands that if you're going to use your diplomatic tool and your development tool, you have to have the people and the resources to do that. So I am quite confident that we're going to see a turnaround in resourcing, staffing, missions, and mandates. Regrettably, this is coming at the same time as a major economic meltdown and intense pressures on the federal budget, so the change may be slower than we had hoped.

5. *As a former Ambassador to Yemen, what are your thoughts on the recent news that a significant portion of Al-Qaeda is now using Yemen as a major base of operations?*

BB: There is an uptick in al-Qaeda presence and activity in Yemen, and that's quite unfortunate. I think it is a misreading of the media and the facts to say, however, that it is a "significant portion of al-Qaeda" or that Yemen has become a major base of operations. The heart and head of al-Qaeda and its major bases remains along the Afghanistan-Pakistan border. There has been, or reported to be, a movement of particularly Saudi al-Qaeda-types into Yemen reflecting a combination of the aggressive actions by the Saudi Government against Saudi extremists and the very real problem of effective Yemeni governmental control over the more remote and inhospitable parts of the country. There is also an issue with a distortion in the media about Yemen, a chronic frustration to those of us who work on Yemen issues. Sorting fact from fiction can be a real effort. For instance, there was recently a report of some 110–120 al-Qaeda operatives released from Yemeni jail; in reality, these were common criminals at the end of the sentencing. Were there al-Qaeda sympathizers in the lot? Probably. That is not the same as "over 100 operatives" were released.

The Yemeni government is as concerned and aware of al-Qaeda as we are. What they lack are the resources to effectively deal with the problem, but they're not unmindful. The threat is real, the problem is real, but we need to focus on the how best to help Yemen develop the capacity to deal with it, not simply berate their inadequacies.

At the same time, I've long held that while we're working on extending Yemeni authority throughout the country, we have to work on helping the Yemeni government extend its legitimacy, and that's different. But yes, it's a very worrisome trend.

6. *What are the geopolitical consequences of state failure in Yemen?*

In the first instance, it would be catastrophic for the 20 million or so Yeminis. Further, if you look at where Yemen sits geopolitically, a failed state—particularly if you have Somalia, one of the longest serving failed states in the world—if you have a failed state on each side of the Gulf of Aden, I don't think anyone would consider that to be a very good situation. Beyond the humanitarian disaster, I would be concerned about it being a safe-haven for terrorists, illegal immigrants from the Horn of Africa, drugs, weapons and piracy.

Yemen neither wants to be, nor need it become another Somalia or a Taliban-era Afghanistan. Yemen hasn't failed, and Yemen shouldn't fail. Even a largely Saudi resurgent al-Qaeda presence is not existential threats to the state or the government. They don't have broad Yemini support, and they don't have Yemeni government support. So this is a state that doesn't need to fail.

I would be more concerned about a catastrophic economic collapse of the state brought about by swings in the global markets (oil, inflation), possibly de-legitimization of the government through rampant, distorting corruption and natural disasters such as persistent drought in a substance-level agricultural economy. If these were to hit in succession, Yemen may not have the economic wherewithal to cope.

The real question is going to be, do we step in pre-failure using non-military tools of diplomacy, development and governance with strong donor cooperation, or do we wait for it to fail, and either post-crisis or post-conflict try to rebuild it? The latter being very difficult and very expensive to do.

7. *Based on your "Energy Security in the Gulf and the Growing Importance of 'the East'" speech in 2007, you discussed the changing role of the foreign influences, namely the US and the UK in the middle east over energy policy over the past half century as well as the ever-present relationship that region has with India. Now with a date for withdrawal from Iraq set by the current present and British influence in the region diminished, how do you see the role of India changing in the region, specifically do you see their role growing beyond their energy-based relationship?*

BB: That's almost exactly two years ago that we had that conference. I do see Indian influence in the Gulf and the region continuing to grow. As we leave Iraq, even if we build up in Afghanistan, we're not going to need the string of bases along the Arab littoral of the Gulf, at least not at their current size.

When we originally had that conference, it was during the Bush administration, and there was a lot of regional anger directed at the administration, which made our position in the Gulf more problematic. Also two years ago, it was not clear whether or not

we were going to take military action against Iran, which clearly worried our friends in the Gulf. The Bush administration is gone and the threat of military action against Iran has receded. President Obama reached out to the Iranian people and, significantly, to the Islamic Republic of Iran (using the proper name for the first time) on the occasion of the Persian New Year to offer a new era in the relationship. I think that a more multi-faceted American relationship with all of the Gulf states is something we now have the opportunity to build. In a positive sense we may begin to demilitarize our profile in the Gulf and look for regional partners.

I do think in the medium term, and the long-term, that India's presence, influence, and its ability to project power and its importance to the Gulf states and the Gulf states' importance to them will continue to grow. I think that trend lines that we looked at two years ago may not have some of the negative push on our side that it had two years ago, but the Indian geopolitical interest in the Gulf, and the Gulf's interest in India, is only going to continue to move forward.

Essays

Oui ou Non? La Séparation du Québec—Quebec's Sovereignty Movement, the 1995 Referendum, & Resulting Constitutional Ramifications

Andrew T. Winkler
University of Michigan—Ann Harbor

Introduction

Over the past 30 years, the issue of Québec's right of unilateral secession has dominated Canadian politics. The province of Québec, relying upon the underlying principles of democracy within the Canadian Constitution and the right to self-determination under international law, has held two referendums to decide whether or not the people of Québec have the right to secede from Canada and create an independent country, recognizable by the international community. Most Americans, when confronted with the conception of separation, refer to their own violent history with the Civil War and the approximate 970,000 causalities that resulted. Unlike the United States, Canada's experience with issues of separation has been relatively non-violent in comparison. In reference to provincial separation in Canada, Québec's sovereignty movement has struggled to achieve significant gains

in participation through both the political process and the legal process. The goal of this paper is to briefly show how Canada's constitutional history fostered Québec's desire to become an independent country, leading to a provincial referendum in 1995 determining the future of Québec, and of Canada as a whole. The issue regarding the legality of unilateral secession by a province in Canada was later decided in the Supreme Court of Canada's *Reference re: Secession*, and furthered by the federal legislature.

A Brief Overview of Canada's Constitutional History

To fully appreciate the grassroots efforts on behalf of the political sovereignty movement, one must first understand how Canada's constitutional history strengthened the support for the separation of Québec from the rest of Canada. Historically speaking, the cultural rift between anglophones and francophone Canadians dates back centuries to conflicts arising between Great Britain and France. The French and British colonial systems established a divided Canada; what were known as West/Upper Canada (now Ontario) and East/Lower Canada (now Québec), separated by the Ottawa River. As a result of the *Constitutional Act of 1791*, each constitutive province was given a bicameral legislature.[1] Canada's constitution is made up of a written text along with other sources of applicable constitutional principles, including unwritten custom or convention, and British and Canadian statutes and court decisions. During the patriation of the constitution in 1981, the Supreme Court stated that "constitutional conventions plus constitutional law equal the total constitution of the country."[2] The Constitution is considered the "supreme law" of the land, as is the Constitution in the United States, and any procedural change in the constitution must be assumed to be a change in the legal process.

The *Constitutional Act of 1867*, originally referred to as the British North America Act, served as the majority of Canada's written constitution. The statute enacted by the British Parliament provided for the confederation of the four original provinces including the Province of Canada (Ontario and Québec included), Nova Scotia and New Brunswick into a federal state with a parliamentary

system modeled on that of Britain.[3] The Act outlines the distribution of powers between the central Parliament and the provincial legislatures. In 1980, the omission of a domestic "amending formula" in the Act led to a constitutional crisis when Prime Minister Pierre Trudeau attempted to unilaterally patriate the Constitution, without provincial consent. After Confederation, some provinces treated the Act like a treaty, requiring unanimous consent of Ottawa and all the provinces. Opponents argued that the final terms of the Act were never ratified, since "the Act was not an agreement but a statute of a superior legislature."[4]

Trudeau's actions only added to Québec's growing separatist movement, emphasized by the election of the separatist *Parti Québécois* (PQ) in the National Assembly, Québec's legislature, back in 1976.[5] The first Québec referendum, called by Premier Lévesque of the PQ government, was held on May 20, 1980, asking the people of Québec for a "mandate to negotiate, on an equal footing, a new agreement with the rest of Canada."[6] Those in favor of separation would vote OUI/YES, while those opposed to separation would vote NON/NO. The concept of "souveraineté-association/sovereignty-association," essentially independence while still offering an optional relationship with Canada, was supported by 50 percent of francophone voters, but was ultimately rejected by approximately 60 percent of voters in the province.[7] We will see how actors in the 1980 referendum would meet again in 1995, concerning the same issue. Jean Chrétien, Prime Minister of Canada from 1993 to 2003, served as minister of Justice to further the liberal, federalist position.[8] At the same time, Jacques Parizeau, premier of Quebec during the 1995 referendum, served as Lévesque's Finance minister and was involved with the PQ's effort for sovereignty.[9]

During the 1980 referendum, Prime Minister Trudeau promised Québec constitutional renewal in the event of a negative vote. After a deadlocked federal-provincial conference, Trudeau announced on October 2, 1980, that Ottawa "proposed to entrench unilaterally the core of a new Constitution embracing a domestic amending formula and a rights charter."[10] Controversy arose regarding whether, by convention, the unilateral constitutional amendments on behalf of

the federal government required provincial consent. The Supreme Court held, in what became known as the *Patriation Reference*, that "although Ottawa [Prime Minister Trudeau] had the legal power to present a joint address of the Senate and House of Commons to Westminster seeking an amendment, it was improper, 'by convention', to do so without a 'consensus' of the provinces."[11] Since neither Ottawa nor the dissenting provinces had won outright under the court's decision, compromise was essential to further constitutional advancement. All provinces, except Québec, reached an agreement on November 5, 1981. Spokesmen for Québec argued that "according to the 'duality' principle, the concurrence of both English- and French-speaking Canada was required for basic constitutional change, and that the absence of one 'national' will constituted a veto."[12] Despite the lack of involvement and acceptance, Québec was as legally bound as all other provinces by the provisions of the *Canada Act of 1982* and the *Constitution Act of 1982*.

Attempt to Unify

Québec's failure to accept the patriation package in 1981 made it feel severed from the Canadian "constitutional family."[13] However, all hope was not lost. There were two attempts to bring Québec back into constitutional discussion. Québec's acceptance of constitutional reform first seemed secured in June 1987, when the first ministers completed the text of the Meech Lake Accord.[14] In 1985, the government of Québec made a series of proposals that, if accepted by all other provinces, would have led Québec's return to the constitutional reform process. The proposals could be divided into two components; the first dealt with the distinctiveness of Québec in the Canadian federation, and the second with enhanced roles of provinces in relationship with the federal government.[15] The first component, which carried significant symbolism, recognized Québec as a "*distinct society*" and empowered its legislature and government to "preserve and protect the province's distinct identity."[16] The proposal also constitutionally acknowledged English-speaking Canadians within Québec and French-speaking Canadians outside its borders.

The second component of the Accord's proposals slightly altered the existing formula for constitutional amendment. As a result, all listed specialized matters (such as changes to the Senate and the creation of new provinces, previously requiring the general amending formula) came to require the unanimous consent of Parliament and the legislatures of the provinces.[17]

To become law, the Accord had to be "ratified by Parliament and the legislatures of all provinces in accordance with s41 of the Constitution Act of 1982" and must receive *unanimous* ratification "on or before June 23, 1990."[18] The National Assembly, Québec's legislature, was the first to pass the required resolution of approval on June 23, 1987. On the final ratification date, the Accord began to unravel. One member in the Manitoba legislature, Elijah Harper, withheld his consent and the Accord did not come to a vote in that province. Wishing to allow Manitoba more time, the federal minister responsible for the federal-provincial relations suggested a three month extension of the ratification date. The premier of Newfoundland, dissatisfied with the notion of an extension, decided not to bring the Accord to a vote in his legislature, delivering yet another fatal blow to the Meech Lake Accord and ensuring its disintegration.[19]

The failure of the Meech Lake Accord is seen as a major contributor to the growing support for Québec's sovereignty movement. The failure of the Accord left a sense of bitterness and frustration: "Many Quebecers interpreted [the Accord's] failure as a rejection of Québec and support for pulling out of Canada soared in that province."[20] Despite the failure of the Meech Lake Accord, there was a second attempt to bring Québec back into the "constitutional family."

A new round of negotiations began before the Meech Lake Accord officially expired. Four commissions were created for the purpose of engaging in deliberations.[21] These negotiations resulted in the so-called Charlottetown Accord. In June 1990, Québec premier Bourassa announced that he would not attend constitutional talks, but only deal bilaterally with Ottawa.[22] The Charlottetown Accord contained a so-called "Canada Clause" which set out the values that define the nature of the Canadian character: "One of those values was the recognition that Québec is a *distinct society*

within Canada."[23] Unlike the Meech Lake Accord, the ratification process provided for a national referendum. Nationally, 54 percent of the voters opposed the Charlottetown Accord, despite receiving approval in New Brunswick, Newfoundland, Prince Edward Island, the Northwest Territories and, by the narrowest margins, Ontario.[24] Canadians could not reach a national consensus during the Charlottetown debate and referenda, leading to yet another slap in the face of Québec.

The failure of Meech Lake and the Charlottetown Accords, along with political unrest associated with the Accords' failure, provided certain politicians with the chance they had been waiting for; the chance to gain popular support for Québec's sovereignty movement. Lucien Bouchard was considered *the* point man to the Meech Lake Accord. In 1980, he served as chair of the "Oui" (pro-separatist) side in the referendum. Prime Minister Mulroney appointed Bouchard ambassador to France in 1988, and brought him into the federal Cabinet that year as secretary of state and later as minister of the environment (Bouchard is generally credited with converting his friend Mulroney from a Trudeau-style (centralist) federalist to an advocate of decentralization).[25] The failure of the Accord forced Bouchard to turn his back on the federalist government, and founded the Official Opposition in Parliament, the *Bloc Québécois*, whose sole purpose was to promote Québec's separation from Canada while maintaining close ties with Canada. In the atmosphere of betrayal and distrust that followed the rejection of the Meech Lake Accord, Bouchard was the most popular politician in Québec, considered the heart and soul of the separatist movement. Political change also occurred within the House of Commons. Because of the constitutional breakdowns, the *Progressive Conservative Party,* associated with former Prime Minister Brian Mulroney, was virtually wiped out. In 1993, the federalist *Liberals*, under Jean Chrétien, won a majority of seats in the House of Commons.[26]

The Separatist Movement Begins Again

Jacques Parizeau, leader of the *Parti Québécois*, won a majority of seats in the National Assembly in 1994 and declared to hold a

provincial referendum within a year of his appointment.[27] Parizeau quickly made good on his promise. On December 6, 1994, not three months after forming his government, premier of Québec Parizeau unveiled his political vision in the National Assembly: "It would 'resolve, once and for all, the constitutional problem Québec (had) been struggling with for generations.'"[28] Parizeau's project consisted of a draft bill, which proposed that Québec become, by democratic means, a "sovereign country, capable of creating its own legislation, levying taxes within its borders and acting on the international level."[29] Parizeau took advantage of every available media opportunity to further the sovereignty movement. Immediately following the tabling of the draft bill, Parizeau went to New York, meeting with several journalists, including *The New York Times*, *Forbes* magazine, *Business Week*, and the PBS network. During one of the interviews, Parizeau announced, following the example of the European Union membership, that Québec would consider a clear majority vote of 50-plus-one to be sufficient to become independent.[30]

In order to gain the necessary support for Québec's independence, Parizeau would need members of the international community to state whether or not they would recognize Québec if the 'Yes' side won the referendum. Knowing support from the United States would not come easy, Parizeau first sought recognition from France, as well as other French-speaking nations. In January 1995, Parizeau met with Jacques Chirac, then mayor of France and soon to be President. During his appearance on the *Larry King Show*, Chirac was faced with stating his view on the Québec issue. After some verbal prodding, Chirac told King, and King's audience, that he could not state his intentions for voters in Québec, but, if the 'Yes' side were to win, France would be among the first to recognize the new country.[31] Relying on the notion of the United States' desire to always be first, Parizeau felt the US, with Chirac's position stated, would jump at the opportunity to support Québec's sovereignty movement. This would soon be referred by Parizeau as "The Game."[32]

This strategy failed to work as Parizeau had so strongly believed. Prime Minister Jean Chrétien had already established a longstanding

relationship with then United States President, Bill Clinton. On February 22, 1995, Bill Clinton made his first trip as President to Canada. During his stay, the President hinted at his support for the federalist position: "The United States, as many of my predecessors have said, has enjoyed its excellent relationships with a strong and *united* Canada."[33] However, Clinton did add, "but [the US] recognize . . . that [Québec's] political future is of course entirely for [Québec] to decide. That is what democracy is all about."[34] President Clinton and Prime Minister Chrétien also pointed to the economic consequences that may arise from Québec's separation, in particular whether the North American Free Trade Agreement (NAFTA) would accept Québec after separation.

The problem of party divisiveness in the National Assembly weakened Parizeau's stance. Despite Parizeau's efforts, the separatist movement was still lacking necessary support to win the referendum. On June 12, 1995, Mario Dumont, leader of the *Action Démocratique du Québec*, Lucien Bouchard, leader of the *Bloc Québécois*, and premier Parizeau, leader of the PQ, solemnly signed an agreement at Chateau Frontenac, in Québec. This union was referred to as the "partnership": "The three political parties join[ed] forces and coordinat[ed] their efforts for Québec and a proposal for a new economic and political partnership within Canada."[35] The text of the agreement was five pages in length, stipulating the common objective of the bill and the referendum question. On September 7, 1995, Jacques Parizeau released the long-awaited referendum question to the public, as well as officially setting the date of the referendum for October 30, 1995.[36] It was formulated as follows:

> "*Acceptez-vous que le Québec devienne souverain, après avoir offert formellement au Canada un nouveau partenariat économique et politique, dans le cadre du projet de loi sur l'avenir du Québec et de l'entente signée le 12 juin 1995? Oui ou Non?*"
>
> "*Do you agree that Québec should become sovereign, after having made a formal offer to Canada for a new economic and political partnership, within the scope of the bill respecting*

the future of Québec and of the agreement signed on June 12, 1995? Yes or No?"

The 1995 referendum question was four times shorter than the question used in the 1980 referendum, meant to remove any ambiguity associated with the question. Jean Chrétien immediately attacked the clarity of the referendum question. Chrétien felt that for Québec to have a democratic vote there must be a *clear* question presented to the voters. According to the *Bloc Québécois*, Chrétien told one of his advisors that he would not recognize the outcome of the referendum on the question as it stood, something he didn't dare come out and say clearly to Quebecois voters.[37] The 1995 referendum question was not the one Jacques Parizeau had wanted to use. Parizeau had preferred to ask Quebecers, "Do you want Québec to become a sovereign country at ____ (such-and-such a date)?"[38] Parizeau felt the referendum question disrespected the average Quebecer and could potentially end up confusing voters.

The campaign process officially began on October 1, 1995, and it seemed as if the sovereignty movement had hit a ceiling. On that afternoon, the 'Yes' campaign's executive committee faced a rather disappointing conclusion: "The 'Yes' side was lagging behind in the polls, by five points."[39] Parizeau, realizing the popular support for Lucien Bouchard, reluctantly handed over the reigns of the separatist campaign by naming Bouchard Chief Negotiator. Parizeau delivered his decision on October 7, in an auditorium at the University of Montreal.[40] When Bouchard's name was mentioned, the audience erupted with applause. Suddenly, the sovereignty movement had picked up significant speed. Under Bouchard's control, the polls shifted, showing a majority of Quebecers favoring sovereignty, intending to vote YES in the referendum. Federalists now faced a legitimate chance of losing.

By labeling the referendum as "Québec's Fight," the rest of Canada felt ignored. Citizens of other provinces felt a need to present their views regarding issues that might ultimately separate their country without their consent. Federalist politicians used all of their power to call for one last-ditch effort to gain support against

sovereignty. On October 27, the 'No' side supporters staged one final rally at the Place du Canada in downtown Montreal. What was referred to as the "Unity Rally," an estimated 100,000 of federalist supporters flooded the streets of Montreal, representing all Canadian provinces.[41] The rally is often referred to in emotional magnitude, by those present in the province and at the rally, to such events like the J. F. Kennedy assassination or 9/11 attacks of the World Trade Center.[42] However, not all felt that way. Many Quebecers felt that the rally was an invasion and an assault on Québec. The negative sentiment unleashed anger among Quebecers, some of which switched their NO vote because of the rally. Despite the change in some voters' minds, the *Journal de Montreal* and the *Globe and Mail* published a Léger Marketing poll stating that after dividing up the undecided vote, the last minute event had brought a 50/50 deadlock.[43] The suspense surrounding the referendum attracted major international media:

> More than 450 foreign journalists, some of them representing the biggest dailies on the planet—the *Los Angeles Times*, *El Mundo*, *Libération*, the *Financial Times*, etc.—settled in to cover what promised to be the tightest referendum ever and, even more importantly, the outcome of which might mean the breakup of one of the world's most prosperous nations.[44]

The 1995 Referendum

The day that would decide the future of Québec, and Canada, had finally arrived. On the morning of October 30th, voters across Québec stood in long lines to cast their vote for or against the province's separation from Canada. The reality that the federalist side may actually lose was clearly visible on Chrétien's exhaustive face. It was quite possible that Jean Chrétien would be remembered as the prime minister responsible for the splitting up of the 128-year-old country.[45] The intensity felt throughout Canada reached its apex at 8 p.m., the time when polling stations had officially closed.

The first results reported by television stations were from the Magdalen Islands, where the stations had closed an hour earlier because of the time zone difference; within thirty minutes of the polling stations closing, the 'Yes' vote had reached 56 percent.[46] The numbers continued to roll in, and the 'Yes' side supporters were very optimistic about their chances of victory. This was until the results for the Québec region were calculated. The 'Yes' side lead began to slowly melt away, along with the dreams of separatist Quebecers. "An hour and a half after the polling stations had closed, by which time 62 percent of the results were known, the YES was ahead by 8,000 votes; they had 50.14 percent of the vote, out of a total of about 3 million."[47] By 8:36 P.M., there was a tie: 50 percent to 50 percent. Strategists knew, when the first results from Montreal were announced, the 'Yes' side was not going to win, while the 'No' vote swept through the city. The results from Québec, assumed to be 60 percent, were clearly unanticipated by the 'Yes' side strategists as they garnered only 50 percent.[48]

The final count was tallied; the 'No' side had won by a narrow majority of 50.58 percent.[49] Voter turnout was unprecedented. Nearly 94 percent of eligible votes exercised their right to vote, with 60 percent of francophones voting in favor of separation.[50] With a total count of 4,757,509 votes, the 'Yes' side only needed 27,145 votes to secure victory.[51]

The outcome served a devastating blow to the lifelong dreams of the sovereignty movement. Federalist Jean Chrétien was relieved; Separatist Jacques Parizeau was outraged. Later that night at the *Palais de congrés*, unable to keep his emotions in check, Parizeau diverted from his written speech and lashed out, blaming money and "ethnic votes" for the downfall.[52] At the end of the speech, Jacques Parizeau's daughter asked Parizeau's political advisor, who had originally written the speech, how it went. The advisor responded, "He has just committed suicide."[53]

In the aftermath of the referendum, Jacques Parizeau officially announced his resignation as leader of the *Parti Québécois* and premier of Québec. On January 29, 1996, Lucien Bouchard became the 27 premier of Quebec, leader of the PQ government, and later resigned in 2001 due to lack of success of the separatist

cause in Québec.[54] Even though the 'No' side had won the referendum, Prime Minister Jean Chrétien's work was not finished. During February 16–19, 1998, the federal government asked the Supreme Court of Canada to decide the constitutionality of provincial unilateral secession. Premier Bouchard and the PQ government boycotted the case, claiming the future of Québec should be determined by the people of Québec, not the Supreme Court. Federal lawyer Yves Fortier, in his opening statement, said the government was not trying to take away the right of Quebecers to separate from Canada, but was asking the court to "set *rules* under which Quebecers *could* secede."[55] Chief Justice Antonio Lamer said that it was "the most important case he's ever been on."[56]

Judicial Involvement

In the *Reference re: Secession*, the Supreme Court was presented with three questions: (1) whether Québec had the right to unilaterally secede under the Constitution (domestic law), (2) is there a right to self-determination under international law that would give Québec the right to unilaterally secede from Canada, and (3) if there is a conflict between domestic and international law on the right to unilaterally secede, which would take precedence in Canada. [57] The Court, before answering the three questions above, must first establish its reference jurisdiction in this case. The *Constitutional Act of 1867* gave Parliament the authority to grant the Supreme Court reference jurisdiction provided for in the *Supreme Court Act*.[58] The Court, as an appellate court, can receive, on an exceptional basis, original jurisdiction not incompatible with its appellate jurisdiction and that "even if there were any conflict between this Court's reference jurisdiction and the original jurisdiction of provincial superior courts, any such conflict must be resolved in favour of Parliament's exercise of its plenary power to establish a 'general court of appeal.'"[59] The Court found the reference questions fell within the scope of its jurisdiction, and that the court was not exceeding its jurisdiction by answering Question 2 by purporting to act as an international tribunal.[60]

In answering Question 1, the Court found that Québec did not have the legal right to secede from Canada unilaterally. To explain its holding, the Court took, what some may say was, a Dworkian stance. We have already mentioned at the beginning of this paper that the Canadian Constitution is made up of more than a written text. Thus, the Court found "it necessary to make a more profound investigation of the *underlying principles* animating the whole of the Constitution, including the *principles* of federalism, democracy, constitutionalism and the rule of law, and respect for minorities."[61] Arguments in support of Québec's right to unilateral secede are based on the principle of democracy. The Court decided, however, democracy means more than a simple majority vote: "Since Confederation, the people of the provinces and territories have created close ties of interdependence" and that "a democratic decision of Quebecers in favour of secession would put those relationships at risk."[62] Democracy exists in a larger context and would require negotiation with other participants in Confederation within the existing constitutional framework. "Negotiations would need to address the interests of the other provinces, the federal government and Québec and indeed the rights of all Canadians both within and outside Québec, and specifically the rights of minorities."[63] A provincial referendum fails to respect the constitutional importance of democratic negotiations and compromise. "A political majority at either level that does not act in accordance with the underlying constitutional principles puts at risk the legitimacy of its exercise of its rights, and the ultimate acceptance of the result by the international community."[64]

When answering Question 2, the Court determined that Québec does not have the right to unilaterally secede under international law:

> A right to secession only arises under the principle of self-determination of people at international law where 'a people' is governed as part of a colonial empire; where 'a people' is subject to alien subjugation, domination or exploitation; and possibly where 'a people' is denied any meaningful exercise of its right to self-determination within the state of which it forms a part.[65]

The people of Québec do not meet the threshold of a colonial or oppressed people, nor can the people of Québec claim they are denied access to government to pursue their political desires. The Court held that the "National Assembly, the legislature or the government of Québec" does not enjoy a right under international law to effect the secession of Québec from Canada unilaterally.[66]

Regarding Question 3, in view of the Court's answers to Questions 1 and 2, there was no conflict between domestic and international law, thus no requirement for the Court to address the third question.

The Supreme Court unanimously ruled that a unilateral declaration of independence by Québec was illegal under the Canadian Constitution and international law. At the same time, the Court found that the Canadian federal government, and Canada's nine other provinces, would be legally obligated to negotiate the terms of secession if a "clear majority" of Quebecers voted in favor of separation in a provincial referendum with a "clear question."[67] The Court left defining what was meant by "clear" in each context to Parliament: "The Supreme Court, in its opinion, that the federal government give 'political actors' the responsibility of returning the right to determine, what, among other things, constitutes a question and a clear majority after a referendum that one province or territory initiates with a view to succession from Canada."[68]

Legislative Involvement

Sanctioned on June 29, 2000, the federal government introduced Bill C-20, the bill known as the Clarity Act, which attempted to satisfy the requirement for clarity set out by the Supreme Court of Canada in the *Reference re Secession*. The Act itself failed to establish any concrete number to be considered for a "clear" majority, or what language would be required for a question to be "clear." According to the Act, only the House of Commons has the power to vote on the clarity of the question and the majority of a provincial referendum. In regard to a "clear" question, the Act specifies again that only the House of Commons will "consider the question" and "determine whether the question is clear" within "thirty

days after the government of a province . . . releases the question it intends to submit to its voters."[69] The lack of bicameral involvement has spurred opposition pertaining to the bill's legal validity, depending upon further political debate, all resulting from Québec's desire for sovereignty.

Referendum Results Revisited: Campaign Spending

Adding insult to injury years after the 'Yes' side's heartbreaking loss in the 1995 referendum, a report by retired Québec judge Bernard Grenier emerged in 2007 indicating the 'No' side had illegally spent more than half a million dollars on its campaign. Grenier concluded that Option Canada, a former Montreal-based lobby group, and the Canadian Unity Council had illegally spent approximately $539,000 stemming originally from the federal Heritage Department during the campaign, and "a total of $11 million before and during the campaign to prop up the 'No' side before it eked out a narrow victory in October 1995."[70] However, Québec's elections director, Marcel Blanchet, said it was impossible to tell whether or not the illegal campaign spending had any significant impact on the final result of the referendum. "What we know now is that lots of money was spent illegally during this period," Blanchet said. "Would it have changed the result? It's not clear."[71] Grenier's report also addressed allegations regarding the last minute "Unity Rally," a massive pro-Canada/Federalist Montreal rally in late October 1995, where the streets were flooded with over 100,000 people from all over the country. But again, Grenier was unable to conclude that the illegal spending for the rally had any effect on referendum results. Despite the report's finding, Grenier urged Quebecers to now "turn the page on what was an emotional and sensitive time in their history."[72]

Concluding Remarks

The 1995 Québec referendum showed how separatist movements are not always violent, and often politically motivated. The political catalyst in this case was the *Constitutional Act of 1982*. Any

amendment to Canada's Constitution can be seen essentially as a legal change, given the fact that the Constitution is to be interpreted as the supreme law of the land. Québec's lack of involvement in the constitutional amending process furthered an already existing sovereignty movement within the province. Politicians, including Jacques Parizeau, Lucien Bouchard, and Jean Chrétien spearheaded political movements both for and against Québec's separation from Canada. Each side looked to gain support from the international community, in particular from the United States and France. The movement culminated in a provincial referendum. The 'Yes' side may have lost by a narrow margin, but the sovereignty movement made significant headway since the 1980 referendum.

Three years after the referendum was held, the Supreme Court of Canada decided whether Québec had the legal right to unilaterally secede from Canada. The Court decided that "although there is no right, under the Constitution or at international law, to unilateral secession . . . this does not rule out the possibility of an unconstitutional declaration of secession leading to a de facto secession."[73] Despite the failure of multiple secession attempts, the legal and political processes still allow Québec the possibility to fulfill the long-lived dream of separation. But this still begs the question, what if the Meech Lake Accord had succeeded in distinguishing Québec as a "distinct society"? It is safe to assume that if it weren't for the failures of both the Meech Lake Accord and the Charlottetown Accord, Québec's sovereignty movement would not have gained such popular support, and the probability the province would have held a referendum is slim. The Supreme Court of Canada has repeatedly stated that democracy means more than just a majority vote, whether it is national or provincial. Democracy encompasses the importance of compromise and negotiations. Respecting the concept of compromise may have eliminated the desire for separation, leading to a stronger, more united Canada.

Endnotes

1. McConnell, W.H. "Constitutional History." *The Canadian Encyclopedia*. Historica Foundation, 2007. 1 Dec 2007. http://www.thecanadianencyclopedia .com.
2. McConnell *History*.
3. McConnell, W.H. "Constitution Act, 1867." *The Canadian Encyclopedia*. Historica Foundation, 2007. 1 Dec 2007. http://www.thecanadianencyclopedia. com.
4. McConnell *History*.
5. Ibid.
6. Hudon, R. "Québec Referendum (1980)." *The Canadian Encyclopedia*. Historica Foundation, 2007. 1 Dec 2007. http://www.thecanadianencyclopedia. com.
7. Ibid.
8. Cardinal, Mario, (trans. Ferdinanda Van Gennip, with Mark Stout). *Breaking Point: Québec/Canada, the 1995 Referendum*. Montreal: CBC/Bayard Canada Books, 2005, 15.
9. Ibid, 14.
10. McConnell *History*.
11. Ibid.
12. Ibid.
13. Ibid.
14. Ibid.
15. Gall, Gerald L. "Meech Lake Accord." *The Canadian Encyclopedia*. Historica Foundation, 2007. 1 Dec 2007. http://www.thecanadianencyclopedia. com.
16. Ibid.
17. Ibid.
18. Ibid.
19. Ibid.
20. McConnell *History*.
21. Gall, Gerald L. "Charlottetown Accord, The." *The Canadian Encyclopedia*. Historica Foundation, 2007. 1 Dec 2007. http://www.thecanadianencyclopedia. com.
22. McConnell *History*.
23. Gall *Charlottetown*.
24. Ibid.
25. Marsh, James. "Bouchard, Lucien." *The Canadian Encyclopedia*. Historica Foundation, 2007. 1 Dec 2007. http://www.thecanadianencyclopedia. com.
26. Gall, Gerald L. "Québec Referendum (1995)." *The Canadian Encyclopedia*. Historica Foundation, 2007. 1 Dec 2007. http://www.thecanadianencyclopedia. com.

27. Gordon, Stanley. "Parizeau, Jacques." *The Canadian Encyclopedia*. Historica Foundation, 2007. 1 Dec 2007. http://www.thecanadianencyclopedia.com.
28. Cardinal, 61.
29. Ibid.
30. Cardinal, 64.
31. *Breaking Point: Québec/Canada, the 1995 Referendum*. Dir. Jacqueline Dubé-Corkey and Pierre Béliveau. DVD, CBC Television, 2005.
32. Ibid.
33. Cardinal, 82. Emphasis added.
34. Ibid.
35. Cardinal, 135.
36. Cardinal, 153.
37. Cardinal, 169.
38. Cardinal, 153.
39. Cardinal, 209.
40. Cardinal, 227.
41. Cardinal, 335.
42. Cardinal, 331.
43. Cardinal, 349.
44. Ibid.
45. Cardinal, 380.
46. Cardinal, 388.
47. Cardinal, 389.
48. Cardinal, 392.
49. Cardinal, 404.
50. Cardinal, 404–405.
51. Cardinal, 404.
52. Cardinal, 398.
53. Ibid.
54. Marsh.
55. "Set Rules for Separation, Federal Lawyer Tells Supreme Court." *CBC News*. 13 Nov. 1998. Accessed 1 Dec. 2007. http://www.cbc.ca/news/
56. Ibid.
57. The Supreme Court of Canada serves as the exclusive ultimate/final appellate court in the country and performs a *unique* function. It can be asked by the Governor in Council to hear *references*, that is, to consider important questions of law such as the constitutionality or interpretation of federal or provincial legislation, or the division of powers between the federal and provincial levels of government. The Court is not often called upon to hear references, but its opinions on the questions referred to it by the government can be of great importance. ("Role of the Court," 2007)
58. *Reference re Secession of Quebec*, [1998] 2 S.C.R. 217 Date: August 20, 1998, 3.
59. Ibid.

60. Ibid.
61. *Reference re Secession of Quebec,* 4, emphasis added.
62. *Reference re Secession of Quebec*, 5.
63. *Reference re Secession of Quebec*, 6.
64. Ibid.
65. *Reference re Secession of Quebec*, 7.
66. *Reference re Secession of Quebec*, 8.
67. *Reference re Secession of Quebec*, 83.
68. "Clarity Act." *Department of Justice Canada*. 29 June 2000. Accessed 7 Dec. 2007. http://laws.justice.gc.ca/.
69. Ibid.
70. "'No' Side Illegally Spent $539K in Quebec Referendum: Report." *CBC News*. 29 May 2007. Accessed 1 Dec. 2007. http://www.cbc.ca/news/.
71. Ibid.
72. Ibid.
73. *Reference re Secession of Quebec*, 85.

China's Rise: Imperialistic Hegemon or Benign Economic Benefactor?

Joseph Feldman
The College of William & Mary

China's rate of growth and power over the past 50 years has astounded scholars and countries alike. In the era of Mao Tse-tung, Mao's personal beliefs, misunderstandings, misgivings of bureaucrats and personal beliefs consistently turned China on its head, preventing it from growing as other great powers did. The Great Leap Forward killed hundreds of thousands of peasants in the misguided belief that the normal stages of economic development could be skipped over. At the same time the Hundred Flowers and subsequently the Cultural Revolution eliminated the intelligentsia, those that could have pulled the country forward and out of the mistakes Mao had made.[1] With Mao dead it wasn't long before China remedied these mistakes. It is in these last 50 years that China has exerted the most influence abroad and begun to normalize relations with the rest of the world. All across the world China's power can be felt, but I argue that those areas most representative of China's growing power are the continents of Latin America and Africa. It is China's influence in these areas that provide us with enough information to give us an idea of China's true power and the ability to predict what is to come. A close analysis of Latin American and Africa, the different ways in which China interacts with them and western responses to China's actions allow us to analyze how China has gotten to where it is today, and where it may end up in the future. Even though China has been exerting its influence in both areas it is only in Africa that its presence

has caused uproars of imperialism. I attribute this to China's more direct approach in Africa. I assert through a detailed analysis of China's presence on both continents that its actions are much less imperialistic than the U.S.'; thus these imperialistic claims are not only hypocritical but unfounded.

There are many reasons why Latin America and Africa have been chosen above all other areas as case studies. There is the simple fact that China's involvement in Latin America and Africa is much more linear and consistent than any other area in the world. Clear evidence exists of China's attempts at normalizing relations with both areas from before the end of the Maoist era, something that many other areas in the world lack. For example, China's relationship with South Korea did not begin to develop until after the Vietnam War, China has not been in close contact with Australia until very recently and China's involvement with Russia disintegrated after the Soviet Union began declining.[2] Elsewhere, China's involvement has been much more sporadic. For example, although Chinese relations with South East Asia, as in Africa, did not begin to develop until after the areas were decolonized, the relationship in South East Asia lacked homogeneity. China treated Vietnam, Thailand, the Philippines, Myanmar (Burma) and the Indonesians very differently.[3] On the other hand, evidence of China's involvement in Latin America and Africa is clear, linear, and constant. One can clearly see how China's relationship with both areas has progressed from those early post World War II days to the present. Finally, both areas have similar, regional governing bodies. These include regional banks such as the African Development Bank (ADB) and the Latin American Inter-American Development Bank (IDB). Although there do exist many regional coalitions across the world, only a few encompass such a large area with so many third world states. It is the development of China's influence in these homogenous third world areas that I analyze as it is there that China can exert the most influence. Thus, the strong level of homogeneity not only between the states within Africa and Latin America, but also with their relationships with China over time makes them ideal analytical cases.

The reason that I compare Chinese 'imperialism' in the third world with the U.S.'s is two fold. First off is the simple fact that China is a growing great power that will one day undoubtedly surpass the United States. One thus must analyze how that might come to be. The other great powers are powerful, but only China has the potential to change the current international system. Secondly, it is the western outcry of Chinese imperialism in Africa that is the impetus for this paper and as a basis for comparison both countries' actions there must be weighed and valued.

Latin America—Tough Love

China's involvement in Latin America began in the mid 1950s and has continued to grow ever since. When relations began, they began slowly, trade ties and relations being made with a handful of Latin American countries. This handful of countries included Argentina, Chile, Mexico, and Brazil. By establishing contacts through export-import banks, meeting Chinese politicians, and participating in trade exhibitions China made strong, early contacts.[4] These were 'moves of friendship' meant to test the political ground and establish initial ties in the hopes that more concrete ties could be developed in the future. Although each country did end up trading to some extent or another, they were each quite reserved in their actions. Chile, Argentina and Mexico all behaved prudently in their wording of future relations. Finally, Brazil seemed to be the most promising case, as the Brazilian government of the early 60s was most optimistic about Chinese relations. This quickly ended, however, as pro-western proponents ousted the previous government, severing ties with China.[5] It is not by chance that these initial trade ties and agreements were less successful than China would have liked; Latin American countries at the time had many political concerns.

Every state in Latin America during the 50s and 60s was under immense western pressure to keep Chinese involvement to a minimum. This explains why so many countries were unwilling to map out trade agreements with China and why those that did so were cautious in their actions. Generally speaking, if any country

allowed itself too become too involved with China, it ran the risk of attracting too much attention from the United States. The risk could be great, as at the time the U.S. had no problem supporting regime change to avoid the fostering of socialist or communist states. They only had to look back to what occurred with Jacobo Arbenz of Guatemala in 1954. No state leaders wanted to follow that path. At the same time, many Latin American countries were ideologically at odds with China. China's clear support for Cuba together with its recent battle in Korea left Latin American countries fearful that China had ulterior motives.[6] This explained why Cuba dominated the economic/political relations of the entire Central and South American land mass. In 1965 Cuba's exports to China accounted for 90% of the total and its imports accounted for 45% of the total.[7] Together with the ever growing Cold War, this made it difficult to establish and upkeep political and economic ties. Thus, due to differences in ideology and a fear of U.S. retaliation, Latin American countries acted in ways that limited China's influence. However, due to a mix of political and economic factors this was about to change.

This rapid change in Sino-Latin American relations was due to increasingly overlapping interests caused by changing internal and external relations. After China's reacceptance into the U.N. post 1971, relations with the U.S. began to ameliorate. This subsequently meant that tensions between China and Latin America eased.[8] At the same time, Latin American countries were also overturning military authoritarianism and turning to more socialist/democratic governments. A better relationship with Latin America was also very lucrative for China because it represented a huge market for much needed resources. For all the reasons mentioned above, by the 1980s almost every Latin American country had recognized China and begun normalizing their relations with the PRC.[9]

Since then, the Sino-Latin relationship has done nothing but grow. According to a 2008 study conducted by the Congressional Research Survey for the Council on Foreign Relations, China currently has official diplomatic relations with 21 Latin American/Caribbean nations, and strategic cooperative agreements with many more. According to the same study, trade from 1999 to 2006 grew

exponentially, showing an increase of over 1100% (from $3 billion to $34 billion) in imports from the region. A similarly large change occurred with the exports to the region.[10] Although Latin America is still only a small portion of China's overall exports and imports, the exponential growth of mutual trade shows just how important Latin America is becoming to the Chinese. Such an increase can only be attributed to stronger trade relations and a higher level of trust. There is no evidence to suggest that that won't continue.

There are a few final pieces of China's relationship with Latin America, namely Taiwan and China's involvement in Latin American institutions. Those countries with the strongest relationships with China are those with fewer ties to Taiwan. These Latin American countries receive more financial aid, a higher influx of trade, more bilateral agreements, and a higher level of international support. This all serves to woo Latin American countries away from recognizing Taiwan. On top of this, China is much more involved institutionally and regionally and uses this as another growing sphere of influence. For example, the Organization of American States (OAS) recently formally accepted China as a permanent observer, and China has been successful in blocking Taiwan from achieving the same status.[11] Additionally, China is either a member or an observer of various other regional organizations in Latin America. They are members of the East Asia-Latin American Cooperation Forum, the Asia Pacific Economic Cooperation, and as of a year ago formalized talks to become members with the Inter-American Development Bank.[12] In a recent policy paper posted by the PRC's Ministry of Foreign Affairs, China delineates its policies and plans for Latin America. In it China states that it will increase trade and investment cooperation, create closer political ties and foster cultural exchanges.[13] Clearly China isn't going anywhere.

At this point one may ask what this all means. How does this ever evolving Sino-Latin American relationship affect what China does in the future and why is it so important to understand it? To really understand how China's influence matters, it must be analyzed next to a comparable situation before any conjectures can be made. Thus I turn to Africa as a comparative case study.

Africa—Too Close for Comfort

China's early influence was political, mainly supporting liberalization movements and building up ties with the continent. The very first African country to recognize China was Egypt in 1956, and by the next decade 15 more African countries had recognized the new country. China's immersion into the African system was successful due to a number of reasons. First, China had an interest in supporting early Africa's liberalization movements, therefore setting itself up as a future ally.[14] For example, they showed support for the early African National Congress and the Pan-Africanist Congress of Azania.[15] Also, China had caught Africa in the politically transitional period of independence and the search for international recognition. By recognizing each other, they were simultaneously helping each other gain footholds in the international system. As a result, African countries became the driving force behind China's reinstatement into the UN in 1971, representing over a third of the necessary votes.[16] Finally, African countries could relate with the Chinese as they too were 'Third World' states, subject to the musings of the superpowers.

When compared to its early relations with Latin America, China's early success in Africa was mostly due to a lower American influence. Every Hispanic country had to weigh China's influence with what that meant for their relationship with the United States. In Africa, however, China's early support for their liberalization movements and independence meant it had had influence in the area from a very early time period. This is why early on China was more politically involved than commercially. It wanted to build politically long lasting relations with African countries as they came into the international system. It was presenting itself as a possible future avenue outside of Western influence. African countries could look at China's personal developmental success and use it as an example.[17] On the other hand, the U.S.'s strong influence in South America decreased China's capabilities to do the same there.

After China's political and economic changes in the late 1970s, Chinas political influence continued to grow, finally expanding into

trade and commerce. At the same time, China became more and more interested in creating a large block of support against western influence.[18] A large group of African support would create a possible UN block against aggressive western responses. This would leave China better equipped to handle the more advanced United States without having to cause a war. Africa was a logical choice in part because of their political support in reinstating them to the UN and the obvious early success in normalizing relations.

It was during this time period that China began purporting and endorsing its policy of non-interventionism. It stands for non interference in internal affairs, supporting internal independence and espousing state sovereignty.[19] According to China the domestic politics of a state should be outside the realm of the international system. This policy has become the cornerstone of Chinese influence in Africa. It gives many African states with human rights violations and economic concerns an ally in their quests to keep western badgering out of their borders. To endorse this policy within Africa, China began courting African states with 'No-Strings-Attached Deals' which included infrastructure projects, bi-lateral trade agreements, and business deals.[20] The only caveat was that they had to renounce support for Taiwan.

In creating this policy of non-intervention China was forcing African countries to differentiate between Chinese and American policies. Where western states had a history of imposing rules and requirements before giving aid, China gave aid regardless of the political or economic situation. As one of Congo's former presidential spokesmen put it, if they asked westerners for aid the IMF would demand they '. . . hold an election, sort out finances, and crack down on corruption . . .' and in the end they would receive nothing.[21] With China however, aid was given unconditionally. By making it easier to get aid, China has facilitated stronger ties and made it easier for African countries to develop. It also allows African countries to thumb their noses at the western system by giving them a way to bypass western requirements. At the same time it allows China to turn to Africans for help when they need it, as they did when western countries imposed sanctions on China post Tiananmen Square.[22]

Presently, China is intensely involved in the African continent both economically and politically. China's ravenous hunger for African commodities has only grown and Africa continues to demand more Chinese goods and services.[23] In the last ten years exports and imports have increased exponentially; both from a level of five billion to over 40 billion between 1998 and 2007.[24] Economically, China has been fostering greater business relations and closer multilateral and bilateral negotiations; for example by creating a China-Africa Joint Chamber of Commerce and Industry to facilitate transactions.[25] In addition, China intends to facilitate debt reductions, increase resource, support infrastructure, cooperation and economic assistance.[26] All of this to further forge greater South-South cooperation.

Politically speaking China has been trying to amass as much support from the African continent as possible. Their earlier goal of building an anti-western African block has only further solidified itself. China has championed a more multi-polar world with less domination from western countries and uses its third world relationship to imply that this is also in the interest of all African countries.[27] China also means to further international cooperation between what it calls 'twin cities' and 'twin provinces' across national borders to facilitate bilateral trade and development.[28] Finally, China states that ". . . it is devoted, as are African nations, to making the UN play a greater role, defending the purposes and principles of the UN Charter . . . " among other things. This in particular is evidence to the fact that China is not trying to fight the system so much as make sure it has power and influence within it. All these actions clearly delineate how China plans to use the African states as its economic and political allies within the international system.

China, as it has done in Latin America, has also been in intensely involved in African institutions and has been using them to build its reputation. The biggest institution that China is involved in is the Forum for China-Africa Cooperation (FOCAC), which was created in 2000 with the blessings of China and 45 African countries. At the most recent 2006 summit, China stated that through the Beijing Action Plan it would flesh out cooperation on foreign aid,

infrastructure, energy, resource development, and other critical aspects of prosperity. China is also quite involved with other African institutions. These include the African Development Bank, who it contributes to and has hosted; and the AU, whose peacekeeping operations China sometimes funds and whose continental development plan (NEPAD) it supports.[29]

China's economic, political, and regional involvement in Africa implies that it has much more control of the situation there than it does in Latin America. First, it is much more involved in forums and international talks in Africa than Latin America. For example, China just recently became a part of Latin America's Inter-American Development Bank, whereas in Africa they have not only been members but also donators of its counterpart, the African Development Bank.[30] In a document stating China's policy in Latin America, not once are any regional institutions mentioned, while in a similar document for Africa, FOCAC is specifically mentioned as a political and economic tool. This implies that although China is involved in institutions and forums in both areas, its influence has been more profound and more specific in Africa. Secondly, from the very beginning China's goal was to create an anti-western, UN sponsored block to American hegemony, and it continues in its pursuit of that goal. Consequently, African countries turn to China when they are over pressured and continue to rebuff Taiwan's offers for aid.[31] Contrastingly, due to Latin American's proximity to the U.S. and the U.S.'s long standing involvement in the area they have long been susceptible to the western system. Hence, Latin America has been the most susceptible to the western system's push for economic transparency and open-market economies and least susceptible to China's non-intervention policy. It suggests that at the foundations western influence continues to be a barrier to Chinese power.

Responses and Effects—Crying Wolf

The responses among Latin American, African, and western countries on China's increasing influence are mixed. It is clear to all that China's influence has had clear positive effects to the countries

involved in both areas, but the responses to these benefits depends on who's watching. Within Latin America the response has been quite positive. Latin American countries are increasingly considering China in their foreign affairs and are no longer content with being 'America's backyard'.[32] Sino-Latin science and trade agreements have been signed, education exchanges have occurred, and Chinese tourists flood the continent. However, some countries, such as Argentina and Mexico, see China as a competitor and are facing economic dumping issues as Chinese, low end exports inundate their markets.[33] This is creating resentment that could be on the rise in the future. In Africa the results have been both more varied and vocal. This is so in part due to the rise in media liberalization in conjunction with China's exponential growth in influence in the past few years. Chinese relations are a hot topic because many civil society groups and media outlets have become more vocal in their reactions.[34] On the one hand, China tends to bring in its own workers and serves as stiff competition for domestic African industries, but at the same time many commentators see the advantages of Chinese 'free' aid.[35] On the other hand; the central governments in power adore China, and have an inherent need to maintain relations with the PRC.[36] The Ethiopian Prime Ministers words are best used to echo this sentiment: ". . . What China shows to Africa is that it is indeed possible to turn the corner on economic development."[37] Finally, western countries have been quite wary, reacting with outcries of imperialism and neocolonialism. Some say that China serves as a competitor to foreign investment in the area, others worry that China's non-intervention policy blocks the spread of democracy, and still others fret over the negative effect of China's presence on Africa's own policy.[38]

Both China's more direct approach and greater success in Africa are the source of these imperialistic outcries, but China's actions have been much less imperialistic when compared to the western world's. Latin America once again stands as a comparative case study in this respect. The western world has long exploited Latin America in ways that are both overtly and subtly imperialistic. For example, western countries have long held footholds in Latin American countries through what are called export

processing zones, which are duty free areas where western countries construct factories to cheaply produce goods. These areas are outside the jurisdiction of national laws and exist only as long as the owner profits. In the 1970s, before the NAFTA agreements created rules for their existence, if the owner of the factory felt that it was time to move he/she could do so, leaving all his/her workers displaced.[39] The NAFTA agreements have lowered the advantages that export processing zones used to have, making them fairer and also easier to integrate into the system.[40]

The U.S. has also acted against socialist revolutions through regime change. The overthrow of Allende by Pinochet illustrates this point. According to a declassified document in *The Pinochet File*, in 1970 Secretaries Rogers and Laird both declared that Allende must be brought down.[41] The document even goes on to state that ". . . Latin America is not gone, and we want to keep it that way . . . no impression should be permitted in Latin America that they can get away with this." Which when put into context meant that Latin American countries would not be allowed to fall into communism or socialism. With the support of the U.S., Pinochet's 1974 coup instilled a terrorizing, totalitarian regime for the next 15 years. The subsequent approval and support of Operation Condor further shows the U.S.'s imperialistic tendencies. Operation Condor was a clandestine operation by the totalitarian leaders of Argentina, Chile, Brazil, Uruguay, and a few others meant to derail the political goals and/or kill the leaders of leftwing parties in Latin America. According to a declassified document from the Department of Defense it was meant to 'eliminate Marxists terrorist operations', which translated meant assassinate political leaders in favor of communist/socialist regimes.[42] This document explicitly states the U.S.'s approval and multilateral agreement with the aforementioned Latin American regimes. How many were actually killed as a result no one knows.

These actions clearly speak of an American imperialistic tendency not present in China's actions in either Latin America or Africa. China's payoffs have come because it has been playing the role of peaceful economic benefactor instead of imperialistic 'hegemon'. Even though African resentment could be on the rise,

China still has better diplomatic relations with the area than western countries do. This is in part due to China's support for non-intervention and state sovereignty. Where the U.S. and western backed institutions such as the UN and the World Bank demand that African countries control corruption and increase market transparency to be eligible for aid, China's only caveat is to give up support for Taiwan. This is a very easy thing to do if enough aid is given and China makes sure to provide a more than adequate incentive. Thus China places itself in a totally different sphere by refusing to badger or impose.

Catering to the Third World mentality is another of China's powerful tools and it's another way in which its actions have been decidedly anti-imperialistic. China's policies in Africa, according to the PRC Ministry of Foreign Relations, have always been to enhance their influence in the world and advance their mutual interests. China stresses the need to create more South-South cooperation and increase North-South dialogue and reiterates Africa's increasingly influential role in both.[43] It also plans to create a partnership of 'political equality and mutual trust, economic win-win cooperation and cultural exchange.'[44] The same goes for its policy in Latin America, albeit with a lower level of influence. China sees Latin America as an area of new opportunities, stating that they are in similar stages of development that give ample foundations to strengthen their relations.[45] By catering to the needs and wants of the third world China is building strong relations, slowly succeeding in its goal of creating a big block of allies in the UN. As stated in China's policy paper on Africa, ". . . China will strengthen cooperation with Africa in the UN and other multilateral systems . . ." The PRC uses similar wording in their policy paper on Latin America. These statements clearly show how important China views the third world, how it's catering and relating to its needs, and what it plans to do about it. Its success in Africa can serve as a model for how China should handle the rest of the third world, namely Latin America. None of this is in anyway imperialistic; in fact it's as diplomatic as any growing major power has ever been with a developing country. There is no Monroe Doctrine delineating how China will forcibly keep other countries out; instead there's almost the opposite. China

doesn't block other countries from being involved on the continent, but gives Africans and to a lesser degree Latin Americans powerful reasons to keep China as an ally.

Conclusions

When comparing China's involvement in Latin America and Africa, it's clear that China has had the most success in Africa. Latin America is more successfully integrated into the World Bank and IMF system and has had closer ties to the U.S. Consequently, China has had less success politically in the area and has been bolder and more direct with Africa. Consequently, China is deeply involved in many African institutions and has committed itself to facilitating relations through the creation of more. China's main influence in the area comes through the FOCAC, whose triennial meetings have become increasingly more ambitious. China's alliance with Africa is consequently continually growing. On the other hand, in Latin America, China's success has been mainly commercial. China's levels of trade in the area have increased exponentially in the last 10 years and as a result so have diplomatic and political ties. However, it does not compare to the level of influence that China has in Africa. Even so, as its recent policy paper shows, China has clear ambitions to succeed on the Latin American continent in the same way it has in Africa.

It is this difference in overall involvement that has led to outcries of Chinese imperialism in Africa, but the evidence shows that it is hypocritical of the western world to cry wolf. The U.S. has been much more imperialistic in its actions in Latin America than the Chinese have been in Africa. With their policy of non-intervention the Chinese have succeeded in being economically successful without having to politically push the Africans. They impose no restrictions, they do not push for regime change, and the only requirement for any aid is that they renounce support for Taiwan. China upholds the same requirements for Latin America. Thus China's presence serves as an outlet for countries fed up with western badgering, an avenue of escape from what many perceive to be a self-righteous ruler.

What this means for the future is that China will continue to grow in power and influence in both areas, but it will find it more difficult to upkeep its policy of non-intervention as a result. China's growing power and influence in the area will create a larger base of regional support both in Latin America and Africa. This will have the inevitable effect of complicating its relationships, causing China's growth to become ever more controversial. Due to this inherent complication China runs the risk of having to soften its policy of non-intervention. Already the Chinese have sent peacekeepers into Sudan via the African Union, clearly interfering in another state's domestic issues as a result.[46] As China gets more and more involved, it may find itself under more pressure by the international system to break its strict adherence to that policy. What that will do to its legitimacy among the third world countries will be interesting to see.

Finally, China's greater involvement with Africa and Latin America does not imply that the U.S. will come to blows with China, but it does mean that tensions may rise. Since the Korean War both sides have managed to avoid direct confrontations and barring some catastrophe in Taiwan it is unlikely that will change.[47] What is evident is that China's reach is growing and the west is becoming uneasy. Hence, as China's relations with the international system become more powerful and complex, everyone will be watching, the western world maybe closer than most.

References

"China's African Policy." 01/12/2006. http://www.fmprc.gov.cn/eng/zxxx/t230615.htm (accessed 11/2/2008).

"China's Foreign policy and "Soft Power" in South America, Asia and Africa: Prepared for the Committee on Foreign Relations by the Congressional Research Service Library of Congress," Web of Science, April 2008, http://www.fas.org/irp/congress/2008_rpt/crs-china.pdf, (accessed October 26th, 2008).

"China's Policy Paper on Latin America and the Caribbean." November 5th, 2008. http://www.fmprc.gov.cn/eng/zxxx/t521025.htm (accessed November 22nd, 2008).

"China's Quest for Resources: A Ravenous Dragon, *The Economist* (March 13th, 2008), http://www.economist.com/specialreports/displaystory.cfm?story_id=10795714. (Accessed November 23, 2008).

"CRS Report to Congress: Comparing Global Influence: China's and U.S. Diplomacy, Foreign Aid, Trade, and Investment in the Developing World," 08/14/2008, http://assets.opencrs.com/rpts/RL34620_20080815.pdf (accessed November 6, 2008), 114.

Gallardo, Regina M. A. A. "Maquiladoras Prospects of Regional Integration and Globalization." International Labour Organization 1998. http://www.ilo.org/public/english/employment/strat/publ/etp12.htm#1 (accessed November 16, 2008).

Gelber, G., *The Dragon and the Foreign Devils.* New York, New York: Bloomsbury Publishing, 2007., 439.

Ginsburgs, George and Arthur Stahnke. "Communist China's Trade Relations with Latin America," *Asian Survey,* Vol. 10. no. 9 (1970), 803–819, JSTOR http://www.jstor.org/stable/2643031?&Search=yes&term=America&ter=Latin&term=presence&term=China%27s&list=hide&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DChina%2527s%2Bpresence%2Bin%2BLatin%2BAmerica%26gw%3Djtx%26prq%3DChina%2527s. (Accessed November 24, 2008), 812.

Harsh, Ernest. "Big Leap in China-Africa Ties." January, 2007. http://www.un.org/ecosocdev/geninfo/afrec/vol20no4/204–china-africa-ties.html (accessed 11/10/2008).

Kornbluh, Peter, *The Pinochet File: a declassified dossier on atrocity and accountability.* "Document 1: The White House, Secret memorandum of Conversation, NSC Meeting-Chile(NSSM 97), November 6, 1970," New York: New Press, 2003.

Kornbluh, Peter. *The Pinochet File: a declassified dossier on atrocity and accountability*, Document 3: defense Intelligence Agency, SECRET report on Operation CONDOR, "special Operations Forces," October 1, 1976., New York: New Press, 2003.

Lieberthal, Kenneth. *Governing China,* 2 ed. W. W. Norton, 2003.

Qichen, Qian, *Ten Episodes in China's Diplomacy*. New York, New York: HarperCollins Publishers, 2005, 221.

Shambaugh, David. "China's New Foray into Latin America" *Yale Global Online* (November 2008), http://yaleglobal.yale.edu/display.article?id=11615 (Accessed November 23, 2008).

Wang Gungwu, "China and Southeast Asia," in *Power Shift* ed. David Shambaugh (Los Angeles: University of California Press Ltd, 2005), 189.

Worden, America," *Asian Survey* vol. 23. no. 5 (1983), 619–636, JSTOR, http://www.jstor.org/stable/2644467?seq=13&Search=yes&term=America&term=Latin&term=presence&term=China%27s&list=hide&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DChina%2527s%2Bpresence%2Bin%2BLatin%2BAmerica%26gw%3Djtx%26prq%3DChina%2527s&resultsServiceName=doBasicResultsFromArticle. (Accessed November 18, 2008), 631.

Yu, George T. "China's Role in Africa," *Annals of the American Academy of Political and Social Science,* Vol 432, (1977), 96–109, JSTOR, http://www.jstor.org/stable/1042892?&Search=yes&term=presce&term=China%27s&term=Africa&list=hide&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DChina%2527s%2Bpresence%2Bin%2BAfrica%26gw%3Djtx%26prq%3DChina%2BAND%2BAfrica%26Search%3D, (accessed October 23rd, 2008). 99.

Endnotes

1. Kenneth Lieberthal, *Governing China,* 2 ed. W. W. Norton, 2003, 99.
2. Gungwu Wang, "China and Southeast Asia," in *Power Shift* ed. David Shambaugh (Los Angeles: University of California Press Ltd, 2005), 189.
3. Wang, 192.
4. George Ginsburgs and Arthur Stahnke. ""Communist China's Trade Relations with Latin America," *Asian Survey,* Vol. 10. no.9 (1970), 803-819, JSTOR http://www.jstor.org/stable/2643031?&Search=yes&term=America&term=Latin&term=presence&term=China%27s&list=hide&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DChina%2527s%2Bpresence%2Bin%2BLatin%2BAmerica%26gw%3Djtx%26prq%3DChina%2527s. (Accessed November 24, 2008), 812.
5. Ginsburgs/Stahnke pg. 815.
6. Robert L. Worden, "China's Balancing Act: Cancun, the Third World, and Latin America," *Asian Survey* vol. 23. no. 5 (1983), 619-636, JSTOR, http://www.jstor.org/stable/2644467?seq=13&Search=yes&term=America&term=Latin&term=presence&term=China%27s&list=hide&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DChina%2527s%2Bpresence%2Bin%2BLatin%2BAmerica%26gw%3Djtx%26prq%3DChina%2527s&resultsServiceName=doBasicResultsFromArticle. (Accessed November 18, 2008), 631.
7. Ginsburgs/Stahnke, Communist China's Trade Relations, pg. 803.
8. Worden, "China's Balancing Act, 632.
9. "China's Foreign policy and "Soft Power" in South America, Asia and Africa: Prepared for the Committee on Foreign Relations by the Congressional Research Service Library of Congress," Web of Science, April 2008,

http://www.fas.org/irp/congress/2008_rpt/crs-china.pdf, (accessed October 26th, 2008), 16.
10. China's Foreign Policy and "Soft Power," 21.
11. China's Foreign Policy and "Soft Power," 18.
12. China's Foreign Policy and "Soft Power," 19.
13. "China's Policy Paper on Latin America and the Caribbean." November 5th, 2008.http://www.fmprc.gov.cn/eng/zxxx/t521025.htm (accessed November 22nd, 2008).
14. George T. Yu, "China's Role in Africa," *Annals of the American Academy of Political and Social Science,* Vol 432, (1977), 96-109, JSTOR, http://www.jstor.org/stable/1042892?&Search=yes&term=presce&term=China%27s&term=Africa&list=hide&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DChina%2527s%2Bpresence%2Bin%2BAfrica%26gw%3Djtx%26prq%3DChina%2BAND%2BAfrica%26Search%3D, (accessed October 23rd, 2008). 99.
15. Qian Qichen, *Ten Episodes in China's Diplomacy*. New York, New York: HarperCollins Publishers, 2005, 221.
16. Qichen, Ten Episodes in China's Diplomacy, 200.
17. Yu, China's Role in Africa, 102.
18. China's Foreign Policy and "Soft Power," 112.
19. China's Foreign Policy and "Soft Power," 105.
20. China's Foreign Policy and Soft Power," 106.
21. "China's Quest for Resources: A Ravenous Dragon, *The Economist* (March 13th, 2008). http://www.economist.com/specialreports/displaystory.cfm?story_id=10795714. (Accessed November 23, 2008).
22. Qichen, *Ten Episodes in China's Diplomacy,* 200.
23. "CRS Report to Congress: Comparing Global Influence: China's and U.S. Diplomacy, Foreign Aid, Trade, and Investment in the Developing World," 08/14/2008, http://assets.opencrs.com/rpts/RL34620_20080815.pdf (accessed November 6, 2008), 114.
24. China's Quest for Resources.
25. "China's African Policy." 01/12/2006. http://www.fmprc.gov.cn/eng/zxxx/t230615.htm (accessed 11/2/2008).
26. China's African Policy
27. Comparing Global Influence, pg. 116.
28. China's African Policy
29. Ernest Harsh, "Big Leap in China-Africa Ties." January, 2007. http://www.un.org/ecosocdev/geninfo/afrec/vol20no4/204-china-africa-ties.html (accessed 11/10/2008).
30. Comparing Global Influence, 129.
31. Qichen, Ten Episodes in China's Diplomacy, 200.
32. David Shambaugh, "China's New Foray into Latin America" *Yale Global Online* (November 2008), http://yaleglobal.yale.edu/display.article?id=11615. (Accessed November 23, 2008).
33. Shambaugh

34. China's Foreign Policy and "Soft Power," 106.
35. Harsh. "Big Leap in China-Africa Ties."
36. Qichen. Ten Episodes in China's Diplomacy, 203.
37. Harsh. "Big Leap in China Africa Ties"
38. Comparing Global Influence, 116.
39. Regina M. A. A. Gallardo, "Maquiladoras Prospects of Regional Integration and Globalization." International Labour Organization 1998. http://www.ilo.org/public/english/employment/strat/publ/etp12.htm#1 (accessed November 16, 2008).
40. Gallardo
41. Kornbluh, Peter, *The Pinochet File: a declassified dossier on atrocity and accountability.* "Document 1: The White House, Secret memorandum of Conversation, NSC Meeting-Chile(NSSM 97), November 6, 1970," New York: New Press, 2003.
42. Peter Kornbluh, *The Pinochet File: a declassified dossier on atrocity and accountability*, Document 3: Defense Intelligence Agency, SECRET report on Operation CONDOR, "special Operations Forces," October 1, 1976., New York: New Press, 2003.
43. China's African Policy
44. China's African Policy
45. China's Policy On Latin America and the Caribbean
46. Comparing Global Influence, 42.
47. Gelber, G., *The Dragon and the Foreign Devils.* New York, New York: Bloomsbury Publishing, 2007., 439.

Stabilizing Somalia: A New Approach to Nation-State Building

Jonathan D. Garon
University of Rochester

The situation in the East African nation of Somalia is today synonymous with the definition of state failure. In a country that has been ripped apart by anarchy, violence, famine, and greed for the past 17 years, the situation only appears to grow worse. While piracy runs rampant off the Horn of Africa, the most fanatical wing of Somalia's Islamist insurgency, the Islamic Courts Union (ICU), has seized physical control of the majority of the country and is poised to completely topple the United States and Ethiopian-backed Transitional Federal Government (TFG), established in 2004. The possibility now is that the ICU could open up Somalia's borders even further to allow in radical militants from Somalia's neighboring Islamic areas. The TFG—a government which has no legitimacy or respect from the Somali populace and effectively controls only a few city blocks—is likely to collapse in the similar fashion of thirteen previous transitional governments since 1991. The active US support of the TFG and its bold counter-terrorism initiatives in the country since 2006 have led to levels of anti-American sentiment not felt in Somalia since the early 1990s.[1] Somalia's instability and lawlessness pose dire security threats to her neighboring countries in the Horn of Africa as well as to the US and its global war on terror (GWOT). A comprehensive solution rooted in counterinsurgent, counter-terrorist, and state-building political theory is necessary if Somalia is to emerge into a functioning society any time in the future.

In order to better comprehend the security threats posed by Somalia's total state failure, a brief background on recent Somali history and external intervention must be provided. Somalia has been in severe turmoil since its disastrous defeat at the hands of Ethiopia in the Ogaden War of 1977–78. However, the real catastrophe arrived in 1991, with the violent coup that overthrew the regime of clan leader Mohammed Siad Barre. This occurred in the midst of a civil war already underway for three years between rival ruling clan factions. After the fall of the government, however, the situation took a dramatic turn for the worse, especially in southern Somalia where an economy of plunder and violent banditry took hold. Accompanying the brutal violence was a devastating famine brought on by drought, which ultimately led to the deaths of approximately 250,000 Somalis. The overall legacy of the civil war is profound as well: deep inter-clan grievances over atrocities committed, massive amounts of stolen property, the rise of warlords with vested interest in lawlessness, as well as the near-universal spread of arms, the destruction of much of Mogadishu, the looting of all public goods and state properties, unresolved secession in the north, and the flight of a million Somalis abroad.[2] Attempts to resurrect a Somali state effectively began from rubble.

November of 1992 marks the first instance of international intervention with the announcement by the United States that it would "forge a new world order" by leading a multi-national peace enforcement operation in Somalia aimed at facilitating humanitarian aid.[3] The operation aimed to accomplish this by locating, seizing, and effectively ousting the ruling warlord, Mohammed Farrah Aideed, who was diverting foreign aid into his own pocket. Joining in the stability effort was a host of other United Nations member states, together forming the UN Operation in Somalia (UNOSOM), which took over in 1993. The peace building initiative quickly plunged into crisis, facing frequent attacks by heavily armed Somali clan-based militias in the lawless streets of the capital, Mogadishu. The moment that now best defines the failure of the mission was the Black Hawk Down incident in October 1993, in which 18 US Army Rangers and over 1,500 Somalis were killed in a two-day raging battle in the streets of Mogadishu.

While Somali opinion had already turned against the US and UN forces as perceived foreign occupiers, Black Hawk Down served to harden American public opinion against the intervention, leading President Bill Clinton to announce withdrawal by the end of March 1994. UNOSOM soon followed suit, disbanding completely by March 1995, leaving Somalia in a state of war and total state collapse.[4] UNOSOM's failure proved to many that the entire enterprise of reviving failed states was a fool's errand.

Failed states are characterized by a government authority that has collapsed, violence that has become endemic, a cessation of any form of functional governance, the disintegration and criminalization of public security forces, and the erosion of basic infrastructure.[5] Robin Dorff goes further to explain that "the state loses the ability to perform the basic functions of governance, and it loses legitimacy . . . the inability of political institutions to meet the basic functions of legitimate governance is also accompanied by economic collapse . . . this economic collapse is almost everywhere present in cases of state failure."[6] Somalia is viewed today as a rare example of a failed state that has suffered complete and total collapse. In fact, it is the longest running instance of state collapse in post-colonial history.[7] One expert described Somalia as the perfect model of a collapsed state: "a geographical expression only, with borders but with no effective way to exert authority within those borders."[8] There is no argument as to the effective status of Somalia as a failed state, but what exactly are the implications of state failure in regard to its repercussions on Somalia's regional neighbors, Africa as a whole, and the entire international community?

Ever since the terrorist attacks of September 11, 2001, the Horn of Africa, and Somalia particularly, has been singled out by US counterterrorism officials as a potential haven for Islamic terrorists to plan and carry out attacks against the US, its allies, and points of US interest. An April 2004 report explained that "Although we are concerned about attacks everywhere in Africa, we consider East Africa and the Horn . . . to be at particular risk."[9] Somalia's status as a failed state has led experts to believe that Al-Qaeda and similar terrorist groups under siege in the war on terror could potentially enter through its porous borders and relocate there,

concealing themselves amidst the chaos and becoming impossible to locate due to the lack of security services and intelligence networks. Adding to this threat is the lack of transparency in financial transactions that are carried out in failed states, making it easy for terrorists to launder money and facilitate a global arms trade without it being traceable.[10] Thomas Dempsey, a Gulf War veteran and government intelligence analyst for Africa, seeks to explain the model for terrorism emanating from failed states by differentiating between two types of cells: terrorist nodes and terrorist hubs. Terrorist nodes are "small, closely knit local cells that actually commit terrorist acts in the areas in which they are active." Terrorist hubs "provide ideological guidance, financial support, and access to resources enabling node attacks," in the form of funneling money and arms to nodes residing inside and outside of the failed state.[11] In the hub-node model, Dempsey explains that hubs provide centralized direction and communication linkages among nodes that are decentralized and geographically distributed as independent teams. Al-Qaeda, in response to the GWOT, has moved away from central direction and planning towards decentralized, self-directed operations carried out by hidden nodes, but assisted and ideologically driven by regional hubs, such as the one believed to be operating in Somalia.[12]

Despite the ominous predictions of government counterterrorist officials, Somalia has *not* become the international terrorist haven expected in the years following 9/11. In reality, it serves more as a transit point. Ken Menkhaus, a college professor and noted expert on Somalia, explains that ironically, lawlessness and violence are so rampant in Somalia that it is not an acceptable safe haven, even for terrorist groups. This fact rings especially true when Somalia's notorious mistrust and violent hostility to foreigners is taken into account.[13] However, that is not to say that terrorism emanating from Somalia has been completely absent in Africa, pre and post-9/11. On the contrary, a variety of attacks, many linked to Al-Qaeda, can be traced to Somali Islamic operatives. In 1998, the US embassies in Kenya and Tanzania were simultaneously bombed. In 2002, the Israeli-owned Paradise Hotel in Mombasa, Kenya was bombed and an Israeli El-Al airliner was simultaneously nearly

shot down by terrorists wielding SA-7 *Strella* surface-to-air missiles. In 2003, an attempted attack on the U.S. embassy in Nairobi was foiled by Kenyan authorities.[14] These sort of targeted attacks fall under the theory of destructive terrorism, as described by terrorism expert Robert Pape.[15] They attempted to coerce Westerners to leave Africa, inflict serious harm to US interests, mobilize support among radicals, and gain widespread media attention. In each instance listed, terrorists either entered Kenya from Somalia or fled there after the attacks, supporting the belief that there is an Al-Qaeda hub operating from Somalia. With the end of the Cold War and the erosion of security of Russian nuclear technology, Dempsey cites the greater likelihood that a nuclear weapon could be passed onto a terrorist hub, especially in the chaotic environment of a failed state.[16] If Somali hubs can connect with nodes in and outside of the US, then the threat is real and failed states serve as an acute risk to US national security, as well as the security of neighboring states of Kenya, Ethiopia, and Djibouti.

The US and its African partners have taken significant steps to combat terrorism in the Horn of Africa. These have taken the form of military strikes, law enforcement, security assistance programs, and addressing the root causes of terrorism in an attempt to win over the "hearts and minds of the people." Two specific initiatives stand out. In October 2002, the US launched the Combined Joint Task Force—Horn of Africa (CJTF-HOA). Based in Camp Lemonier in Djibouti, it is the only American military base in Africa. Tasked with "detecting, disrupting, and defeating transnational terrorist groups; countering the resurgence of international terrorism, and enhancing the long-term stability of the region," the 1,800-strong soldier and civilian force trains and shares intelligence with allied counterterrorist forces and troops of Djibouti, Ethiopia, and Kenya. It has also refurbished schools, clinics, provided medical services, and carried out poverty alleviations. The second initiative is the East Africa Counter-Terrorism Initiative (EACTI), formed in June 2003. EACTI falls more in line with the Bush administration's counter-terrorist priorities. The bulk of the $100 million in funding has gone to "hard" aspects of counterterrorism such as security programs, military training for border

control and coastal security, police training, and aviation security capacity. $10 million was allocated to Kenya's Anti-Terror Police Unit, and only $14 million went to "soft" methods of combating terrorism like education and building up basic infrastructure.[17] This US emphasis on military power in African counter-terrorism and effective solutions to combat terrorism will be discussed further on. First, the issue of state failure must be revisited.

While there is no functioning central authority in Somalia, peace and security do exist in certain areas. Somalia is, in other words, "without government but not without governance."[18] One clear example is Somaliland, the self-proclaimed autonomous region in the northwest of the country. Without a central government to protect them, the residents of Somaliland seceded in 1991 in order to provide their own security and they have enjoyed impressive success. Most of Somaliland is as safe as anywhere in the Horn of Africa and economic recovery has taken place there that is non-existent in the south.[19] Menkhaus explains that what sets Somaliland apart from the rest of the country is "a very strong commitment by civil society to peace and rule of law," which serves to deter criminals, warlords, and politicians tempted to exploit clan tensions. The lack of external assistance to Somaliland speaks volumes as well to the ability of Somali society to correct itself without outside help.[20] A similar, but less effective example is Puntland, another self-declared autonomous region occupying the northeast corner of the state, abutting Somaliland's eastern border. Both are examples of the "building block approach" to Somali state-building. Embraced at one time by external forces, the approach stressed the development of local governments that can maintain security and rule of law. What has emerged today in Somalia is something like medieval Europe—a "loose constellation of commercial city-states and villages separated by long stretches of pastoral statelessness."[21] The case of Somaliland, however, serves as a testament to the strength, adaptation, stability, and ingenuity of decentralized, local governance and its potential to play an active role in national reconciliation.

The abandonment of support for the state is widespread in Somalia, where most citizens harbor deep mistrust toward central

authority and the state as an institution. History sides with them on this, as the past twenty years have witnessed only weak and corrupt regimes that lined the pockets of those in control and usurped foreign aid meant for those suffering. For others, perpetuating statelessness is of greater benefit to them than the alternative. These people are known as "spoilers." They have usually arrived at this decision by witnessing their well-being decline every time a national government is partially resurrected.[22] They range from clansmen to businessmen, but all have one thing in common: they actively seek to maintain the status quo of a lack of central authority and an overall anarchic structure.

The US role in Somali state-building and national reconciliation has been faulty and unsuccessful overall. Blurring the threat of terrorism with local struggles, US authorities perceived the rise of the Islamic Courts Union in 2005 as an exploitation of Somalia's status as a failed state to spread radical Wahabbist ideology and secure a base for terrorists to operate from. While two factions of the ICU are indeed militant and jihadist administrations, large groups of the ICU that sought power in 2005 and 2006 were moderate Islamists like Sheik Sharif Sheik Ahmed, one of the Court's leaders who was a vocal proponent of dialogue with the West.[23] In addition, though Somalia is 98% Sunni Muslim, the majority ascribes to a moderate, secularized, and less strict form of Islam. Therefore, the ICU's rise did not represent a jihadist growth among Somalis, rather its sustained popularity was the result of its ability to restore security and order to vast swaths of Somali territory. Instead of working with the moderate elements within the ICU, the CIA paid between $100,000 and $150,000 a month to an alliance of warlords, the Alliance for Restoration of Peace and Counter-terrorism (ARPCT), to wage war to defeat them. The approach badly backfired when the Islamists repelled the attacks and took control of Mogadishu after heavy fighting that took over 300 lives.[24] When the ICU consolidated power and briefly took control in June 2006, their disarmament of militias and policing of city streets made Mogadishu the safest it had been in over fifteen years.[25] In this way, U.S. intelligence agents erred by reading too much ideological importance into what was essentially a localized

power struggle fuelled by the failure of the TFG to maintain any sort of stability. Focusing too much on ideological counterterrorism pushed out the central tenet of counterterrorist strategy itself—providing basic security. The ICU in 2006 had the potential to do just this. However, Ethiopia, backed by the US, invaded and ousted the ICU in late 2006 and remains in Somalia, holding up the excuse for a government that is the TFG.

A multi-faceted solution is necessary to combat terrorism in the Horn and the larger, more complex problem of state failure. In regard to driving out radical factions of the ICU, such as the extremist *Shaabab* movement, lessons can be drawn from theories on counterinsurgency and the U.S. experience in Iraq over the past two years. The "surge" tactics, carried out under the leadership of General David Petraeus, provide some useful tips that can be applied to co-opt radical factions in Mogadishu. Emphasis needs to be placed on policing and intelligence, two central tenets to counterinsurgency theory. In mirroring the increase of US troops in Iraq, a large African force, composed of many nationalities, must enter Somalia to put a stop to the violence. Increased troop presence means decreased violence and stable security for residents. Direct population of troops has the dual-sided affect of denying territory to insurgents and winning over the support of locals. In accordance with this, incentives must be provided for insurgents to refrain from violence. Perhaps a program modeled after the "Sons of Iraq" could take effect in Mogadishu in which militias would provide security in exchange for legitimacy and inclusion in the government. Another facet in counterinsurgency is the importance of local knowledge. Iraq's "Anbar Model" shows that increased troop presence and local knowledge can effectively root out extremists and allow for coexistence, even in an ethnically diverse region such as Anbar province.[26] Hopefully, a similar model could be applied to the violent clan warfare that has plagued Somalia. Cooperation with local intelligence denies insurgents of the crucial sanctuary and support they rely on within the civilian populace. Also, borders in Somalia must be patrolled to block foreign terrorists from entering, just as they did in Iraq via Syria. Despite the benefits of counterinsurgency, it should only be seen

as a temporary solution to end violence and pave the way for the TFG to provide security to its own people. The success of the Iraqi Security Force (ISF) gives hope to the idea that a legitimate public security force is possible in Somalia.

Barry Posen's theories on responding to humanitarian crises also support stable solutions that can be applied to Somalia. One method discussed is the "enforced truce," in which outside actors place enough military force into the area where fighting is underway that violence can no longer occur and peace is forced among parties.[27] For a long-term solution, a large military presence is needed. This force must be new and pan-African, not Ethiopian or U.S.-based, both of whom are already viewed as foreign occupiers. A robust African Union force such as this was authorized in January 2007, but has yet to take shape.[28] African nations must step up to the challenge and supply troops if they wish to see a drop in violence in the Horn of Africa. What must be remembered, however, is that humanitarian interventions serve in reality only as a "time-out."[29] They operate to save lives; they do not solve the political problems that produced the initial violence. That duty falls to the state, which must be actively utilizing the lull in violence to reconcile warring factions and find a durable political solution.

How can the Somali state reconcile its clan-based politics and warring parties? Crisis Group reports that "It is of the utmost importance to ensure that all key stakeholders—including clan elders, Islamic leaders, representatives of the business community, civil society and women—are engaged in an inclusive political and institutional process on the basis of the Transitional Federal Charter."[30] This means reaching out to moderate elements of the ICU and persuading them to reign in their radical factions in exchange for a share in government. This means striking a balance between a legitimate central authority that is recognized, but allows local governance to endure as the nature of Somali security. Menkhaus describes a "mediated state in which the government relies on partnership (or at least coexistence) with a diverse range of local intermediaries and rival sources of authority to provide core functions of public security, justice, and conflict management . . ."[31] There is no zero-sum solution on any of these matters, each require compromise.

US and UN approaches have focused on a top-down state-building approach, believing that Somalia can only begin to stabilize once a central authority is in place, despite how weak it is. In actuality, external forces should be supporting bottom-up peace-building approaches of attaining basic stability, security, and infrastructure in localities and cautiously applying local governance stability to the formation of a unified and diverse central authority made up of both Islamist and secular elements.

In sum, U.S. counterterrorism strategy must focus more on "soft tactics" similar to the CJTF-HOA's actions in Djibouti. Instead of targeted strikes and arrest rates, U.S. counterterrorist forces should be joining with their African counterparts to eradicate poverty, resolve conflict, and build peace. Combined with an increase in soft counterterrorism should be a more specific protocol for the use of hard tactics.

Strategists need to avoid the sort of anti-American sentiment that resulted from the U.S. AC-130 airstrikes in January and February of 2007 that were aimed at al-Qaeda operatives but caused civilian casualties as well.[32] Indiscriminate bombing, or bombing that seems indiscriminate, alienates the community, as Posen explains.[33] Dempsey outlines an additional strategy of integrating U.S. foreign intelligence, the military, and US law enforcement to seek out, apprehend, arrest, and ultimately try terrorists in international criminal tribunals.[34] This would inspire rule of law and treat them as criminals instead of belligerents. He also suggests recruiting Somalis from the diaspora to serve in community police forces, allowing them to empathize with residents and be trusted in return.[35]

Complementing an improved counterterrorist strategy should be a bold approach to state building focused on compromise, reconciliation, and incentives for all groups to take part. As Ethiopian troops withdraw, a multi-national African Union force should move in to maintain peace, giving the TFG a chance to reach out to moderate elements of the ICU as well as other powerful clans to form a national government that is able to reassert the basic functions of a state. This process will not be quick and it will not be easy. It will involve painful concessions from all sides and there

will be many obstacles to overcome. Continued monetary and strategic support from the US and especially the EU is necessary to foster this solution, while AU troops create stability on the ground in Somalia. State building is an exceptionally complicated and difficult process, but the US and the larger international community cannot afford to abandon Somalia once more.

Endnotes

1. Jeffrey Gettleman, "Situation in Somalia Seems About to Get Worse," *New York Times*, (7 Dec. 2008): 1–3.
2. Ken Menkhaus, "Governance without Government in Somalia: Spoliers, State Building, and the Politics of Coping," *International Security* 31, no. 3 (Winter, 2006/2007): 80–81.
3. Jonathan Stevenson, "The Somali Model?," *The National Interest* (Jul./Aug. 2007): 42.
4. Menkhaus, "Governance," 81–82.
5. Thomas Dempsey, "Counterterrorism in African Failed States: Challenges and Potential Solutions," *U.S. Army War College: Strategic Studies Institute* (Apr. 2006): 1.
6. Quoted in Dempsey, "Counterterrorism," 2.
7. Menkhaus, "Governance," 74.
8. Robert Rotberg, quoted in Dempsey, "Counterterrorism," 12.
9. William Pope, quoted in Peter Kagwanja, "Counter-terrorism in the Horn of Africa: New security frontiers, old strategies," *Institute for Security Studies: Africa Security Review* 15, no. 3 (2006): 81.
10. Dempsey, "Counterterrorism," 10.
11. Dempsey, "Counterterrorism," 1.
12. Dempsey, "Counterterrorism," 7.
13. Ken Menkhaus, "State Collapse in Somalia: Second Thoughts," *Review of African Political Economy* 30, no. 97 (Sep. 2003): 413.
14. Kagwanja, "Counter-terrorism in the Horn of Africa," 73.
15. Robert Pape, "The Strategic Logic of Suicide Terrorism," *American Political Science Review* 97, vol. 3 (Aug. 2003): 345.
16. Dempsey, "Counterterrorism," 17.
17. Kagwanja, "Counter-terrorism in the Horn of Africa," 82.
18. Menkhaus, "Governance," 90.
19. Menkhaus, "Governance," 91.
20. Menkhaus, "Governance," 93.
21. Menkhaus, "Governance," 86.
22. Menkhaus, "Governance," 91.
23. "Somalia: The Tough Part is Ahead," *ICG Africa Briefing* 45, International Crisis Group, (26 Jan. 2007): 11.
24. Kagwanja, "Counter-terrorism in the Horn of Africa," 83.
25. Menkhaus, "Governance," 89.
26. Stephen Biddle, et. al. "How to Leave a Stable Iraq." *Foreign Affairs*, Council on Foreign Affairs, (Sep./Oct. 2008): 2.
27. Barry R. Posen, "Military Responses to Refugee Disasters," *International Security* 21, no. 1 (Summer, 1996): 105.
28. "Somalia: The Tough Part is Ahead," 13.
29. Posen, "Military Responses," 108.
30. "Somalia: The Tough Part is Ahead," 11.
31. Menkhaus, "Governance," 78.

32. Jonathan Stevenson, "Risks and Opportunities in Somalia," *Survival* 49, vol. 2 (Summer, 2007): 14.
33. Posen, "Military Responses," 87.
34. Dempsey, "Counterterrorism," 21.
35. Dempsey, "Counterterrorism," 27–8.

Opportunity or Diversion: Venezuela's Mobilization of Troops in the Andean Diplomatic Crisis

Nick Welsh
Tufts University

A Puzzling Mobilization

In the early morning of March 1, 2008, Colombia launched a military attack against key members of the terrorist group known as the Revolutionary Armed Forces of Colombia (FARC) that were situated in an encampment one mile over the Ecuadorian border. The bombing raid left 25 dead, including 59 year-old senior FARC member Raúl Reyes, widely regarded as the organization's number two man and responsible for over 100 counts of murder and kidnapping.[1] Shortly after, Colombian President Álvaro Uribe asserted that the mission, termed "Operation Phoenix," was intended only to target the terrorist group, and Colombian officials formally apologized to Ecuador and maintained that Colombia had never aimed to disrespect or violate its sovereignty.[2] Nevertheless, the event quickly sparked what became known as the March 2008 Andean Diplomatic Crisis. Ecuador responded by cutting off diplomatic ties with Colombia, expelling the Colombian ambassador, and sending 3200 troops to the border.[3] Then, Venezuelan authorities denied entry to Colombian cargo trucks trying to cross the border, effectively halting commerce between the two major trading partners, and followed Ecuador in severing diplomatic

ties with Colombia.[4] Finally, Venezuelan President Hugo Chávez announced the mobilization of 10 army battalions including tanks and aircraft to the Colombian border.[5]

What were Hugo Chávez's motives in mobilizing troops on the Colombian border? This question arises for a variety of reasons. First, Chávez's action brought Venezuela into a bilateral conflict in which it had not been directly involved, and then escalated it to a regional crisis. Second, there was no overt or explicit indication that Colombia threatened Venezuela. In fact, Colombian officials sought to make clear in their public announcements that they had no intention of attacking Venezuela. Third, the closing of the Colombian-Venezuelan border to cargo trucks and severing of diplomatic ties with Colombia, given the two countries' high level of trade and Venezuela's dependence on its neighbor for food exports, was either a bluff or the start of an economic disaster for Chávez.[6]

This paper offers a multivariate explanation for Chávez's seemingly puzzling action. In his outspoken campaign to challenge Colombian dominance in the region and its close ties with the United States, Chávez aimed to intimidate Colombia with the military mobilization at the border in an opportunistic attempt to isolate his rival, extend Venezuela's influence in the region, and defend against a possible Colombian raid into Venezuelan territory. In addition, faced with growing food shortages and economic woes at home, the mobilization of troops gave Chávez a respite from the negative press his administration was receiving, as news of Venezuelan's entrance into the Colombo-Ecuadorian crisis dominated the headlines.

Two theories of international relations and state behavior offer competing hypotheses with which to understand Chávez's action in the Andean Diplomatic Crisis. First, the school of offensive realism maintains that states face pervasive uncertainty about others' intentions, operate from worst-case assumptions, and engage in opportunistic endeavors to expand or weaken political opponents.[7] Offensive realism in general, and its core assumption of opportunism in particular, thus posit that Chávez's move to mobilize troops is understandable as an attempt to expand Venezuela's political influence in the region and to preclude a future

Colombian invasion. In other words, offensive realism would expect the Venezuelan president to have exploited the Andean crisis both to enhance his country's regional influence in the present and to ward off a possible (although not necessarily probable) conflict between Venezuela and Colombia in the future. The hypothesis predicts that public statements from Chávez would reflect a desire to capitalize on Colombia's controversial military incursion, while those indicating that Venezuela did not seek any opportunistic goals would undermine the explanatory power of offensive realism in this case.

Second, the diversionary theory of war offers a different causal link to explain Chávez's military mobilization. Diversionary war theory maintains that in certain situations leaders use or threaten to use force in order to divert or steer public attention. Myriad studies have come to quite different conclusions on the possible correlations between a host of variables (ranging from presidential approval ratings, partisan support in government, and economic conditions) and the use of force.[8] Diversionary war theory thus explains the mobilization of the Venezuelan military as an attempt on Chávez's part to divert public attention away from the domestic economic woes the country was suffering. It sees a weak domestic economy and low public presidential approval rating as indicators of a likely use of force abroad by beleaguered elites. Furthermore, briefings from Caracas around the time of the crisis ought to show Chávez steering public attention in a diversionary manner. However, the presence of a booming domestic economy and a high presidential approval rating would cast doubt on diversionary war theory as a viable explanation of the mobilization of troops, as would public addresses from Chávez that did not seek to divert public attention from domestic problems.

It is necessary at the outset of this paper, though, to make a certain caveat. A research question targeting a leader's motives for authorizing a controversial mobilization of troops is not an easily quantifiable endeavor. That the leader in question is Hugo Chávez makes it doubly difficult, given his record of perplexing military and political decisions. Moreover, there is little availability, if any, of government records or meeting transcripts from Caracas that

would shed light on the underlying decision making processes of Chávez and his reasons for the mobilization. Just nine months removed from the event, we must rely on public statements by Chávez and other top Venezuelan officials, briefings from regional experts, and journalistic accounts of the crisis in order to draw conclusions. Even then, one must view such conclusions in light of the difficulty, and perhaps subjectivity, inherent in assessing a leader's motives for threatening force. In sum, it may not be possible to find a so-called "smoking gun" that provides a clear-cut rationale and explanation for the mobilization.

Nevertheless, it is worthwhile to investigate the motives for Chávez's military action as it led to the escalation of a two-sided incident into a regional crisis nearing war. With Colombia determined to counter FARC insurgency—domestically or potentially outside its borders—its neighbors' responses and its relationship with Venezuela are key elements to the potential success of that goal and to the ramifications it has for the stability of the region.

Theories of Offensive Realism and Diversion

The hypotheses outlined in brief above come from two competing theories of international relations. Both have the potential to explain the puzzling decision on the part of Venezuelan President Hugo Chávez to mobilize troops to the Colombian border in March 2008 after Colombia launched a military incursion against a FARC encampment a mile across its border with Ecuador. The first hypothesis comes from the theory of offensive realism, a variant of the broader realist school of thought in international relations scholarship. In *The Tragedy of Great Power Politics*, John J. Mearsheimer outlines offensive realism and argues that first among the operational state goals of great powers is the desire for regional hegemony. His theory states at the outset that the primary motive for states is survival and that the nature of the international system leads great powers to behave offensively.[9] He argues that great powers seek not only to maximize relative power in their own region, but also to stop rival states from acquiring more power.[10] Accordingly, offensive realist theory holds that states strive to capitalize on opportunities

to shift the balance of power in their favor. Due to the anarchic and uncertain system in which states operate, Mearsheimer holds that great powers inevitably fear each other since they have military capabilities that they can use against one another, and since there is no world police regulating their use. This fear, he says, derives from and varies with the levels of potential and actual power other states possess.[11] In sum, offensive realism as Mearsheimer explains it predicts that great powers are cognizant of and sensitive to the balance of power between them and rival states and seek opportunities to shift it in their favor.[12]

Though Mearsheimer focuses on the behavior specifically of great powers in his theory of offensive realism, his logic is adaptable and applicable to other situations. If the same systemic pressures and conditions that face great powers are present in a scenario involving non-great power states, there is no reason these states will not behave as Mearsheimer argues great powers do. That is, given that non-great power states find themselves in an anarchic and uncertain international system (which they almost inevitably do) and are confronted with neighbors or regional foes competing for power and dominance, they will face a need for security and survival and will operate accordingly. In terms of the research puzzle at hand, fear of other states' relative power and the competitive nature of great power politics are equally applicable to interstate relations between Colombia and Venezuela.

As political scientist João Resende-Santos argues in his book *Neorealism, States, and the Modern Mass Army*, many scholars have for years misperceived South America as a region of relatively peaceful interstate politics managed, they presume, by the overarching supremacy of the United States. Instead, he argues, interstate violence and conflict have been present for centuries. Though in the past it may have failed to match the frequency and scale of European wars, South America is nonetheless a self-contained realm of competition and power-balancing where interstate relations hinge on rivalries, territorial disputes, and the relative power and capabilities of one's neighbors.[13] The same systemic pressures facing great powers, and the balance of power framework, thus provide a basis for analysis of international politics in South America.

On the other hand, diversionary war theory takes a different explanatory tack for why states go to war. Since Jack Levy's 1989 reworking of then-current diversionary way theory literature, the bulk of which proposed (quite vaguely) that leaders sometimes utilize military action when confronted with domestic problems or instability, there has been a wealth of scholarship on the theory that has posited causal relationships between a variety of variables and a leader's propensity for the use of force. In particular, scholars have argued that presidents use military action or the threat of force to divert attention away from such domestic woes as a weak economy or low presidential approval ratings.[14] Further studies have found links between the likelihood of force and other systemic conditions, such as high congressional support, the election cycle, and rising unemployment.[15] Though many studies of both US presidents and other states' leaders have found evidence of diversionary tactics in their decisions to use force, not all research has come to the same conclusions. There is considerable disagreement on what factors or situations inspire leaders to divert attention away from domestic problems with the use of force, or on how effective that force actually is as a diversionary tactic. One study found a correlation between the US use of force and strong economic performance, while another established high levels of US military use during times of a struggling economy. In addition, while some scholars have argued that much of the motivation (and potential success) of a diversionary tactic is the "rally" effect it creates among the populace, several studies have undermined support for diversionary theory by challenging this notion. In particular, they note the counterfactual argument that a noticeable boost in presidential support after military action in a weak economy might be less of an increase than would have come without the use of force. Finally, while some scholars have found greater use of force in election years, others have noted that certain types of military action actually decrease at that point in the election cycle.[16]

The two theories thus yield contrasting hypotheses for the research puzzle at hand. First, offensive realism, and the adaptation that seems appropriate to make between great power behavior and Colombo-Venezuelan relations according to Resende-Santos,

posit that Hugo Chávez's decision to mobilize troops to the Colombian border in the wake of the raid into Ecuador was motivated by aims to shift the relative balance of power in Venezuela's favor. According to Mearsheimer's theory, states face pervasive uncertainty about other states' actions and must seek opportunities to increase their power relative to their regional foes. Accordingly, Chávez saw an opportunity to strengthen Venezuela and weaken its neighbor by mobilizing troops in response to Colombia's controversial military incursion in pursuit of several possible goals. First, to portray Venezuela as the champion of the diplomatic crisis, the mobilization of troops spearheaded the negative response of several South American states to Colombia's blunder, effectively uniting other nations against Colombia and thus isolating Venezuela's key rival. Second, Colombia had already sent troops to the Venezuelan border on an occasion leading up to the March 1 events for other reasons.[17] Thus the military mobilization served to assert that should Colombia try similar tactics of cross-border incursion against the FARC in Venezuela (where it was suspected there were other encampments) Chávez would be prepared and prone to retaliate with force. In other words, since states fear one another and the actual and potential power they possess, Chávez took the opportunity to preclude any future raid into Venezuela, a diplomatic strategy to strengthen his country's position in the face of a potentially aggressive neighbor with military capabilities vastly more powerful that Venezuela.

The hypothesis from offensive realism thus leads to specific predictions that would support its explanatory power. First, public statements from the Venezuelan president should reflect a desire to capitalize on Colombia's controversial military incursion. It would follow that the controversy surrounding Colombia's action into Ecuador was viewed in Caracas as a diplomatic opportunity. Likewise, one would expect Chávez and his top officials to speak of affirming Venezuelan leadership and dominance in the region and of precluding any future Colombian incursion into their territory. The hypothesis would find further support in journalistic accounts of the event by reporters and experts close to the crisis that attributed the mobilization of troops to a goal of expanding

Venezuela's regional influence. Given the proximity of the event, it is appropriate, if not necessary, to turn to secondary sources for assessments of Chávez's motivations. Conversely, public presidential statements indicating that Venezuela did not seek any opportunistic goals, or journalistic accounts of the crisis that reported no such opportunistic aspirations on the part of Chávez and his officials, would undermine the explanatory power of offensive realism in this case.

Diversionary war theory, however, posits that Chávez's move to mobilize troops and threaten war was driven not by an opportunistic vision to shift the relative balance of power or to isolate rival Colombia but by domestic factors away from which he hoped to divert public attention. The scholarship around diversionary war theory, however, has produced quite varied conclusions. For this particular research puzzle, I test the notion that a weak domestic economy and low presidential approval ratings serve as motivating factors for a leader to go to war. In doing so, this study will seek both to support certain variants of diversionary war theory, while undermining others (namely those that find correlations between economic strength or high presidential approval and the presence of military action).

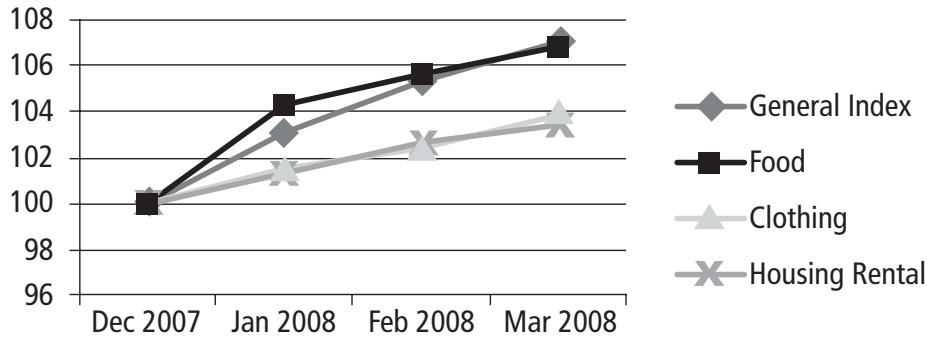
The hypothesis drawn from diversionary war theory thus predicts that in the period leading up to the Andean Diplomatic Crisis, one ought to find Venezuela was suffering from a weak economy and that Chávez's approval rating was low or in decline. Furthermore, this hypothesis would find additional support in announcements and briefings from Caracas around the time of the crisis in which Chávez and his officials steered public attention in a diversionary manner away from domestic economic woes and towards the intervention in the Colombia crisis. However, either the presence of a booming domestic economy and a high presidential approval rating (while perhaps supporting other variants of diversionary war theory) would cast doubt on this particular hypothesis as a viable explanation for the mobilization of troops. Similarly, public addresses from Chávez and Venezuelan officials that did not seek to divert public attention from domestic problems would undermine support for this hypothesis as well.

Problems at Home or International Opportunity?

It is most logical to begin with a look at the social, political, and economic climate that preceded the Andean Diplomatic Crisis and in which President Hugo Chávez made the decision to mobilize troops to the Colombia border. As laid out above, the hypothesis drawn from diversionary war theory seeks to test the premise that economic woes and low popular presidential support motivated Chávez to threaten to use force. There are a great number of economic statistics and measurements that evaluate the state of an economy; I have selected four that best indicate the strength of the Venezuelan economy in the period leading up to the crisis as they evaluate the economic standing of the average Venezuelan consumer, and the change in the growth and strength of the economy. Both of these conditions are central to whether Chávez was a) facing a weak economy, and b) operating under consideration of it when he mobilized troops.

One indicator used in assessing economic strength is the consumer price index (CPI). The CPI is a measurement of a collection of goods and services that consumers buy, use, or pay for deemed representative of the purchases of a typical consumer.[18] It is most commonly utilized as an average measure of price inflation and consumer purchasing power.[19] A rise from period to period in CPI is thus one indication of rising inflation, decreasing purchasing power for consumers, and possible cause for public discontent with economic policy. In the case of the strength of the Venezuelan economy leading up to the March crisis, there had indeed been a rise in CPI in consumer categories across the border. Such essential items as food, clothing, housing rental, saw rises of 4–7 percent in the four months preceding the crisis, with some product groups rising as much as 11 percent. The general index increased by 7.1 percent during the period of December 2007 to the time of the mobilization of troops. Figure 1 displays changes in the CPI of Venezuela in the months leading up to the decision to mobilize the military in the categories of food, clothing, housing rental, and a general index averaging all consumption groups.[20]

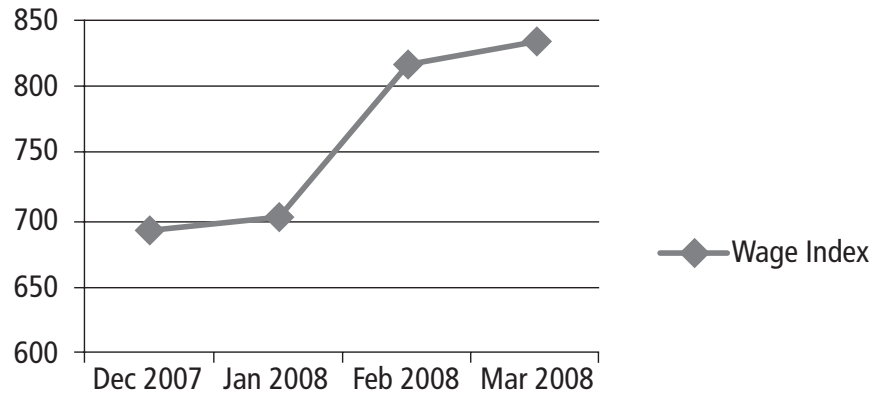
Figure 1. Venezuelan consumer price index from December 2007 to March 2008 for food, clothing, housing rental, and general index (Base: December 2007 = 100)



The rise in CPI, however, is only part of the picture. While rising prices may well have caused public consternation and drawn attention to the country's economic situation, its effect is only understandable when compared, or at least considered, with percentage change in wages. In fact, the CPI is one of the primary gauges that indicate if and how much money incomes ought to be adjusted.[21] Figure 2 shows the change in the wage index over the same period of December 2007 to the start of the crisis.[22] In this same window of time, the domestic wage index saw a rise directly proportional to the increase in CPI, climbing 20.3% in the months leading up to the events of March 1, 2008 and matching the upward trend of the CPI month to month. Rising prices may have drawn public attention to the state of the economy, but actual purchasing power for the Venezuelan populace, at least on average, appears not to have declined in the lead up to Chávez's mobilization of troops.

Two other economic statistics, however, production volume and gross domestic product (GDP), serve as additional indicators of the economy's activity and strength. As a measure of the output of a given economic sector or of the economy as a whole, production volume is a fitting indicator of the economic climate; greater volume across all industry ought to imply a strong or strengthening economy, since economic instability or turmoil usually causes

Figure 2. Venezuelan wage index from December 2007 to March 2008 (Base: 1997 = 100)



or coincides with a shrinking of production. Figures 3 and 4 show the changes in Venezuelan production volume and GDP, respectively, in the months preceding the diplomatic crisis.[23] Venezuela saw a sharp decline in both economic indicators. Production volume in the private manufacturing sector fell 28.9% percent in the month of December 2007, just three months from the decision to mobilize troops, after climbing steadily for almost a year. Likewise, Venezuelan GDP had not seen a quarterly decrease in nearly five years when it dropped 1.4% between the fourth quarter of 2007 and the first quarter of 2008. That both statistics fell is a solid indication that the state of the economy in the months preceding Chávez's decision to mobilize troops in response to the Colombian incursion was at best experiencing a lull in the steady growth of the previous years.

The other condition on which the hypothesis from diversionary war theory hinges is the presidential approval rating. The hypothesis would find support if Chávez faced low public approval ratings in the months preceding his decision to send troops to the border. However, just as there are myriad measures of economic performance, there is significant variance in approval ratings depending on what organization conducts the poll. Groups considered sympathetic to the opposition tend to report statistics

Figure 3. Venezuelan production volume from April 2007 to March 2008 (Base: 1997 = 100)

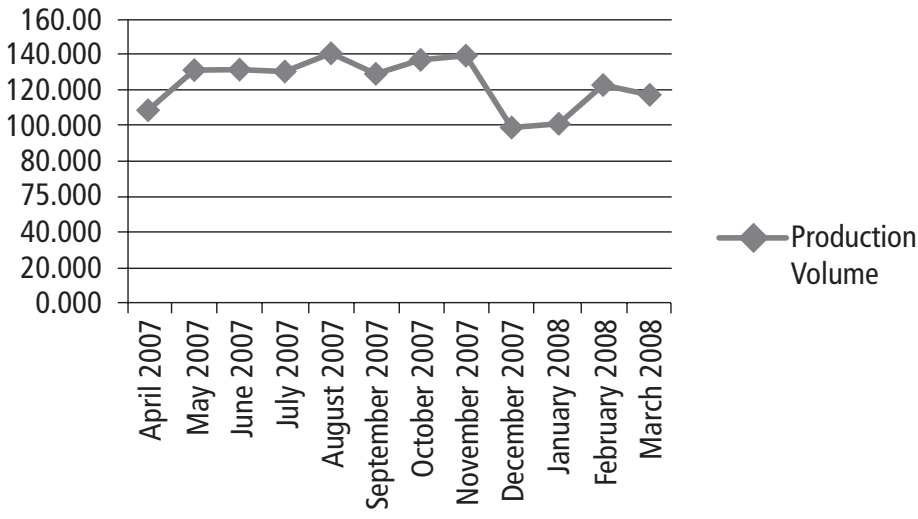
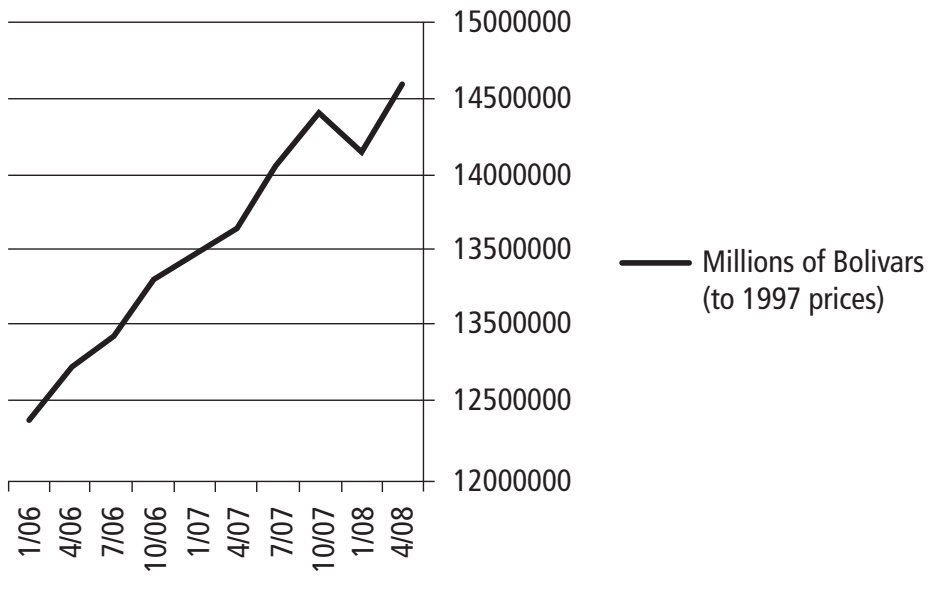


Figure 4. Venezuelan gross domestic product (GDP) from January 2006 to April 2008



far less approving and more critical of the administration, while those close to the government produce numbers largely in support of Chávez and his management of the country. Certain polling organizations, however, are more objective than others and provide worthwhile indicators of public sentiment towards Chávez and the government.

From February 8 to February 20, the Venezuelan Institute of Statistics (IVAD) found 67.3% of Venezuelans approved of Chávez's record as president. The study was published through the Agencia Bolivariana de Noticias (Bolivarian News Agency) and reported other statistics that showed increased contentment with governmental policy and management over the previous year.[24] A study by Venezuelan Opinion Studies (VENOPSA) found quite similar results just weeks prior to the IVAD poll: 67% percent of Venezuelans questioned had a "highly positive evaluation of President Chávez's management." The outlier study seems to be from the organization Datos, which by all accounts is sympathetic, if not blatantly skewed, towards those in opposition to Chávez. The Datos poll put Chávez's approval rating in the month of February 2008 at 34%, well below the data from IVAD and VENOPSA. In the same study, 57% of those polled said the nation was doing very poorly, and around 40% blamed Chávez for the country's problems while only 20% thought he was not responsible.[25]

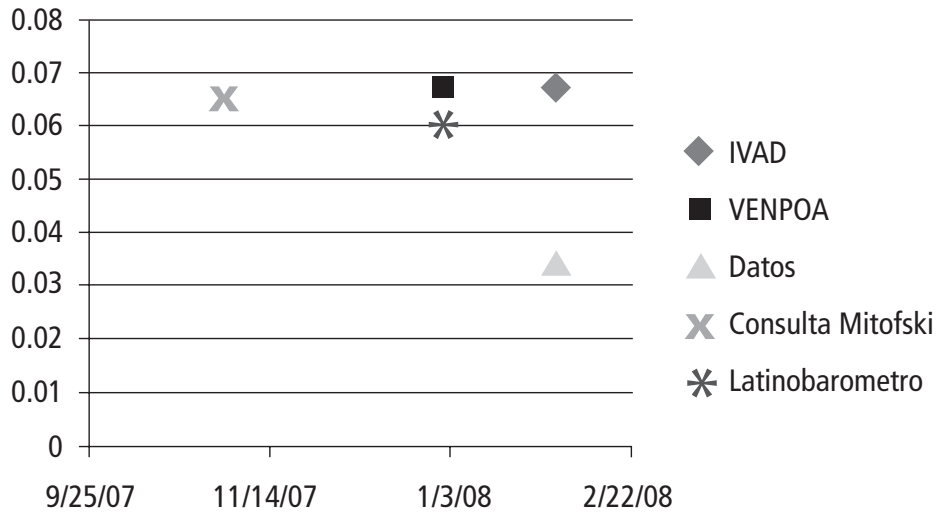
The Datos study seems well outside the norm, as it is lower than all other studies from during the period at hand and is linked to the Venezuelan opposition newspaper *El nacional*. While the IVAD and VENOPSA studies were conducted shortly before the March crisis, polls taken towards the end of 2007 show that the February 2008 levels of approval were not declining from higher ratings but were holding steady. In November 2007, Mexican polling company Consulta Mitofski put Chávez's approval at 65%—on par with ratings at the time of the crisis.[26] Furthermore, Chilean firm Latinobarómetro, a widely respected polling company, released a 2007 survey of 18 Latin American countries in January 2008 and found 60% of Venezuelan's approved of Chávez's management in that year, 61% were content with the government as a whole, and 59% were "very satisfied" or "pretty satisfied" with the

state of the Venezuelan democracy.[27] Figure 5 shows the compilation of these polls at the point in time they were conducted.

The economic and political context leading up to the March crisis and the mobilization of troops gives at best mediocre support for the predictions of the hypothesis derived from diversionary war theory. While there was a notable drop in economic performance counter to the trend of the past several years, one must remember that correlation is not causation. The weak economy could have simply coincided with Colombia's raid into Ecuador and to Chávez's military response. How, then, do the actual statements and briefings of Chávez and his top officials correlate or contrast with the climate in which the crisis took place? How did journalists and experts close to the events analyze and account for the Chávez's decision to send troops to the border?

Late on March 1, the same day the incursion into Ecuador took place, Colombian officials announced that documents on a computer belonging to FARC leader deceased Raúl Reyes seized from the FARC encampment linked the rebel group to the Ecuadorian

Figure 5. Approval ratings for Venezuelan President Hugo Chávez conducted from November 2007 to February 2008 by various organizations



government.[28] The next day, on March 2, Colombian police chief General Oscar Naranjo announced at a news conference in Bogotá that information on the same computer linked Chávez to $300 million in financial support to the FARC, which Naranjo referred to as "more than cozying up, but an armed alliance between the FARC and the Venezuelan government."[29] There was thus ample suggestion that Chávez and the FARC were connected, financially at the very least. Given that it took mere suspicions that the rebel group was camped out over the Ecuadorian border for Colombia to launch the March 1 cross-border incursion, it is certainly conceivable that with the recovered computer information, and the aggressive announcements from Bogotá, Chávez would have feared, if not anticipated, a similar raid into Venezuelan territory.

The Venezuelan President himself was concise in announcing the mobilization of troops, which took place late on March 2 (after Naranjo's press conference) on his weekly television show *Aló Presidente*. Speaking directly to his Defense Minister, Chávez instructed him to move 10 battalions to the Colombian border and then ordered the expulsion of the Colombian ambassador to Venezuela, to which the gathered crowd applauded.[30] That the decision to mobilize the military was televised certainly drew public attention, but the action nevertheless resonated as one of posturing and deterrence. Many assessed Chávez's puzzling action as a show of force to assert Venezuelan determination and preclude a future Colombian threat. Just hours after the announcement of the mobilization, opponents to the President, though doubtless biased in their evaluation of the event, criticized his decision to mobilize troops and fighter jets as a show of Venezuelan force.[31] Indeed, Chávez had made reference in his March 2 televised speech to his newly-acquired Russian warplanes, addressing Colombian President Uribe and warning "if you decide to do this in Venezuela, pal, we'll send you a few Sukhois."[32] He went as far as to say that Colombia's action was very serious and "could be the start of a war in South America."[33] Such threatening rhetoric certainly supports the notion that Chávez sought to stand firm against the controversial raid and intimidate rival Colombia, be it through posturing or legitimate threats.

A week after the crisis, Ricardo Hausmann, former Venezuelan Minister of Planning and director of Harvard's Center for International Development, said it was not, in fact, domestic economic woes that spawned the mobilization but genuine fear on Chávez's part that Colombia would launch a similar attack into Venezuela. Hausmann believed there were indeed other FARC leaders in Venezuela and that Chávez "tried to deter the Colombian Army forces from [launching an incursion]." Furthermore, Hausmann argued that Chávez had contacted his counterparts in other South American countries after the incursion and asked them to sever diplomatic relations with Colombia. Why else, he said, would Nicaraguan President Daniel Ortega cut ties with Colombia after its military operation in Ecuador?[34] On top of deterring a future Colombian threat, Chávez thus deliberately sought to isolate its rival by rallying regional countries against it.

Conclusion

It is difficult, if not impossible, for the research puzzle at hand to find a clear answer given the proximity of the event and the scarcity of primary sources. That Chávez has a history of outlandish political maneuvers only adds to the obfuscation. Were it possible to find transcripts of meetings between Chávez and his aides during which he spoke candidly about his intentions, such a puzzling decision would have a clear cut rationale. Nevertheless, the political and economic climate that set the stage for the events of early March, the statements of Chávez himself, and the assessments of Andean political experts provide a good sense of the likely driving forces behind the military action.

Support for the diversionary war hypothesis is, like the scholarship on the theory itself, ambiguous and inconclusive. Data on presidential approval rating either undermines the hypothesis, or offers support only when polling organizations known to be sympathetic to the opposition are emphasized. From an economic standpoint, the country was without doubt experiencing inflation as prices rose across the board. Wages, however, climbed as well—enough, it would seem, to at least offset the rise in

consumer costs. Apart from consumption, macroeconomic indicators point towards a lull around the end of 2007 in the steady growth the economy had enjoyed for some time. Was this was the primary rationale for Chávez's decision? I think not. For one, no matter how much Venezuela's economic woes were weighing on the President's mind, the decision to take military action towards Colombia came only *after* Colombia had made what all regarded as a controversial incursion into Ecuador. The notion that the mobilization was motivated primarily by the poor economic situation would be bolstered had he initiated a military action without Colombia acting first. That the mobilization was, instead, a response to Colombia's blunder does not rule out the viability of the hypothesis, but it does make it difficult to determine whether it was a diversionary tactic under the guise of confronting Colombian aggression, or a show of force. Distracting the public from poor economic times may have been the added bonus that pushed Chávez to mobilize troops, but given the diplomatic and strategic concerns involved in the event it likely was not the primary end. Without access to what Chávez said to his top officials vis-à-vis his concerns about the economy and his rationale for mobilizing the military, we are left with the economic and political atmosphere in Venezuela before and during the crisis, neither of which points conclusively towards diversion.

Instead, evidence suggests concerns of a future Colombian strike and aims to capitalize on a rival's diplomatic blunder were prominent factors for the mobilization. Rumors of FARC leaders in Venezuela had grown more definitive after the Colombian raid when computer files were found linking Reyes and Chávez, and thus so too was a Colombian incursion into Venezuela more conceivable. For years Chávez has spewed anti-Colombian rhetoric, challenging Colombian dominance and its close ties with the US. Moreover, in the wake of Reyes' death (who he admiringly termed a "true revolutionary") he divulged that he had met with Reyes three times since the 1990s, offering what one journalist called a look into the "murky ties" between Chávez and the FARC.[35] Given Chávez's precedent of anti-Colombian sentiment and the increased suspicion of FARC ties, it is reasonable to attribute at least some of

Chávez's motivation for mobilizing troops to concerns of relative power and fears of malevolent intentions. Furthermore, while the diversionary hypothesis is clouded by the fact that the mobilization came after the Colombian raid, the hypothesis derived from offense realism finds even more support in the responsive nature of the military action since it was Colombia's stumble that provided Chávez with the *opportunity* to assert his unwillingness to accede to Colombian aggression as well as to strengthen Venezuela's borders from a potential attack.

The explanatory power of the specific hypotheses derived from these two theories is inherently limited with as complex (and recent) an event as this. But given the framework of the research puzzle at hand, the Andean Diplomatic Crisis reinforces the logic of offensive realism more than it does the rationale for military action from diversionary war theory. It is crucial to understand the motivation for South American leaders' military actions in a region so quickly brought to the brink of war. To that end, the March crisis illustrates the applicability of realist logic to the dynamics of South American politics, and asserts the tenuity of relations among power-seeking states.

Endnotes

1. Ray Walser, "The Crisis in the Andes: Ecuador, Colombia, and Venezuela" (lecture, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, 10 April 2008). http://www.heritage.org/Research/LatinAmerica/upload/hl_1080.pdf (accessed 30 September 2008).
2. "Neighbors cut ties with Colombia," *BBC News*, 4 March 2008. http://news.bbc.co.uk/2/hi/americas/7276228.stm (accessed 30 September 2008).
3. Chris Kraul, "Colombians back president," *Los Angeles Times*, 7 March 2008. http://www.latimes.com/news/printedition/asection/la-fg-colombia7mar07,1,3325476.story (accessed 30 September 2008); Walser, "The Crisis in the Andes: Ecuador, Colombia, and Venezuela."
4. "In a fury, Venezuela blocks Colombia trade," *International Herald Tribune*, 7 March 2008. http://www.iht.com (accessed 30 September 2008).
5. Ian James, "Chávez sends tanks, troops to border with Colombia, orders embassy closed," *Associated Press*, 3 March 2008. http://www.timesargus.com/apps/pbcs.dll/article?AID=/20080303/NEWS01/803030330/1002/NEWS01 (accessed 30 September 2008).
6. "In a fury, Venezuela blocks Colombia trade."
7. John J. Mearsheimer, *The Tragedy of Great Power Politics*. (New York: Norton, 2001), 43, 140–141.
8. Ryan C. Hendrickson, "Clinton's Military Strikes in 1998: Diversionary Uses of Force?" *Armed Forces & Society*, Vol. 28, No. 309 (Winter 2002), pp. 310–311.
9. Mearsheimer, *The Tragedy of Great Power Politics*.
10. Ibid., 140–141.
11. Ibid., 43.
12. Ibid., 329.
13. João Resende-Santos, *Neorealism, States, and the Modern Mass Army*. (New York: Cambridge University Press, 2007), 108–116.
14. Karl DeRouen, Jr., "Presidents and the Diversionary Use of Force," *International Studies Quarterly* 44, no. 2 (June 2000): 317.
15. Ibid., 318.
16. Ibid., 319.
17. "Chávez Closes Venezuelan Embassy in Colombia," *NowPublic*, 2 March 2008. http://www.nowpublic.com/world/Chávez-closes-venezuelan-embassy-colombia-updated-vii (accessed 10 November 2008).
18. "Economic Indicators (By the Numbers)," Federal Reserve Bank of New York. http://www.newyorkfed.org/education/bythe.html#cpi (accessed 10 November 2008).
19. "Resolution concerning consumer price indicises," International Labour Organization: 1–2. http://www.ilo.org/public/english/bureau/stat/download/res/cpi2.pdf (accessed 10 November 2008).
20. "National Consumer Price Index Classified by Groups (Monthly)," Banco Central de Venezuela. http://www.bcv.org.ve/EnglishVersion/c2/index.asp?secc=statistinf (accessed 10 November 2008).

21. "Resolution concerning consumer price indices": 2.
22. "Wage Index: Percentage and Variations," Banco Central de Venezuela. http://www.bcv.org.ve/EnglishVersion/c2/index.asp?secc=statistinf (accessed 10 November 2008).
23. "Macroeconomic Aggregates: GDP" and "Indicators of Economic Activity: Price, Volume, and Value Indexes," Banco Central de Venezuela. http://www.bcv.org.ve/EnglishVersion/c2/index.asp?secc=statistinf (accessed 8 November 2008).
24. "67.3% of Venezuelans approve of Chavez's management," *Agencia Bolivariana de Noticias*, 27 February 2008. http://www.abn.info.ve/index.php (accessed 9 November 2008).
25. James Suggett, "Chávez Approval Rating 68.8%, Recent Venezuelan Poll Shows," *Venezuela Analysis*, 14 May 2008. http://www.venezuelanalysis.com/news/3438 (accessed 7 November 2008).
26. "Correa y Uribe son los presidentes con mayor índice de aprobación de Latinoamérica, según un sondeo," *El País,* 5 November 2007. http://www.elpais.com/articulo/internacional/Correa/Uribe/presidentes/mayor/indice/aprobacion/Latinoamerica/sondeo/elpepuint/20070511elpepuint_2/Tes (accessed 10 November 2008).
27. "Chavez Approval Rating 68.8%, Recent Venezuelan Poll Shows."
28. Simon Romero, "Troops Mass at Colombia Borders," *New York Times*, 3 March 2008. http://www.nytimes.com/2008/03/03/world/americas/03farc.html?scp=7&sq=colombia+ecuador&st=nyt (accessed 3 March 2008).
29. Simon Romero, "Crisis at Colombia Border Spills into Diplomatic Realm," *New York Times*, 4 March 2008. http://www.nytimes.com/2008/03/04/world/americas/04venez.html?scp=2&sq=andean%20diplomatic%20crisis&st=cse (accessed 3 November 2008).
30. "Movilazación tropas venezolanas frontera colombiana," *NowPublic*, 2 March 2008. http://www.nowpublic.com/world/movilizacion-tropas-venezolanas-frontera-colombiana (accessed 10 March 2008).
31. Romero, "Crisis at Colombia Border Spills Into Diplomatic Realm."
32. Romero, "Troops Mass at Colombian Borders."
33. Ian James, "Chávez Warns of War with Colombia," *Associated Press*, 2 March 2008. http://www.breitbart.com/article.php?id=D8V5H5TG1&show_article=1 (accessed 4 November 2008).
34. Maria Cristina Caballero, "Why Andes Crisis Hurts Chávez," *Newsweek*, 12 March 2008. http://www.newsweek.com/id/121517?tid=relatedcl (accessed 9 November 2008).
35. Romero, "Troops Mass at Colombian Borders."

From UN Outcast to US Partner: Steering Francoist Spain Toward the Economic Miracle

Pierpaolo Barbieri
Harvard University

Me gusta el crepúsculo:
Hay un momento en el que todo calla.
Tengo tantas ganas de vivir, como nunca.
Es duro empezar otra vez, pero es bueno.
La tierra está en orden, es el silencio, la paz.
I enjoy the dusk:

There is a moment when everything ceases.
I have such a desire to live, like never before.
It is hard to start over, but it is good.
The land is in order, it is the silence, the peace.

—Juan Antonio Bardem
Muerte de un Ciliste
(Death of a Cyclist)

Introduction: *Death of a Cyclist*, Birth of a Miracle

In April 2008, the prestigious Criterion Collection reedited the original cut of a Spanish classic produced under the heavy censorship of the Francoist dictatorship, Juan Antonio Bardem's *Death of a Cyclist*.[1] Whereas cultural heavyweights of the likes of Pablo Picasso and Luis Buñuel had fled into exile to escape not only the censor, but also the dismal political, economic, and social context of post-war Spain, Bardem stayed in Madrid. Early in 1955, in a paper for a film conference in Salamanca, he exposed his views on Spanish film: "After sixty years of films, Spanish cinema is politically ineffective, socially false, intellectually worthless, aesthetically non-existent, and industrially crippled."[2]

Quite surprisingly after such attack, Bardem's *Death of a Cyclist* got through the censor and went on to win the FIPRESCI award at Cannes in May.[3] The director's *magnum opus* remained true to his vitriolic stance on Spanish society and its art. The seemingly domestic film noir directly challenged the complacency of Spanish elites in the chaotic years that followed the Allied victory in World War II, when an increasingly isolated Francoist regime cracked down on all political opposition and terrible economic performance saw the country fall far behind even the most war-torn of its European neighbors. In the background of a compelling story, viewers could see the "hungry years" of Spain, a fitting name to describe the effects of the regime's autarkic economic policies of import substitution industrialization (ISI).[4] Everyone, Bardem included, expected Franco to fall, or at least be made to fall, like almost all other fascist dictators of Europe.[5]

Against all odds and until his bizarrely televised death on November 20th, 1975, Franco managed to hold on to power.[6] His regime, however, went through a radical turnaround; in the words of Columbia's Edward Malefakis, "There has never been a personal dictatorship which has changed as much as Franco's did."[7] Less than a half a decade after *Death of a Cyclist* was released, the 1959 Stabilization Plan began what scholars eventually labeled as "the economic miracle." It was a new beginning. *Opus Dei* technocrats oversaw economic policies,[8] and after a mild economic

contraction in 1959, growth averaged 6.9% pa till the democratic transition fifteen years later.[9] During this time, Spain was second only to Japan in the speed and strength of its economic takeoff. The country developed through a newfound orthodox economic policy, a tourism boom, remittances from *emigrés*, and foreign investment—all under Franco's regime, albeit a drastically different one.[10]

Yet not even economic 'miracles' do not occur in a vacuum. Thus, this paper will trace Spain's path toward international isolation in the aftermath of WWII and back to a preferential partnership with the United States at the height of the Cold War. This partnership eventually led to its reinsertion in international trade and multilateral organizations from which it had been ostracized. The analysis will focus on the debates in Washington involving three Presidents, Congress, the State Department, and the Department of Defense, which were decisive for rapprochement, as well as the progressive liberalization of Franco's economic policy. Two separate but interrelated conclusions will emerge. First, the 1953 military and economic Pacts of Madrid represented a victory of realist military interests in Washington that allowed Franco's dictatorship to survive its self-inflicted economic chaos and hold on to power in Madrid. More crucially, America's military and economic aid negotiations throughout the 1950s steered Franco's regime away from an exhausted ISI model and toward a more liberal policies. This happened not only through increased investor confidence owing to US support, but also due to a profound shift in the regime's incentives regarding fiscal and monetary policy, and also business practices in Spain.

These conclusions will prove that the Stabilization Plan and the Spanish development were far from miraculous. Rather, they represented the ultimate victory of American interests working toward policy change in Spain for years and acting under principles reminiscent of Bretton Woods institutions well before Spain was allowed to join them in 1958.[11] Paradoxically, American military bases and the policies that came with them led to both exponential growth in American military and economic involvement in the Iberian peninsula,[12] and also a delay in Spanish transition to

constitutional democracy, which would have been almost inevitable without Franco in power.

Ultimately, the fact that *Death of a Cyclist* got through the censor in 1955 is perhaps a telling symbol that something, if only in the economic sphere, had started to change in Francoist Spain—though the dictator was to remain in power, at least the "hungry years" would not stay with him.

The General in His Labyrinth: Toward International Ostracism

The making of a UN outcast was rapid, though Franco and his close allies must have known they had it coming. So, if there was one European capital where May 7th, 1945 did not lead to mass jubilation, that was definitely Madrid. [13] The unconditional surrender of all German forces signed by General Gustav Jodl was welcomed even in within Germany, where amidst the debris, all but the staunchest ideologues had expected the end of Nazism for months, if not years. Yet this momentous day only caused anxiety in Spain, where the official policy of "neutrality" had been defined in the most varied ways throughout WWII.

Both Adolf Hitler and Benito Mussolini had been closely involved with Franco at least since June 25, 1936, the day when all European great powers had decided their diplomatic stance on the nascent Spanish Civil War.[14] The dictators independently and vehemently supported Franco "against the Reds." In fact, their military and economic aid to the nationalist forces was so considerable that much of the existing historiography has called it an "undeclared invasion" of Spain; such claim does not seem farfetched if one considers that Italy alone had over 75,000 troops, 1,000 artillery pieces, and 600 planes in the Iberian peninsula during an internal conflict that became rapidly internationalized on both sides.[15]

On April 1, 1939, as Europe prepared for its bloodiest conflict ever, war-torn Spain seemed to stabilize after almost three years of total war. In his Burgos headquarters, Franco wrote a succinct telegram that symbolized the beginning of an uncontested rule that

would last over thirty years: "Today, with the Red army imprisoned and disarmed, national troops have achieved their final military objectives. The war is over."[16] From that day onwards, Franco would try to cultivate an image of neutrality in the international public sphere to match his country's official stance. But *El Caudillo* remained true to the allegiances that during the Civil War had allowed him to access power. He continued to deride France and foster close ties with the Axis powers.[17] In a telling example, *Reichsführer* Himmler received all state honors during his visit to Madrid in 1940, as Franco toyed with the idea of entering the war with Mussolini and reclaiming the strait of Gibraltar, an action that would have severely hindered Anglo-American access to the Mediterranean and the Middle East.[18]

The changing tides of war in 1942 found Franco still uncommitted. That year, however, he chose to pursue a dangerously duplicitous policy, which would eventually lead to his isolation in the post-war international community. On November 14, President Roosevelt sent the Spanish dictator a cordial and public letter explaining the need for American troops and materiel in North Africa to fight Rommel's adroit *Africakorps*. After addressing US-Spanish "friendship" thrice in the first sentence, the President's closing line was even more overt: "Spain has nothing to fear from the United Nations."[19]

Though he welcomed FDR's letter publicly and privately,[20] Franco secretly negotiated with the Third Reich, seeking to maximize his economic and military utility by playing both sides against each other. Just two days before, in a letter from Foreign Minister Jordana to his ambassador in Berlin, Franco had ordered to "seek for Spain (the only nation in the world which openly and sincerely professes her friendship for the Third Reich) war material, free of charge, in order to resist the Allies."[21] Yet such 'friendship' would soon prove more expensive than Franco had thought.

Beyond his regime's ideological affinity with fascism and the Spanish *Blue Division* troops in the Eastern Front fighting along the *Wehrmacht*,[22] there was an economic motivation for the Franco's duplicitous stance. Though Spain depended heavily on some strategic Allied supplies like oil, most of the foreign trade carried

out by the regime was with the resource-scarce Third Reich.[23] According to data published in Berlin in February 1944, 39.2% of all Spanish exports went to Germany itself and 30% to German-occupied territories.[24] Among others, Spain was the source of raw materials and products ranging from ammonia and nitrogen to uniforms and parachutes, all of which Hitler had desired in 1936 when he overruled the Reich Foreign Ministry and decided to actively support Franco.[25]

Of all things, wolfram exports caused the most serious diplomatic crisis in Franco's relationships with America during the war. Starting in late 1943, American ambassador Hayes and the State Department had been pushing for a 'wolfram embargo' that would stop Germany from furnishing a crucial raw material from Spanish mines.[26] With the second highest melting temperature of any element, wolfram was instrumental for the production of rocket engines, at the core of most German technological breakthroughs in the late years of WWII.[27] Unsurprisingly, Spanish Foreign Minister Francisco G. Jordana and his government resisted the American proposal: "An embargo of wolfram would mean a break with Germany because Germany would not tolerate it."[28]

Given the situation, Hayes explicitly advocated for economic sanctions to punish Franco's close trade relationships with the Axis: "So long as our economic supplies to Spain particularly of petroleum are furnished as nearly automatically as at present (sic), I fear he [Franco] will continue to believe he can maintain his present attitude [of steering the middle course] without penalty from us."[29] Although Washington hesitated, oil supplies to Franco were eventually cut for long enough him to establish a wolfram export cap.[30] This episode not only strained relations between Franco and the Allies, but it also created a precedent of economic pressures for future American policy on "the Spanish question." Despite the President's 1942 letter, Franco had something to fear from the United Nations—and in the next few years, pressure would only intensify.

A mere two months before VE Day, and despite the regime's rhetoric of self-sufficiency, Madrid had begun to fear international isolation. The main domestic beneficiary of this change in the international state of affairs was Don Juan de Borbón, Pretender to

the Spanish throne, who issued the Lausanne Manifesto on March 19, 1945 denouncing fascism and criticizing Franco's close ties with the Axis.[31] Almost immediately, *El Caudillo* saw monarchist cabinet members and ambassadors resign from their positions, as well as Air Force General Francisco Kindelán favoring a monarchical transition from within the usually loyal Armed Forces.[32]

Around the same time, FDR himself wrote a telegram to Hayes's replacement in Madrid anticipating the end of hostilities in Europe and detailing future American policy on Spain. FDR was once again crystal clear, yet his 1942 courtesy seemed distant indeed: "Having been helped to power by Fascist Italy and Nazi Germany, and having patterned itself along totalitarian lines the present regime of Spain is naturally the subject of distrust . . . Most certainly we do not forget Spain's official position with and assistance to our Axis enemies at the time when the fortunes of war were less favorable to us. (. . .) There are many things which we could do and normally would be glad to do in economic and other fields to demonstrate that friendship [with the Spanish people] The initiation of such measures is out of the question at this time, however, when American sentiment is so profoundly opposed to the present regime . . ."[33] This stance on Spain was soon echoed at the San Francisco Conference a month later, when a Mexican-sponsored resolution excluding Spain from UN membership was passed by acclamation;[34] something similar happened at Potsdam, where both the British and the Soviets agreed with the American desire to isolate Franco and hope for swift regime change from within.[35]

While Franco's repression machine made sure the domestic support for monarchists did not get out of hand, ambassador Juan F. Cárdenas in Washington remained defensive toward the Allies' diplomatic position.[36] After citing FDR's 1942 letter to Franco along with a much revised version of Spain's involvement in WWII that utterly ignored the wolfram embargo, Cárdenas closed a missive to the State Department on December 30th using defiant language: "Spain, in short, will unfalteringly maintain its rights and is ready to isolate itself from those who may have such an impaired conception of international relations among peoples."[37]

Despite the generalized anxiety of 1945, Spain's ostracism reached its peak in 1946. In late February, the French cabinet unilaterally closed its border and cut off all trade with Spain, in reaction to the summary execution of anti-Franco dissidents, characteristic of the regime's attempts to hold on to power.[38] Simultaneously, the French administration pressured its British and American allies to pursue a similar blockade, but the Anglo-American position had just become much more nuanced.

Earlier that month, the author of the famous 'long telegram' about Soviet strategic aspirations, Moscow *Chargé d'Affaires* George C. Kennan, had written to Washington regarding Soviet designs for Spain. In a telegram from February 3, he warned Secretary of State James S. Byrnes that, "politically as well as strategically Russians recognize in Spain a key territory in which it is highly important for them to win influence."[39] Kennan's analysis suggested that considering Franco's isolation, descent into civil war would most likely put extreme revolutionaries in power this time around, which seemed entirely plausible given the economic hardships Spain was going through.[40] After all, since late 1945, Communist-dominated *maquis* groups in the north and east of Spain had renewed guerrilla fight against Franco's forces.[41]

Since Kennan's telegram, the Truman administration had become more hesitant toward destabilizing plans, yet Franco himself remained America's enemy in the Iberian peninsula. This ambiguous policy eventually led to the Tripartite Declaration of March 4, 1946.[42] Although Anglo-American hesitations had thwarted French plans of complete economic blockade and outright intervention, the three democracies publicly declared that, "As long as General Franco continues to rule Spain, the Spanish people cannot anticipate full and cordial association with those nations of the world which have, by common effort, brought defeat to German Nazism and Italian Fascism, which aided the present Spanish regime in its rise to power and after which the regime was patterned."[43] Such strong and public expression of FDR's policy objectives toward the end of the war marked a new low for Franco's international isolation. The worst, however, was yet to come.

After long and largely futile deliberations at the Security Council involving a subcommittee on Spain, the question of how to deal with Franco was left to the General Assembly in early November, where the American and British delegations continued to advocate for peaceful regime change and non-intervention in Spanish domestic issues. At the General Assembly, the Soviet Socialist Republic of Bielorussia curiously introduced a resolution that would cut off all economic ties with Spain.[44] The French delegation was delighted, but both Britain and America dithered. Despite the nature of the regime, another civil war would prove disastrous if it increased Soviet influence in Madrid.

At last, a resolution passed on December 12th, 1946.[45] Though there would be no full economic blockade, the UN excluded Spain from all its bodies, called the Security Council to act if Spain did not change its regime for a more representative one, and urged all member nations to withdraw their ambassadors, the closest possible step to total diplomatic isolation. Toward the end of 1946, the Truman administration continued to favor FDR's stance on Spain: Despite Kennan's warnings, the first priority was to ensure regime change and get *El Caudillo* out of the picture.

In Madrid, however, the political situation seemed more stable, for Franco's propaganda machine had managed to divert attention from the Pretender to spinning the ultimate cause of Spain's diplomatic isolation for the masses. The suspense of the General Assembly deliberations had given Franco and his Falangist supporters a perfect excuse to call on a massive nationalistic rally at the symbolic Plaza de Oriente on December 9.[46] In front of what the regime described as 700,000 supporters holding anti-Russian, anti-French, and generally anti-foreign banners, Franco delivered an angry speech. Before the crowd cheered his name for literally over an hour, he concluded with a deceitful line: "The proof of Spain's resurgence is the fact that the rest of the world is dangling from our feet."[47]

Yet Spain had seen no such resurgence. Rather, Franco's dismal economic policies had brought about "the hungry years."

Disaster Compounded: Isolation Meets ISI

Although diplomatic isolation did not mean full economic blockade, the economic situation in Spain was such that international ostracism compounded existing problems emanating from the ruling regime's misguided economic policies. In spite of the mirages of resurgence, the years between UN ostracism to US partnership were the hardest ones in Franco's thirty-five year long dictatorship. If development is a function of physical endowment and available technology,[48] then Spain's model of ISI and autarky had failed miserably on both accounts. According to the *Financial Times* correspondent in Madrid, Robert Graham, the country lived under "paleocapitalism—primitive market skills operating in a jungle of bureaucratic regulations, protectionism, and peddled influence."[49] Dramatic as it was, Graham's illustration was not far off.

Despite their initial material disadvantage in terms of industrial production and assets under control, nationalist territories during the Civil War had performed much better than its republican rivals in the economic sphere, avoiding hyperinflation and implementing resource rationing with iron fist.[50] The effects of the prolonged civil strife on the economy, however, had been profound; Franco ruled over a devastated country in 1939.[51] After the famous Burgos telegram announcing the end of hostilities, along with an organicist political creed inspired by the Falange, the dictator's economic plans unsurprisingly acquired a fascist flavor. His regime staunchly protected the private property of large landowners and set off to undo all the redistributive reforms of the "Red years," which is how the reactionaries in Madrid referred to the short-lived Second Republic, in power between 1931 and 1936. This applied to the dominant sector of the economy, agriculture, as well as industrial policy and labor relations.

On the agricultural front, Franco's regime not only repealed the Agrarian Law Reform law of 1932,[52] but also pursued a counterrevolution that targeted land distribution. After destroying Agrarian Reform Institute, the regime took control of the republican National Wheat Service (SNT) and radically changed its role in the economy. Under Franco's rule, the SNT set prices, protected

them with high external tariffs, and carefully regulated trade, both foreign and domestic.[53] The main goal of this new agrarian policy was to avoid overproduction and ensure profits for large landowners, who regained control over *latifundios* after Franco's Army had crushed all revolutionary communes. In practice, however, these policies regressively: they increased the domestic price of bread and decreased aggregate production. This only hindered the caloric intake of a population that had lagged behind its European neighbors for decades, if not centuries.[54] Paradoxically, the regime would have to intensify price controls and rationing, two classic wartime measures, after the end of the war: Daily bread rations were cut several times in the 1940s.[55]

As for labor, highly organized and left-leaning during the republican years, the reactionary regime unsurprisingly abolished all socialist, anarchist, and communist trade unions upon taking control of Madrid. The National Trade Union Organization, a single, fascist-inspired vertical trade union created by the 1939 Basic Labor Law, replaced them with the mandate of representing all interests and avoiding revolutionary disruptions in production.[56] But rather than synthesizing interests, the single union had the worst possible consequences for the economy as a whole: Employers had a very hard time firing employees and employees found it almost impossible to get institutional approval for strikes.[57]

Yet if there was one organization at the core of Spanish economic life in the post-war years, that was definitely the brainchild of Economics and Commerce Minister Juan A. Suanzes y Fernández, the National Institute of Industry (INI).[58] INI was modeled after the Italian Institute for Industrial Reconstruction.[59] Mussolini's government had originally created this organization post-Depression Italy to save the largest Italian banks from default; thereafter, it had become a state conglomerate in charge of investing in costly infrastructure projects with the goal of increasing self-sufficiency in strategic industries like energy and transportation. Franco and Suanzes, impressed by the economic performance of Hitler and Mussolini, had decided to replicate the Institute in Madrid. According to its foundational law, the INI's goal was to push for "the creation and resurgence of our [Spanish] industries, especially

those (. . .) directed toward economic autarky."[60] Quite clearly, the regime's political discourse was fond of the 'resurgence' theme. But more importantly, in Spain INI and ISI became synonyms—both of them produced disastrous misallocation of resources that would severely hinder the country's economic performance until American military and economic aid negotiations steered policy-makers along a more liberal path.

Problematically for the Spanish people, the general direction of the economy had been set at the height of Hitler's conquest of Europe in 1940, when Franco was so convinced Britain would soon negotiate an end to the ongoing war that he spoke repeatedly of acting as a *deus ex machina* mediator between the London and Berlin. Just a few months before the birth of INI, the dictator himself distributed to his Cabinet the synthesis of an economic plan: the "Foundations and Directives of a Plan for the Reorganization of our Economy in Harmony with our National Reconstruction."[61] As part of the sought 'harmony,' the Plan produced shortages of basic products while trying to develop self-sufficient industries through INI and without any sort of foreign involvement.[62] To compound to the aforementioned agricultural and labor mismanagements, monetary policy was also backward: The Spanish peseta was massively overvalued during and after the war; and capital controls, ubiquitous in order to maintain the forex bluff.[63] Fiscally, INI's ambitions were not cheap. So all in all, overall output grew only at an annualized rate of 1,25% in the 1940s, after falling over 25% the decade before.[64] No wonder why by 1944 export of raw materials such as wolfram to Hitler's crumbling empire were so crucial for Spain's economic survival.

It could be argued that after in post-Beveridge Report Europe, most countries pursued economic policies that were suspicious of free market resource allocation. After all, the Depression had furthered radicalism and destabilized feeble democracies such as the Weimar Republic. Such analysis would suggest Spain was a mere underperformer among equals. Yet according to research by De Long and Eichengreen, the Marshall Plan of the late 1940s and early 1950s mattered for long-term growth not due to its net transfers, but because of its free market provisions, which limited

a European turn toward economic *dirigisme*.[65] Precisely because of the international ostracism of its ruling regime following the UN resolution, Spain would not be included in the Marshall Plan in July, 1947.[66] Yet partnership with the US would eventually give Francoist Spain many of the same benefits that De Long and Eichengreen identified in the rest of Western Europe.

After becoming a UN outcast in late 1946, diplomatically isolated and devoid of access to select markets, foreign exchange, and international credit, Franco faced mass poverty all over Spain, marking the begging of "the hungry years."[67] Despite the collective euphoria at Plaza de Oriente in December, the New Year found him pensive and cynical. In early January, at a meeting with his closest generals, one of them addressed him colloquially: "Paco, we are all worried about the United Nations decision." But long-time friend Andrés Saliquet received a cynical reply from *El Caudillo*: "There is no need to worry. What's the matter? Isn't your soap factory doing well?"[68] During those years, not even the so-called ISI 'easy stage' industries were growing, and regime favorites' soap factories were no exception.[69]

As for any dictatorial regime facing an economic crisis, Franco's most pressing concern in 1947 was bread. With iron fist, his regime could live through diplomatic isolation, but it would have a hard time surviving massive famine. Lacking better opportunities elsewhere, the percentage of Spaniards employed in agriculture rose during this period, yet the SNT's policies of overregulation and price controls had a disastrous effect on aggregate output. Hence, Franco desperately needed to procure some 'resurgence' from abroad.[70]

January 1947 saw crucial developments for Franco's his most important strategic alliance still standing, that with fascist-inspired Argentine President Juan D. Perón. Defying the international community less than a month after the General Assembly resolution, Perón sent a new ambassador to Spain, Pedro Radío.[71] But much more crucially for Franco's propaganda machine, Perón photogenic wife Evita visited Spain that summer, where she was received with full state honors.[72] Although much of the press focused on the hat fashion duel between Franco's wife and Evita, which the

latter doubtlessly won, the Argentinean's speeches addressed the Franco-Perón Protocol to supply Spain with the needed wheat and other raw materials to survive the hard times.[73] After saluting Falangists with a suspicious Roman salute at Plaza de Oriente, Evita declared to a cheering crowd, "Despite the oppressive powers, the *Justicialista* government of General Perón has set a goal for itself: In Spain there shall be no home without bread and no child without milk."[74]

According to the available historiography, Perón's food transfers saved Franco from economic collapse during "the hungry years."[75] Later that year, the tides would begin to turn in Washington. This foreign policy change would result not only in the regime's long-term survival, but also in steering Spain toward more sensible economic policies and, eventually, the "economic miracle." Yet in the highest echelons of American policy-making, the Spanish question was not a matter of butter. Rather, it was all about guns.

American Rapprochement: Franco Becomes "*Our Son of a Bitch*"

Starting in October 1947, that there was a fundamental shift in US foreign policy regarding Spain that caused the superpower to abandon the December 1946 UN resolution and provoke the anger of its closest European allies, France and Britain. It was precisely this strategic shift that allowed for the military and economic negotiations that would change Spain by providing the country with a new beginning. So although FDR may have never uttered the infamous line about Nicaragua's Somoza that titles this section, the fact remains that America became instrumental in the Spanish dictator's survival in power and his regime's economic turnaround.

Change originated neither at the helm of the State Department nor at the White House. In fact, since the December 1946 UN resolution and with President Truman's approval, the State Department had been corresponding with the British Foreign Office in order to devise a joint strategy to overtake Franco. This

meant seducing Spanish generals to do away with *El Caudillo* in Madrid and hold free elections after the establishment of a constitutional monarchy, which would be economically supported by the US. A letter from Acting Secretary of State Dean Acheson to ambassador Douglas in London obliquely confirmed this stance: "It is clear that Franco and his regime must go. Although action involves certain risks, nevertheless it appears to us that the time has come when the US and the UK should agree on a positive policy which would act as an inducement to Spanelements to bring about another form of change themselves and thereby render possible extension of our assistance in creating healthy economic and political conditions in the country."[76]

In late October, and while Franco lived through his hardest months courtesy of strengthened repression and Argentine wheat, the newly-created Policy Planning Staff (PPS) at the State Department produced a paper proposing a policy that significantly departed from FDR and Truman's original vision for Spain since the wolfram embargo. Two years after his realist telegram from Moscow, it was up to Kennan again, now as PPS Director, to argue for change against Acheson. PPS/12 reached at two important conclusions: First, ". . . [the Staff] has serious doubts as to the results to be expected from the Department's efforts to eliminate the Franco regime by bringing international pressures to bear [as in Acheson's letter above]."[77] Perhaps more importantly, "The Staff believes that in the National interest the time has come for a modification of our policy toward Spain with a view to early normalization of U.S.-Spanish relations, both political and economic." Furthermore, Secretary of State Marshall wrote on the margins of PPS/12 to convey his agreement with a change of direction for the UN delegation, instructing them not to vote for further isolation of Spain and to support any attempt to rescind the provisions of the December 1946 resolution.[78] Ultimately, Kennan's recommendations meant that America's shift toward realism in 1947 did not apply exclusively to Greece and Turkey, yet there were no guarantees Truman himself would approve of reproaching Franco.[79]

The 'Spanish question' was at the core of another key institution of the nascent 'intelligence establishment' in the early Cold

War years. The National Security Act of 1947 had created the National Security Council (NSC) to coordinate the American foreign policy between the President and the Secretaries of Defense and State.[80] NSC/3 echoed the words of Kennan's PPS report, and provided a more detailed account of its proposed change: "Steps should be taken whereby the various [economic] controls we have imposed are quietly dropped, so that trade can resume between the two nations. Elimination of official restrictive measures as such would naturally be followed in the short time by the opening up private trade and the possibility of financial assistance in the rehabilitation of the Spanish economy."[81] From that moment onwards, all executive decisions regarding relations with Spain, diplomatic, military and economic alike, would be coordinated at the NSC level.

Also in October, three Senators and eight Congressmen of the Smith-Mundt Committee landed in Madrid's Barajas airport as part of a European tour. A clearly worried Franco immediately cleared his afternoon to receive them and carefully considered his attire for the occasion.[82] The Americans left delighted with both the dictator and his uniform, but for Franco this meant much more than a pause from international isolation: From this moment onwards, his rhetoric changed dramatically. Rather than attacking the US, he sought to present himself first and foremost as a bastion of anti-communism, and insisted on his ability to prevent a complete Sovietization of Europe in the event of a Red Army invasion. With that in mind, Franco sent José F. Lequerica to Washington, where he would spend handsomely to create a 'Spanish lobby' among anti-communist members of Congress and businessmen. The only qualm with this plan was America's closeness with Western European nations, such as France and Labour-governed Britain, that despised anything associated with Franco. Yet unlike his duplicity and defiance between 1939 and 1947, Franco's new strategy would prove much more effective in the long run, especially in the economic sphere. Needless to say, it also conveniently fit the NSC and PPS plans for diplomatic and economic normalization.

During the next few months, there were several contacts between Franco's administration, particularly Foreign Minister

Martín Artajo, and America's highest-ranking official in Madrid, *Chargé d'Affairs* Paul T. Culbertson.[83] The meetings focused on the normalization of US-Spanish relations, pushed by the State Department but resisted by President Truman. Even the earliest discussions touched upon outstanding economic issues, which was unsurprising considering the disastrous state of the Spanish economy. After an interview with Artajo in February 1948, Culbertson wrote a long telegram to Washington, detailing the Spanish regime's views on issues ranging from the UN to the Marshall Plan. Upon the suggestion that American credit could be made available to Spain if the country reached an agreement with the US, Artajo replied: "[The] Spanish Government appreciates full value of notice concerning favorable attitude of the US re future granting of credits (sic) and hopes this will soon lead to results... Marshall Plan of less interest to Spain than individual deal with US."[84] When discussing the dismal performance of the Spanish economy, Culbertson reported on Artajo's words: "Spanish economy basically liberal, but like other countries has been forced by well-known circumstances into temporary state control. Artajo implied INI merely intervenes in businesses which need its economic help, plain misrepresentation of fact."[85]

Despite the precipitation of Communist successes in 1949, including the detonation of a Soviet atomic bomb in September and the establishment of the People's Republic of China in less than a month later, Truman continued to resist a full normalization of relations with Spain. Culbertson agreed, claiming that America should not make concessions to Franco's totalitarian and fascist-inspired regime.

Earlier that year, however, the Chase Manhattan and National City Bank of New York had given the regime a loan of $25 M, which relieved Franco's desperate forex shortage.[86] Because of Truman's opposition, the US government issued no similar loans. But Franco wanted them, since his propaganda machine had been blaming all economic hardships on the international isolation, and never on Suanzes's disastrous plans of autarky and self-sufficiency.[87] The American Congress meanwhile, perhaps influenced by Lequerica's lobby, pressured the President to fulfill Kennan's pragmatic plans

in PPS/12.[88] On November 17, 1949 Winston Churchill added his grain of sand to the pressure on Truman when he mocked Labour's stance on Spain, implying that British and French intransigence was not appropriate in the context of the Cold War: "Fancy having an ambassador in Moscow but not having one in Madrid. The individual Spaniard has much happier and freer life than the individual Russian . . ."[89]

When the Korean crisis escalated and an open confrontation with the Communists seemed imminent, the negotiations for US-Spanish diplomatic rapprochement got entangled with much more ambitious military schemes. Shortly before the North Korean crossing of parallel 38 in late July, the Joint Chiefs of Staff (JCS) had produced NSC 72, which challenged the basis of US policy in Western Europe.[90] Their analysis was based strictly on military concerns: "In light of the worsening world situation and the likelihood that the NAT countries [NATO signatories] could not (. . .) defend France and the Low Countries (. . .) in the event of a Soviet attack, [the JCS] consider it of paramount importance that the United States and its allies take proper steps to assure that Spain will be an ally in event of war."[91] Yet the highest echelons of the State Department openly rejected such rapprochement, even after the Korean war was a reality: "In the Department's opinion (. . .) political considerations [namely fears of abandonment in Western Europe] make the program suggested by JSC politically impracticable at this time."[92] Although the argument had shifted from qualms with the dictatorial nature of Franco's regime to more pragmatic continental politics, the State Department's official policy remained aligned with Truman's. Eventually, echoing Kennan's old arguments, the Department of Defense would prevail.

On November 16, 1950 Truman reluctantly approved a $62.5 M appropriation for loans to Spain made by Congress, which both anti-communist Congressmen and the JCS believed anti Franco would use to rearm.[93] Effectively, this meant that Spain was the only country in Europe to receive European Co-operation Administration (ECA) funds without being part of the Marshall Plan.[94] In Madrid, the appropriation provided much needed relief for

a fragile economic situation jeopardized by forex shortages. As Franco celebrated, Culbertson complained: "The two main factors (. . .) in our present relations with Spain are the return of an ambassador and economic help. Congress has given the latter, and the Secretary's letter (. . .) to Senator Connally rather commits us to the former. . . . I expect Franco to sit back complacently till both are in the bag before undertaking any move involving government changes."[95] On December 27, Truman appointed Stanton Griffis as ambassador in Madrid: Franco's loneliest days were over.[96] Culbertson had clearly been right to complain; in the longer run, however, negotiations with Franco would bring about change in Spain, especially in the economic sphere.

The next few months saw an avalanche of papers at the NSC, as the debate over Spain reached its climax. On January 15, the State Department submitted NSC 72/2, trying to reconcile its previous stance and that of the JCS. The paper agreed that "changing conditions resulting from Soviet-inspired aggression and the consequent increasing dangers of global war require[d] a reconsideration of US policy toward Spain;" thus, it recommended to "develop the military potentialities of Spain's strategic geographic location," by approaching the regime for air and naval bases and permitting the sale of war material to Spain.[97]

But this was no longer enough for the Department of Defense, where Marshall had recently been appointed Secretary.[98] On January 29, he backed JCS Chairman Omar N. Bradley's recommendations to provide military equipment without reimbursement under the Military Defense Assistance Program and to actively support Spain's entry into NATO.[99] Apart from the above considerations, the NSC 72/4 document approved by the President in February included the "consultation and technical advice concerning the improvement of Spanish ports, roads, railroads, telecommunications, and airfields."[100] In April, the International Security Affairs Committee concluded in NSC 72/5 that urgently developing Spain's military potentialities might not be possible "unless we [the US] are in the position to offer some further economic aid to Spain."[101] Furthermore, the document considered broader concerns: "The economic condition of the Spanish people is such

that further deterioration may require the Spanish Government to request grant assistance from the United States in order to prevent the danger of starvation and the thread of political disorder."[102] Economic assistance would grow exponentially a few months later, closely followed by the beginning of American pressures for economic reform in Spain. The 'Spanish question' had become a matter of supporting America's newest Cold War partner.

Contacts with Franco officially began in July, when Chief of Naval Operations Forrest Sherman and ambassador Griffis met with the dictator in Madrid. Two days later, the Secretary of State told the press about the 'exploratory' negotiations with the Spanish regime, which caused a very public Anglo-French dissociation with the US.[103] Yet in the heat of the Cold War, the Department of Defense had won the policy battle. Just before the Admiral's departure to Madrid, President Truman gave in to Sherman: "I don't like Franco and I never will, but I won't let my personal feelings override the convictions of you military men."[104]

The first sign of American liberalizing influence in Franco's economic policymaking came less than two months after the dictator's first meeting with Sherman and Griffis, when he decided to reshuffle his Cabinet. The architect of Spain's disastrous ISI program, Suanzes, finally left the Ministry of Industry and Commerce, though he remained close to power as president of his brainchild, the INI. Two functionaries less ideologically attached to ISI replaced him: economist Manuel Arburúa and general Joaquín Planell, in charge of Commerce and Industry, respectively. According to Paul Preston's celebrated biography of Franco, "in the economic sphere it marked one of the major turning points of the regime."[105]

To Franco's dismay, it took more than two years to finalize the negotiation of the much-publicized Pacts of Madrid, a long period during which despite the change of direction at the Cabinet level, his regime continued to suffer the consequences of its past economic policies. During that time, however, some money flowed from America's Import-Export Bank.[106] This eased Spain's forex shortage and provided the country with much needed imports beyond what Perón could provide.[107] Some Washington-inspired liberal ideas implemented by the new economic policymakers also helped. For

example, inflation came down dramatically in 1952 and 1953 due to more moderate wage increases and the easing of import restrictions, both of which meant a progressive abandonment of autarkic principles and more responsible economic management.[108]

At last, on September 26, 1953 the Pacts were signed.[109] This represented a major turning point for the regime and not only because of the defense implications of a military alliance with the US. Coherent with the goals agreed upon in Washington's 'intelligence establishment,' the Pacts involved three 'executive agreements':[110] the Defense Agreement, the Mutual Defense Assistance Agreement, and the Economic Aid Agreement.[111] For the purposes of this paper, and having considered the American policy debates above, the last one mattered most. In exchange for material aid beyond that necessary for the establishment of air and naval military bases, the Franco government agreed to a series of economic policies and principles. These principles represented a radical departure from shortcomings Suanzes's ISI policies that had made Spanish development impossible. And although they would not all be implemented immediately, they became America's policy objectives in all future economic negotiations, including the momentous Stabilization Plan of 1959.

First and foremost, the Agreement addressed the need for monetary stabilization through a realistic exchange rate and fiscal stabilization through deficit reduction.[112] Challenging the role of institutions like INI and SNT in the Spanish economy, Franco's regime also had to agree to limit price controls, which had had a terrible effect on food production, and liberalize free trade.[113] Furthermore, the Agreement stipulated an overhaul of Spain's international payments system to make capital transfers between America and Spain much easier. Although this last point focused first and foremost on transfers for military purposes, it quickly became crucial for private investments, which had been problematic in Spain since before the end of WWII.[114] All these stipulations were clearly reminiscent of policies actively advocated by Bretton Woods organizations such as the International Monetary Fund, which Spain had not been allowed to join during the ostracism of the 1940s.

More abstractly, it is important to consider that the Pacts in general and the Economic Agreement in particular sent a powerful message to international investors. An article by *The Economist* in early 1954 summarized it appropriately: "Now that Americans have an interest in the country, it is reasonable to assume that they will help it get out of the most serious economic difficulties."[115] What seemed reasonable to the editors of the British newspaper also appears to have been reasonable for actual investors. Analyzing the spreads of the peseta-dollar unofficial exchange rate in New York and the premium for gold in Madrid's black market, ECB's Óscar Calvo González established the American rapprochement as a turning point of economic confidence regarding Spain.[116] The move away from volatility and toward stability created the conditions for the future foreign direct investment (FDI) takeoff. It also immediately increased availability of credit capital for modernization, which had been impossible under Suanzes's policies.

The 'miracle' was still half a decade away, yet the years of relative stability that followed the Pacts of Madrid saw deep changes in Spain that transcended both the regime's economic convictions and international investor confidence. Despite the fact that "technical assistance" available for Spain represented less than 1% of America's economic aid, several authors agree that it had real effects on Spanish productivity.[117] This can be explained in part because of the extremely low productivity base at from which they took off in the early 1950s, when Spain was so backward that Graham invented "paleocapitalism" to describe its economic system.[118] American agencies like the US Operations Mission and the International Cooperation Administration used their experience in other European nations to fight the autarkic INI creed among Spanish businessmen.[119] Perhaps more importantly, exchange programs flourished, taking Spanish businessmen and engineers to the US and vice-versa.[120]

American technical aid was not limited to US-based institutions working in Madrid. And eventually, this modernization of local business practices resulted in the founding of major Spanish business schools. All ICADE, ESADE, and IESE were founded in 1958, and the latter a cooperation agreement with the Harvard

Business School some years later.[121] Pragmatically, the main goal of these cooperation policies was ultimately military: They were meant to fulfill the NSC's wish for Spanish elites' acquiescence to US military bases on Iberian soil. Although it is hard to quantify these policies' net effect on business culture, most scholars agree that they were at the core of Spain's "productivity movement."[122]

All in all, a combination of changes in Franco's economic direction in exchange for much needed aid, a boost in investor confidence owing to the changed perceptions of regime's sustainability, and a progressive grass-roots change in Spanish business culture compounded the effects of the $1.3 BN invested in Spain by the US government between 1951 and 1963.[123] Of course, these funds made up for the substantial current account deficits of the 1950s, and localized aid in fragile areas of the economy like food supply and capital goods.[124] Consequently, growth between 1951 and 1958 reached 4.53 pa, which marked a radical turnaround from "the hungry years." Additionally, taking 1950 as a base, the domestic investment ratio grew 60% by 1956, which effectively created a more stable base for the future years of boom.[125] Therefore, in terms of material support and policy steering away from ISI, American negotiations were crucial for Spain's real resurgence long before the "economic miracle."

Steering the Dictator from Darkness to the Miracle

In August 1958, an Office of Strategic Services (OSS) report warned the Eisenhower administration that Franco's regime had become "dangerously dependant on the United States."[126] In 1955, as everyone tried to erase the December 1946 resolution from history, America sponsored Spain's UN membership. By 1958, Spain had joined the Bretton Woods institutions, and both the US and Salazar's Portugal kept pressing for its inclusion in NATO. Also that year, the economy faced its last and mild contraction with plenty of US economic aid before fifteen years of the second fastest growth rate in the world.[127] Still isolated from the rest of Europe, more than 65% of all FDI in the country throughout the decade was American.[128] The OSS's assessment was, to say the least, quite plausible.

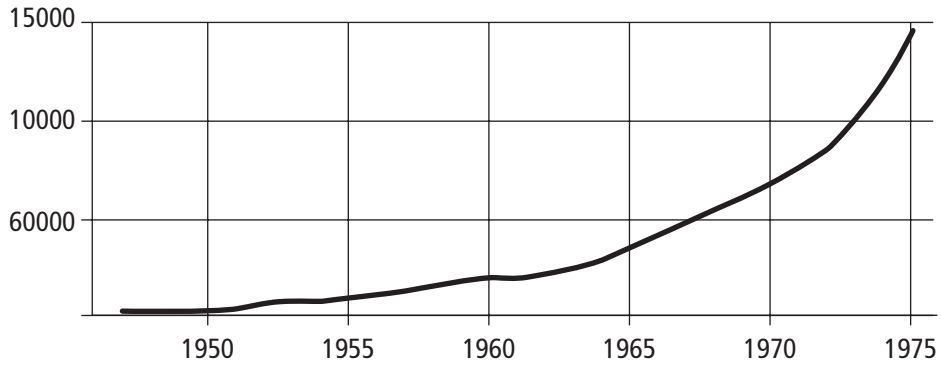
Although Franco's regime never fully let go of its organicist rhetoric reminiscent of Europe circa 1939, there was an impressive turnaround in the economic sphere during the 1950s; it predated the so-called 'economic miracle' ignited by the IMF-sponsored Stabilization Plan of 1959. As this paper has argued, Franco's international ostracism in the years after WWII deepened a structural crisis caused by his fundamentally flawed conception of domestic political economy. His ideological vision had directed him along a disastrous path of economic nationalism, subjecting Spain to an ineffective ISI developmental model and unfulfilled dreams of self-sufficiency. Despite ruling over a largely agricultural country, Franco lived through his worst years courtesy of Perón's food exports.

Perhaps more importantly, America's rapprochement in the context of the Cold War represented a victory of realist elements at the Department of Defense and a drastic revision of FDR and Truman's policy objective of replacing Franco at all costs, first articulated during the wolfram crisis of 1944. It was the American military's desire to secure bases in the Iberian peninsula to contain the Red Army in the event of a blitz of Western Europe that led to Spain's 'resurgence.' This military concern led not only to the reinsertion of Spain into the international community, but also to the steering of Franco's policies along a more liberal economic path. This phenomenon manifested itself in a variety of ways: It involved negotiations over material transfers, changes in the regime's incentives for monetary and fiscal policymaking, a fundamental reassertion of Franco's sustainability in the eyes of foreign investors, and a gradual modernization of Spain's business culture in the 1950s and beyond. Although this turnaround meant the survival of Franco's totalitarian regime until the dictator's death in 1975, it also established the context in which the Stabilization Plan could finally bring development to Spain.

In one of the most politically pungent scenes of Bardem's *Death of Cyclist*, two Americans at a high society gathering ask a cynical Spanish art critic sitting next to a piano to play a very particular song. As he glances toward the camera, he agrees obsequiously: "Of course! Today, more than ever, you rule!"[129] In the economic sphere, and fortunately for Franco's regime, the critic was quite right.

Appendix 1

Figure 1. Per Capita GDP Growth During Franco's Rule



References

Government Documents:

La Guerra Civil en sus Documentos, Madrid: Belaqva, 2004.

James Marshall-Cornwall (editor), et al, *Documents on German Foreign Policy 1918–1945, from the Archives of the German Foreign Ministry*, Series D–1937–1945, Volume III: Germany and the Spanish Civil War 1936–1939, Washington: United States Printing Office, 1950.

William M. Franklin et al eds., *Foreign Relations of the United States, Diplomatic Papers*, Washington: US Department of State Government Printing Office, 1966.

- Series 1942, Vol. II.
- Series 1944, Vol. IV.
- Series 1942, Vols. II and V.
- Series 1946, Vols. V and VI.
- Series 1947, Vol. III.
- Series 1948, Vol. III.
- Series 1950, Vol. III.

The Department of State Bulletin, Vol. *XV1, No.* 415 (June 15, 1947), pp. 1159–1160.

Documents of the National Security Council, microfilm published by the University Publication of America, Film A 438.3/4/5/6, reels C I—E VII.

- NSC 72/1, July 3rd, 1950
- NSC 72/2, January 15th, 1951

- NSC 72/3, January 29th, 1951
- NSC 72/4, February 1st, 1951
- NSC 72/5, June 7th, 1951
- NSC Progress Report of February 15th, 1954
- OSS Europe, 0579, *Probable Developments in Spain*, August, 1958.

News Articles:
World Today article of December 1953.
The Times, June 9th, 1946.
ABC, June 9th, 1946.
"Clipped Wings," *TIME* Magazine, May 23rd, 1938.
Bruce Dancis, *Arresting cinema: Despite censorship, 'Death of a Cyclist' filmmaker made art*, McClatchy Newspapers (MCT), April 25th, 2008.
The Economist, April 17th, 1954.

Online Resources:
Hein Online Library
Department of State Office of the Historian
Global Financial Data
Woodrow Wilson Cold War International History Project
National Security Archive, George Washington University

Books and Journal Articles:
Hugh Thomas, *The Spanish Civil War*, London: Penguin, 1957, 2006.
Edward Malefakis, *The Franco Dictatorship: A Bifurcated Regime?*, in Nigel Townson ed., Spain *Transformed: The Late Franco Dictatorship 1959–1975*, London: Palgrave Macmillan, 2007.
Paul Preston, *Franco, A Biography*, New York: HarperCollins, 1993.
Nigel Townson, *Introduction,* in Nigel Townson ed., Spain *Transformed: The Late Franco Dictatorship 1959–1975*, London: Palgrave Macmillan, 2007.
Leandro Prados de la Escosura and Jorge C. Sanz, *Growth and Macroeconomic Performance in Spain, 1939–1993*, in Nicholas Crafts and Gianni Toniolo (eds.), *Economic Growth in Europe since 1945*, Cambridge: Cambridge University Press, 1996
Robert Graham, *Spain: A Nation Comes of Age*, New York: St. Martin's Press, 1984
Oscar Calvo-González, *American Military Interests and Economic Confidence in Spain under the Franco Dictatorship*, in *The Journal of Economic History*, Vol. 67, No. 3 (September 2007).
Gabriel Tortella [Valerie J. Herr trans.], *The Development of Modern Spain: An Economic History of the Nineteenth and Twentieth Centuries*, Cambridge, MA: Harvard University Press, 2000.
Dante A. Puzzo, *Spain and the Great Powers 1936–1941*, New York: Columbia University Press, 1962.
Fernando Schwartz, *La internacionalización de la Guerra Civil Española*, Barcelona: Ariel, 1972.
Ian Gibson, *En Busca de José Antonio*, Barcelona, 1980.

Julio Crespo MacNeeland, *Spain and the Process of European Integration*, London: Palgrave, 2000.
Adam Tooze, *The Wages of Destruction, The Making and Breaking of Nazi Economy*, London: Viking, 2007.
Douglas L. Wheeler, *The Price of Neutrality: Portugal, the Wolfram Question, and World War II*, *Luso-Brazilian Review*, Vol. 23, No. 1 (Summer, 1986), pp. 107–127.
Carlton J. H. Hayes, *Wartime Mission in Spain: 1942–1945,* New York, 1946.
Gerald Howson, *Arms for Spain*, London: John Murray, 1998.
Carlos J. Kaiser, *La Guerrilla antifranquista: La Historia del Maquis*, Madrid, 1976.
Arturo Jarque Íñiguez, *Queremos Esas Bases, El Acercamiento de Estados Unidos a la España de Franco*, Madrid: Biblioteca de Estudios Norteamericanos, 1998.
Christian Leitz and David Joseph Dunthorn, *Spain in an International Context 1936–1959*, Madrid: Berghahn, 1999.
Pablo M. Aceña and Elena M. Ruiz, *La Economía de la Guerra Civil*, Madrid: Macial Pons Historia, 2006.
Robert Fogel, *The Escape from Hunger and Premature Death, 1700–2100: Europe, America, and the Third World*, New York: Cambridge University Press, 2003.
Eduardo Merigó, "*Spain*," in Andre Boltho (ed.), *The European Economy: Growth and Crisis*, Oxford: Oxford University Press, 1988.
Elena San Román, *Ejército e industria: el nacimiento del INI*, Barcelona: Crítica, 1999.
Elena R. Rueda, *Los Fondos Históricos del INI,* Fuentes para el Estudio de la Empresa Pública Industrial (SEPI), SEPI Archive, January 2005.
Bradford De Long and Barry Eichengreen, *The Marshall Plan: History's Most Successful Structural Adjustment Program*, presented at the Centre for Economic Performance and Landeszentralbank Hamburg conference on Post-World War II European Reconstruction, Hamburg, September 5–7, 1991.
John Brohman, *Popular Development: Rethinking the Theory and Practice of Development*, New York: Blackwell, 1996.
Ranaan Rein, *Entre el Abismo y la Salvación: El Pacto Franco-Perón 1946–1955*, Buenos Aires: Lumiere, 2003.
John Lewis Gaddis, *Was the Truman Doctrine a Real Turning Point?*, Foreign Affairs, Vol. 52 (January 1974), P. 386–402.
Winston Churchill, *Winston S. Churchill: His Complete Speeches*, 1897–1963, London: Chelsea Publishers, 1974.
Jill Edwards, *Anglo-American Relations and the Franco Question, 1945–1955*, Oxford: Oxford University Press, 1999.
Núria Puig, *La Ayuda Económica de los Estados Unidos y la Americanización de los Empresarios Españoles*, in Lorenzo Delgado and Maria Dolores Elizalde, eds., *España y Estados Unidos en el Siglo XX*, Madrid: Consejo Superior de Investigaciones Científicas, 2000.

Lorenzo Delgado, *Cooperación Cultural y Científica en Clave Política: "Crear un Clima de Opinión Favorable Para Las Bases de EEUU en España,"* in Lorenzo Delgado and Maria Dolores Elizalde, eds., *España y Estados Unidos en el Siglo XX*, Madrid: Consejo Superior de Investigaciones Científicas, 2000.

José Gil Peláez, *"Los EEUU en el movimiento español de la productividad,"* Información Comercial Española, Vol. 407 (1967).

Oscar Calvo-González, *The Impact of American Aid in the Spanish economy in 1950s*, London School of Economics 1998 MsC dissertation.

Ángel Viñas, *Los Pactos Secretos de Franco con Estados Unidos: Bases, Ayuda Económica y Recortes de Soberanía*, Barcelona: Grijalbo, 1981.

Endnotes

1. '*Muerte de un Ciclista*,' written and directed by Bardem, was first released in Spain on September 9th, 1955. Tellingly, the film had opened at Cannes in late May and in Italy on August 27th. For more information, see: http://www.imdb.com/title/tt0048394/.
2. Cited in Bruce Dancis, *Arresting cinema: Despite censorship, 'Death of a Cyclist' filmmaker made art*, McClatchy Newspapers (MCT), April 25th, 2008. Also available at: http://www.popmatters.com/pm/news/article/57883/arresting-cinema-despite-censorship-death-of-a-cyclist-filmmaker-made-art/.
3. International Federation of Film Critics (*Fédération Internationale de la Presse Cinématographique*). Unless otherwise noted, all translations are my own.
4. "*Los años de hambre*." The film has several scenes where the main character, an aristocratic college professor awakened by his crime—along with his married mistress—against a cyclist, walks through the poor slums on Madrid. Furthermore, it accurately prophesizes the student riots against the Franco regime in 1956. The professor is clear about the student protests: "It does not matter what they [the rioters] say, it matters that they shout."
5. The exception here, of course, is Portugal's António de Oliveira Salazar, founder of the '*Stado Novo*' and close partner of Franco's. See: Hugh Thomas, *The Spanish Civil War*, London: Penguin, 1957, 2006. Notes on Salazar.
6. Oddly enough, the day of his death, Franco had a 'testament speech' broadcast to the whole country, where he himself famously proclaimed his own death: "Spaniards, Franco is dead." ("*Españoles, Franco ha muerto.*") He even requested his countrymen to give King Juan Carlos de Borbón "the same affection and loyalty" given to him. The video is available online at: http://youtube.com/watch?v=V2uDt_zj4Xo&feature=related
7. Edward Malefakis, *The Franco Dictatorship: A Bifurcated Regime?*, in Nigel Townson ed., Spain *Transformed: The Late Franco Dictatorship 1959–1975*, London: Palgrave Macmillan, 2007. P. 248–255.

8. By calling them 'technocrats' several authors meant that those in charge of economic policies since the late 1950s were actually trained in economics, and not loyal generals or childhood friends of Franco's, like Juan Antonio Suanzes y Fernández, the architect of the dismal import-substitution-industrialization (ISI) development model after 1945. See Paul Preston, *Franco, A Biography*, New York: HarperCollins, 1993. Notes, P. 998.
9. See Nigel Townson, Op. Cit., P. 12. See also Annex 1 for Global Financial Data GDP per capita growth results.
10. For a few examples, see: Leandro Prados de la Escosura and Jorge C. Sanz, *Growth and Macroeconomic Performance in Spain, 1939–1993*, in Nicholas Crafts and Gianni Toniolo (eds.), *Economic Growth in Europe since 1945*, Cambridge: Cambridge University Press, 1996; Robert Graham, *Spain: A Nation Comes of Age*, New York: St. Martin's Press, 1984, Chapter 2; Nigel Townson, *Introduction*, in Nigel Townson ed., Op. Cit., P. 6; and Oscar Calvo-González, *American Military Interests and Economic Confidence in Spain under the Franco Dictatorship*, in *The Journal of Economic History*, Vol. 67, No. 3 (September 2007).
11. In fact, the IMF itself worked out details of the Stabilization Plan with the Franco administration, but they could only begin work when the country officially joined in 1958.
12. US foreign direct investment (FDI) represented over 60% of Spain's foreign capital account 1960s, despite the regime's lurking protectionist policies in terms of foreign ownership of Spanish assets. Gabriel Tortella [Valerie J. Herr trans.], *The Development of Modern Spain: An Economic History of the Nineteenth and Twentieth Centuries*, Cambridge, MA: Harvard University Press, 2000. See Chapter 4.
13. On This Day BBC World Service, May 7th, 1945. See: http://news.bbc.co.uk/onthisday/hi/dates/stories/may/7/newsid_3578000/3578325.stm
14. This was the topic of my research paper last term. The War had started with the military uprising in Morocco on July 18th.
15. Data from Dante A. Puzzo, *Spain and the Great Powers 1936–1941*, New York: Columbia University Press, 1962. See Conclusions. See also Fernando Schwartz, *La internacionalización de la Guerra Civil Española*, Barcelona: Ariel, 1972. The figures correspond with that provided in Thomas, Op. Cit., Annex 2. Data on Germany is available there as well.
16. "*La Guerra ha terminado*." *La Guerra Civil en sus Documentos*, Madrid: Belaqva, 2004. P. 394.
17. In a speech on April 18th, 1937, Franco had described the Spain shaped by 19th century liberals as "bastard, Frenchified and Europeanizing." His contempt for France and its political culture would become even more obvious after WWII, when the French pressed for regime change in Madrid. See Ian Gibson, *En Busca de José Antonio*, Barcelona, 1980, P. 314, cited in Julio Crespo MacNeeland, *Spain and the Process of European Integration*, London: Palgrave, 2000.

18. Churchill would later explicitly mention these strategic considerations in a speech to the House of Commons in late 1944. See underneath ambassador Cárdenas's letter of defense during the UN crisis of 1946.
19. The letter was also published in the Department of State Bulletin. William M. Franklin et al eds., *Foreign Relations of the United States, Diplomatic Papers*, Washington: US Department of State Government Printing Office, 1966. Via Hein Library. Henceforth, FRUS. For the original document, see Series 1942, Volume III, Europe, Spain, P. 306.
20. See Preston, Op. Cit., P. 480.
21. Ibid.
22. The "*División Azul*" was the 250th Infantry Division in the German army. Technically, and just like the German 'Condor Legion' during the Spanish Civil War, it was only formed with volunteer combatants.
23. For a very detailed account on this see, Adam Tooze, *The Wages of Destruction, The Making and Breaking of Nazi Economy*, London: Viking, 2007. See Part I, Chapter 10.
24. See Preston, Op. Cit., P. 507. Note 1. According to a UN Report on the "Spanish Question," a complex shipping scheme with Peronist Argentina allowed Spain to get raw materials to occupied Europe by sea without the Allies noticing. For more on Argentina's close connections with Franco, see Section 2, P. 19–20.
25. The order from the Foreign Ministry is reproduced in: James Marshall-Cornwall (editor), et al, *Documents on German Foreign Policy 1918–1945, from the Archives of the German Foreign Ministry*, Series D–1937–1945, Volume III: Germany and the Spanish Civil War 1936–1939, Washington: United States Printing Office, 1950. Document 58. Memorandum from the office of Hans Dietrich Dieckhoff. For Hitler's decision on July 25th and the discussion about Spanish raw materials, see Thomas, Op. Cit., 349 and Puzzo, Op. Cit., P. 61. Famously, in 1940, Hitler would later remark he would rather visit the dentist than meet Franco in person again.
26. This policy was not exclusive to Spain, for a similar embargo was being negotiated with Salazar in Portugal. See: Douglas L. Wheeler, *The Price of Neutrality: Portugal, the Wolfram Question, and World War II, Luso-Brazilian Review*, Vol. 23, No. 1 (Summer, 1986), pp. 107–127.
27. See Tooze, Op. Cit., Part II, Chapter 18. The author describes here the development of V2 at the (in)famous Mittelbau factories underground. The same could be applied to the Luftwaffe's Messerschmidt 210.
28. FRUS, Series 1944, Vol. IV, P. 297.
29. FRUS, Series 1944, Vol. IV, P. 298–306. Hayes also wrote: "By far our strongest weapon is the economic weapon."
30. FRUS, Ibid, 320–330. Hayes, a history professor at Columbia University before taking on the Madrid embassy, wrote a book about his mission upon return to the US. Carlton J. H. Hayes, *Wartime Mission in Spain: 1942–1945,* New York, 1946.

31. Preston, Op. Cit., P. 528.
32. Ibid, P. 531. Kindelán was a celebrated war hero. See: *Clipped Wings*, Time Magazine, May 23rd, 1938.
33. FRUS, Series 1945, Vol. V, P. 668–669. Letter dated on March 24th, 1945.
34. See Preston, Op. Cit., P. 536. The resolution, partly drafted by exiled Republicans, applied to Spain exclusively because it prevented nations aided by any country that had fought against the UN forces from obtaining membership.
35. See FRUS Series 1945, Potsdam Conference Vol. II, P. 1071–1075 for memoranda detailing the American, British, and Soviet position on the "Spanish question."
36. The aristocratic Cárdenas had held another crucial embassy before. During the outbreak of the Civil War, he was ambassador in Paris, where he had been instrumental in delaying French support for the Republican government and perhaps even tipping the German ambassador about Premier Léon Blum's plan to sell weapons and planes to Giral's constitutional government. See Gerald Howson, *Arms for Spain*, London: John Murray, 1998. P. 36.
37. FRUS, Series 1946, Vol. VI., P. 1071. Letter to the SoS dated on December 30th, 1945.
38. Preston, Op. Cit., P. 553.
39. FRUS Series 1946, Vol. V, P. 1033–34.
40. See underneath for the effects of ISI and isolation after the end of WWII on the Spanish economy.
41. Carlos J. Kaiser, *La Guerrilla antifranquista: La Historia del Maquis*, Madrid, 1976. Cited in Preston, Op. Cit., P. 555.
42. Quite tellingly, the Declaration was made public by the State Department while President Truman was meeting with Churchill. A day later, the latter would give his famous 'Iron Curtain Speech' at Westminster College in Fulton, Missouri. Eventually, Soviet fears would influence American policy on Spain much more than Britain's. See underneath, Section 3.
43. See FRUS Series 1946, Vol. V, P. 1045, Note 1. Also reproduced in Preston, Op. Cit., P. 554.
44. Ibid, P. 560.
45. See Arturo Jarque Íñiguez, *Queremos Esas Bases, El Acercamiento de Estados Unidos a la España de Franco*, Madrid: Biblioteca de Estudios Norteamericanos, 1998. In particular, Introduction, P. 3–10.
46. Christian Leitz and David Joseph Dunthorn, *Spain in an International Context 1936–1959*, Madrid: Berghahn, 1999. P. 14.
47. Cited in Preston, Op. Cit., P. 562.
48. Tortella, Op. Cit., See Introduction.
49. See Graham, Op. Cit., Chapter 2.
50. See Pablo M. Aceña and Elena M. Ruiz, *La Economía de la Guerra Civil*, Madrid: Macial Pons Historia, 2006. For the purposes of the assertion above, see Aceña's introduction to the essays.

51. It would take Spain almost two decades to return to the GDP per capita of 1936. See Thomas, Op. Cit., Conclusions for a full account of the Civil War damages in human and material terms.
52. For a detailed analysis on this see: Edward Malefakis, *Agrarian reform and Peasant Revolution in Spain*, Barcelona: Ariel, 1980.
53. "*Servicio Nacional de Trigo*." See Tortella, Op. Cit., P. 130–140. Unsurprisingly, it was incredibly corrupt as well.
54. Tortella considers this one of the reasons behind Spanish underdevelopment in the late 19th century in relation to its Latin neighbors like Italy and France. It is also consistent with: Robert Fogel, *The Escape from Hunger and Premature Death, 1700–2100: Europe, America, and the Third World*, New York: Cambridge University Press, 2003, Chapters 1 and 2.
55. Eduardo Merigó, "*Spain*," in Andre Boltho (ed.), *The European Economy: Growth and Crisis*, Oxford: Oxford University Press, 1988. Chapter 19, P. 554. It would get as low as 150 grams a day in 1948.
56. Tortella, Op. Cit., See Notes.
57. See Prados de la Escosura and Saez, Op. Cit., 364.
58. "*Instituto Nacional de Industria*." The conglomerate invested in companies that would much later become profitable, such as airline Iberia and carmaker SEAT. See: Elena San Román, *Ejército e industria: el nacimiento del INI*, Barcelona: Crítica, 1999.
59. "*Instituto per la Ricostruzione Industriale*"
60. "*Propulsar y financiar, en servicio de la Nación, la creación y resurgimiento de nuestras industrias, en especial de las (. . .) se dirijan al desenvolvimiento de nuestra autarquía económica.*" See: Elena R. Rueda, *Los Fondos Históricos del INI,* Fuentes para el Estudio de la Empresa Pública Industrial (SEPI), SEPI Archive, January 2005.
61. Cited in Preston, Op. Cit., P. 344.
62. In fact, in the early 1940s, the regime staunchly rejected loans from the democracies. See Ibid.
63. See Prados de la Escosura and Saez, Op. Cit., P. 364–465. See also Annex 2 for the valuation of the peseta since the beginning of Franco's rule through the 1959 Stabilization Plan. The regime resisted devaluation of the peseta during WWII and beyond, resulting in the opposite effect as that desired under a ISI model. Rather than encouraging exports, it encouraged imports and a depletion of foreign exchange; the trade balance was very negative after the end of the war.
64. See Merigó, Op. Cit., P. 554–555.
65. Bradford De Long and Barry Eichengreen, *The Marshall Plan: History's Most Successful Structural Adjustment Program*, presented at the Centre for Economic Performance and Landeszentralbank Hamburg conference on Post-World War II European Reconstruction, Hamburg, September 5–7, 1991. See in particular P. 3–5.
66. When speaking at Harvard on June 7th, 1947, Marshall said, "The truth of the matter is that Europe's requirements for the next three or four years of foreign

food and other essential products—principally from America—are so much greater than her present ability to pay that she must have substantial additional help or face economic, social, and political deterioration of a very grave character." Clearly, American hopes for regime change in Madrid, reminiscent of FDR's original stance, required Franco's regime to be left out. Salazar's Portugal, however, was included. For a full reproduction of the speech: *The Department of State Bulletin,* Vol. *XV1, No.* 415 (June 15, 1947), pp. 1159–1160.

67. See Tortella, Op. Cit., P. 160.
68. Cited in Preston, Op. Cit., P. 573.
69. The easy stages of ISI usually refer to those light manufacturing industries that do not require heavy capital investment. For a more complete definition, see "Mainstream Theories and Practices" in: John Brohman, *Popular Development: Rethinking the Theory and Practice of Development*, New York: Blackwell, 1996. See in particular P. 56.
70. Quite amazingly, there were more people employed in agriculture in 1950 than there were in 1930 in Spain, in a clear symbol of how much devastation both the War and Franco's economic plan had caused. See Townson, Op. Cit., P. 4. Also, J. Prados Arrarte, *La economía española en los proximos veine años*, Madrid, 1958.
71. Full details on the alliance are described in: Ranaan Rein, *Entre el Abismo y la Salvación: El Pacto Franco-Perón 1946–1955*, Buenos Aires: Lumiere, 2003. See Introducción. After elections in 1946, Perón was not a 'dictator' per se, though he had first accessed power as part of a coup in 1943. Hence, Preston's reference in Op. Cit., P. 570 is inaccurate.
72. Her plane was even escorted by Air Force fighters.
73. For the fashion duel, see *The Times*, June 9th, 1946 and *ABC*, June 9th, 1946, both cited in Preston, Op. Cit., P. 891. According to Preston, with deliveries guaranteed till the following decade, this Protocol was meant to make up for the lack of foreign trade with other European countries, and eventually Marshall Plan aid. See Preston, Op. Cit., P. 571.
74. "*A pesar de las potencias opresoras, el gobierno justicialista del General Perón se ha fijado una consigna: En España no habrá hogar sin pan ni niño sin leche*." Although it is hard to translate '*Justicialista*'; the word refers to the Peronist ideal of bringing 'justice' for the disenfranchised urban masses. Evita's full is available from a 1946 Spanish TV broadcast at: http://youtube.com/watch?v=WNxVslZp_Fo&feature=related
75. See among others, Prados de la Escosura and Saez, Op. Cit., P. 364; Tortella, Op. Cit., P 150; Townsend, Op. Cit., P. 13, and Calvo-González, Op. Cit., P. 2–3. The British estimated that Franco would have oil for at least six months and food from four months to indefinitely, thanks to Argentine aid. See Preston, Notes, on EID report of April 1947.
76. Truman, as will become clear underneath, really despised Franco and his regime. FRUS, Series 1947, Vol. III, P. 1066–67. The reply asserts that the British agree in principle, but are in no position to offer economic aid, given their own domestic situation by 1947. Something similar was part of

Truman's speech when announcing his Doctrine. That telegram is reproduced on pages 1069–72.

77. FRUS, Series 1947, Vol. III, P. 1091–3.
78. Ibid. Kennan was even more explicit: "... we should refrain from any mention of our previous support of the actions of the United Nations in condemning the Franco regime, The Department's position paper states that we should reaffirm that support. This, the staff believes, should *not* be done"—here the Marshall handwriting 'I agree GCM'—(Italics in the original).
79. Truman had announced the Doctrine before a joint session of Congress on March 12, 1947. On the debate about the Doctrine itself, see: John Lewis Gaddis, *Was the Truman Doctrine a Real Turning Point?*, Foreign Affairs, Vol. 52 (January 1974), P. 386–402.
80. This is taken from the White House's 'official history' of the NSC. http://www.whitehouse.gov/nsc/history.html
81. NSC/3, Report to the National Security Council. All the documents underneath from the NSC were found in microfilm form and then digitalized. The full collection is at the Government Documents section of Harvard University's Lamont Library. Frame numbers obtained form LexisNexis Primary Sources in US History E-Resource. *Documents of the National Security Council*, microfilm published by the University Publication of America, Film A 438.3/4/5/6, reels C I—E VII. Henceforth, NSC Microfilms.
82. After toying with the idea of wearing a civilian suit, he decided otherwise: "An Admiral's day uniform would be better when all is said and done, it's a blue suit. And they love anything to do with the Navy." Cited in Preston, Op. Cit., P. 592.
83. As discussed in Section 2, the UN resolution had resulted in the withdrawal of the American ambassador in Madrid.
84. FRUS, Series 1948, Vol. III, P. 1024–1027. On the Marshall Plan idea, Culbertson noted that this was consistent with what other Foreign Ministry officials had told him. This was necessary for Spain because inclusion in the Marshall Plan needed the support of all countries involved, which was realistically impossible.
85. Ibid, P. 1027. The comment, of course, is Culbertson's.
86. See Jarque Íñiguez, Op. Cit., Chapter 2.
87. See Preston, Op. Cit., P. 601.
88. How effective the lobby was remains unclear. Some authors argue it was effective. See Preston, Op. Cit., Notes on Lequerica for a critical appraisal.
89. See Winston Churchill, *Winston S. Churchill: His Complete Speeches*, 1897–1963, London: Chelsea Publishers, 1974. P. 7894. This was closely related to the signature of the Treaty of Brussels the previous March, which would eventually be the basis of NATO. Once again, Spain was excluded.
90. The generals identified this to be NAT, which referred to NATO.
91. NSC Microfilms, NSC 72/1, July 3rd, 1950, P. 1.
92. Ibid, P. 4. There was evidence to suggest Congress actually represented the American people's opinion. American Institute of Public Opinion

poll in September 1950 showed 58% of 'informed' Americans in favor of 'military and economic aid' to Franco if Spain were to support American in war with Russia.' See Jarque Íñiguez, Op. Cit., P. 288.

93. FRUS Series 1950, Vol. III, P. 1573. It was included in the General Appropriations Act of 1951 (Fiscal Year–FY-1951).
94. Preston, Op. Cit., P. 602. See Note.
95. FRUS Series 1950, Vol. III, P. 1574. Connally was the powerful and pro-Franco Chairman of the Senate Foreign Relations Committee.
96. See Preston, Op. Cit., P. 602. Griffis was an investment banker who had also been ambassador in Argentina, where a British envoy had accused him of sympathizing with Peron's fascist-inspired policies. Upon accepting his credentials Franco orchestrated a sumptuous reception featuring 18th century chariots that impressed Griffis.
97. NSC Microfilms, NSC 72/2, January 15th, 1 951. See in particular P. 1, 3, and 5.
98. This happened after the Korean War started, upon President Truman's initiative.
99. NSC Microfilms, NSC 72/3, January 29th, 1951. See P. 1, 2, 3, and 6. Marshall wished to speed up the debate: "I think our government's attitude toward Spain should reflect more of a sense of urgency in securing our objectives."
100. NSC Microfilms, NSC 72/4, February 1st, 1951. See P. 1, 2.
101. NSC Microfilms, NSC 72/5. Note: Page 7 is wrongly marked as NSC 72/4, for it was part of the ISAC report. The report also warned that it would be difficult to have an impact in Spain, considering the "evidence of extraordinary mismanagement of the Spanish economy and of government administration in Spain . . ."
102. Ibid. The paper was even more specific: "Moreover, the military capacity of Spain to make a contribution to Western European defence would require the support of the Spanish people. It might be difficult to obtain this support if it appeared to the Spanish people that the United States interest in Spain extended only to expenditures on behalf of the Spanish military establishment and disregarded the welfare of the Spanish people themselves."
103. NSC Microfilms, Progress Report by the Acting Secretary of State, September 7th, 1951. See P. 1–5. See also Jill Edwards, *Anglo-American Relations and the Franco Question, 1945–1955*, Oxford: Oxford University Press, 1999. In particular, P. 225.
104. See Preston, Op. Cit., P. 612.
105. Ibid, P. 615.
106. One of the reasons for delay was Truman's insistence with increased religious freedom in Spain. When Eisenhower became President, negotiations moved much faster. See Note 109 underneath. For economic performance, see Prados de la Escosura and Ruiz, Op. Cit., P. 364.
107. Besides, there had been a distancing between Perón and Franco in late 1951, owing to disagreements over the exchange.
108. The figure came down to single digits after reaching around 23% pa between 1949–1951. See Tortella, Op. Cit., P. 132.

109. Ángel Viñas, *Los Pactos Secretos de Franco con Estados Unidos: Bases, Ayuda Económica y Recortes de Soberanía*, Barcelona: Grijalbo, 1981.See P. 250–256.
110. After discussions with Congress, it was decided that despite the content, it would not be a called a formal alliance, probably in order to avoid further alienation of America's traditional Atlantic allies.
111. For a concise description, see NSC Microfilms, NSC Progress Report of February 15th, 1954, P. 6–7.
112. See Viñas, Op. Cit., P. 263.
113. Ibid, P. 264.
114. An example of this was the intense debate in 1944 between the International Telephone and Telegraph Company's Senior VP FT Caldwell and the Spanish government about *Telefónica*, in which Hayes got involved. The American conglomerate had owned 80% of common shares since the Primo de Rivera dictatorship in the 1920s, when most American investments in Spain had been made, but had a very hard time with Franco's economic nationalism during the 1940s. This included laws regulating foreign ownership and transfer of capital abroad. For a detailed account of this debate, see: FRUS Series 1944, Vol. III, P. 426–470.
115. *The Economist*, April 17th, 1954, cited in Calvo González, Op. Cit., P. 744. For negotiation and amounts, see: NSC Microfilms, NSC Progress Report of March 27th, 1957, Financial Annex P. 1–2.
116. See Ibid. In particular, "Figure 3: Spread Between US Dollar Price in Madrid's unofficial market and the US Dollar Price of Gold in Zurich" and "Figure 5: f Tests for Structural Breaks in the Spread Between Gold Price in Madrid's Unofficial Market and Zurich." Calvo González uses a GARCH model of exchange rate changes, defined "generalized autoregressive conditional heteroskedasticity." His advanced mathematical methodology is explained in full on P. 749.
117. Núria Puig, *La Ayuda Económica de los Estados Unidos y la Americanización de los Empresarios Españoles*, in Lorenzo Delgado and Maria Dolores Elizalde, eds., *España y Estados Unidos en el Siglo XX*, Madrid: Consejo Superior de Investigaciones Científicas, 2000. P. 185–187.
118. See Page 15, Note 50.
119. Puig, Op. Cit., P. 191.
120. See Lorenzo Delgado, *Cooperación Cultural y Científica en Clave Política: "Crear un Clima de Opinión Favorable Para Las Bases de EEUU en España,"* in Lorenzo Delgado and Maria Dolores Elizalde, Op. Cit., P. 210–211. Between 1954 and 1963, for example, there 794 business and technical courses to which over 10,000 people attended; also, in that period almost 1,000 Spanish graduates traveled to get training in America.
121. This refers to "*Escuela Superior de Administración de Empresas"* (ESADE), "*Instituto Católico de Administración y Dirección de Empresas"* (ICADE), and "*Instituto de Estudios Superiores de la Empresa*" (IESE). See Ibid, P. 214–16.

122. "*Movimiento de la productividad*." See for example, José Gil Peláez, "*Los EEUU en el movimiento español de la productividad, Información Comercial Española*," 407 (1967), P. 145–148, cited in Delgado, Op. Cit., P. 210.
123. See table from Oscar Calvo-González, *The Impact of American Aid in the Spanish economy in 1950s*, LSE 1998 MsC dissertation, reproduced in Puig, Op. Cit., P. 188.
124. See Ibid. These were the two areas that received most money, with $579 M and $357 M respectively.
125. Calvo González, Op. Cit., P. 734.
126. OSS Europe, 0579, *Probable Developments in Spain*, P. 7, cited in Nuria, Op. Cit., P. 214.
127. Prados de la Escosura and Sanz, Op. Cit., P. 364.
128. Ibid, P. 211.
129. "*¡Por supuesto! Ustedes mandan, ¡ahora más que nunca!*" See Note 1 for film citation.

Editorials

Supranational Treatise: A Theoretical Approach on British Ascension to the European Community

Benjamin J. Sacks
Tufts University

The conceptualization of treaties, alliances, and boundaries can take on numerous forms and appearances. *Hemispheres: the Tufts Journal of International Affairs* has explored a diverse array of case studies, analyses, and comparative essays that explore the various dynamics of the formulation, acquisition, maintenance, and consequences of such arrangements. These critical frameworks can cause significant issue for states when they are engaged in the already painful process of socio-economic and political transformation. After the end of the Second World War in 1945, Much of Europe experienced such upheaval and pain in its quest to transform itself from a continent of warring countries into a fledgling supranational superstate. In particular, the negotiations and circumstances surrounding the 1973 accession of the United Kingdom of Great Britain and Northern Ireland, a great power (albeit with diminished influence) is prominent. The United Kingdom was at once forced to distance itself from its traditional Commonwealth tradinig partners, and enter serious negotiations with France and Germany, two other major European powers that London had historically quarreled with.

At the Hague Congress of 1948, victorious and conquered nations alike met to discuss the future of the European Continent. Merely three years after the end of the most devastating global war in recorded history, six nations of Western Europe would embark on the most audacious experiment in supranationalism ever attempted. In the spirit of solidarity, Great Britain was asked to join the fledgling European Coal and Steel Community in 1952. However, beyond the idealisms of the Anglo-French Entente Cordiale and European multilateralism much of the decision-making between London and the rest of the European Community in Brussels was based upon national economic and strategic priorities, rather than any strong emotions of European fraternity. British repugnance to join the European Coal and Steel Community (ECSC) and European Community, only to apply for membership in 1961 thus appears to be contradictory. However, such action was a rational reflection of Britain's commercial interests. Her decision to decline membership, then apply for accession followed the principle tenets of Neoliberal Intergovernmentalism: London's response to domestic and international economic priorities, a desire to further Britain's status as a global power, and to effectively utilize international organizations to further the stability of trade agreements

In Realist theory, states are the highest actors in a world of anarchy; there is no 'global' government. States act purely in their own interest, with little concern to international cooperation or domestic demands. In particular, Stephen Walt suggested that the 'balance of threat' was the preeminent reason behind state behavior. Within such a context, France, Germany, and BENELUX—Belgium, the Netherlands, and Luxembourg created the European Community to shift the bipolar international arena into a world of multipolarity. Alone, these respective states could not bandwagon against the two post-War superpowers: the United States and the Soviet Union. By forming, however, an economic and military alliance Western Europe could balance power emanating from both directions. In such a global environment individual economic or domestic decisions may not carry significant weight in the long-term rise and fall of the great powers.

The degree to which domestic economic priorities and international institutions play in interstate behavior are highlighted under the auspices of Intergovernmentalism. Differing from Realism, "dynamic political processes in the domestic polity" are responsible for state foreign relations.[1] Indeed, these internal domestic issues are largely driven by commercial interests. In turn, domestic economic concerns will influence intergovernmental relations in order to ensure an international agreement that will benefit domestic priorities. Neoliberal Intergovernmentalism somewhat alters this explanation to embrace Neoliberal support for international institutions, holding the belief that multinational integration "actually *strengthens* the state."[2]

The inclusion of international and supranational institutions highlighted the degree to which rational choice theory played a pivotal role in European state relations. States share common as well as individual interests, thus motivating members to join those institutions that best served their personal economic interest. In doing so, states assure the continuity and stability of international organizations "in order to increase the credibility of their mutual commitments" and to ensure the best outcome for their respective interests.[3] Such supranational bodies as the European Community inhibit the ability of individual states to renege on agreements; authority vested in the supranational body would penalize defectors and damage interstate relations.[4]

The transition of the United Kingdom into membership within the European Community was thus primarily an economic decision with some geopolitical ramifications. In the initial treaty of accession to the European Community by the United Kingdom, France, and Denmark, enacted on January 22, 1972, the national representatives cited their perspective on the enlargement of the European Community: "Determined in the spirit of those Treaties to construct *an ever closer union among the peoples of Europe* on the foundations already laid . . ."[5] Indeed, the inclusion of the United Kingdom was a reflection of Britain's loss of international hegemony in exchange for a more Eurocentric political role. Yet, in the formal accession documentation of January 1, 1973, many of the accession articles appear to be primarily commercial in nature,

allowing the United Kingdom adjustments to European Community legislation, including special dispensation for colonial territories. Products from "non-European territories maintaining special relations with the United Kingdom...[shall be] subject to the arrangements applied to those products before accession.."[6] These key concessions, preferential to Commonwealth countries who held traditional economic ties with Britain, were formalized at the Lomé Convention in 1975.[7] In large measure, accession was symbolic as it reflected changing priorities in British global trade and investment. To a greater degree than her continental counterparts, the United Kingdom relied upon international commerce as the cornerstone of its continued economic prosperity. Per the guidelines of Neoliberal Intergovernmentalism, British behavior tended to follow the need to protect her position in commercial trade. In 1952, British economic concerns were focused upon American and Commonwealth trade. By 1973, Great Britain's trade priorities had shifted away from traditional centers of British influence and towards European markets.

After the Second World War the geopolitical importance of the Commonwealth was threatened. The establishment of a bipolar world divided between the respective ideologies of Capitalism and Leninism-Marxism was facilitated by the massive projection capabilities of the United States and the Soviet Union. Yet in the 1950s the Commonwealth remained a powerful economic bloc. Created through the Statue of Westminster in 1931, The Commonwealth and the British Isles became equal partners in an active trading and cultural relationship (*Statute of Westminster* 1931). As Jean Monnet and Robert Schumann began deliberations towards the creation of the European Coal and Steel Community (ECSC) in 1952, Britain still looked towards the preferential import regime in the Commonwealth for commerce and economic stability.[8] The continued hegemony of the United Kingdom within the Commonwealth lent London international influence that the Government believed would be severely tempered by supranationalism in Europe. Indeed, the influence Britain wielded in the Commonwealth elevated London's negotiating position in Washington, D.C.

From a commercial standpoint, post-war Europe was but a shadow of its former self; France continued to suffer from economic weakness relative to Germany, and could not rely on its frail Empire to be as economically viable in the immediate post-War years as the British Empire and Commonwealth. Europe was of tertiary economic importance to Great Britain, after the United States and the Commonwealth. In the creation of the ECSC, Schuman had not explicitly consulted the British on the negotiations of the supranational authority, but hoped that the United Kingdom would join the fledging organization. Although the European scholar Desmond Dinan derides the British rebuff as "hardly sensible behavior," the decision to decline ECSC membership in 1952 was based upon sound economic rationale, rather than any ideological conflict with the Continent. After the Foreign Office reviewed scenarios concerning Britain's accession to the ECSC, the Foreign Secretary Alan Milward noted that:

> [Joining the ECSC] would reduce [Britain's] independence from, and thus its status and influence with, the USA, while at the same time weakening its links [and trade] with the Commonwealth and thus even further reducing its influence over the USA.[9]

As such, there was little need for Britain to join an organization in a tertiary market that would have ceded some economic control to a higher authority. The creation of the European Free Trade Association in 1960 was supposed to assuage those in Britain who wished for the economic preferences of a tariff-free zone, without the loss of commercial oversight to a supranational body.

Within such a context, why did Great Britain formally initiate negotiations to become a member of the European Community in 1961? With an active military relationship with the United States and a continued ability, albeit significantly diminished, to intervene throughout the Commonwealth and other disparate regions of the world, London could not have joined for purely Realist reasons. Although the United Kingdom was not developing a truly independent nuclear arsenal (a capability that France had begun to engineer under the leadership of Charles de Gaulle) Britain continued

to perceive herself as a great power. In 1962, at the height of EC negotiations, Britain signed an agreement with the United States at Nassau in the Bahamas securing British inclusion of the Polaris missile program. Concurrently, Britain enjoyed continued geopolitical ties in the Commonwealth. Thus, the rational conduit behind British membership application was economic in scope.

From the end of the Second World War through the beginning of the 1970s France, Germany, and BENELUX experienced rapid economic growth. Germany, destroyed during the Second World War, had triumphed economically through its *Wirtschaftswunder*—"rapid growth, low unemployment, and fast-rising living standards"[10] In France, industry and living standards burgeoned under *Les Trentes Glorieuses*.[11] Indeed, the expansion and diversification of key European industries, including automobiles, coal, steel, atomic energy, and shipbuilding—was drastic. This period of economic and social vitality was not shared by Britain. A prime example lies within the nature of the British automobile and aerospace industries. In Britain during the Second World War, nineteen companies manufactured aircraft. By 1986, through bankruptcy, government intervention, and commercial merger, only British Aerospace (now BAE Systems) remained.[12] The automobile industry, a cornerstone of British industrial hegemony before World War Two, nearly collapsed in its entirety. By 1972 Great Britain only manufactured 5.1% of global motor car exports; France was the source of 12.5% of global automobile exports and West Germany produced an enormous 25.6%.[13] Perhaps more importantly was the international distribution of automobile exports. Once small centers of production, France and Italy's automobile industry during the 1960s and early 1970s had greatly benefited from the dynamism of the European Community: 49.0% of French cars exported were sent to the other three principal industrial EC nations; 46.0% of Italy's automobiles shared the same fate. In Italy Fiat had become a domineering industrial force, and France's Citroën and Peugeot had become powerful corporations in their own right. However, on the eve of accession, only 8.5% of British automobile exports were directed to Germany, Italy, or France. Unsurprisingly, British global automobile exports lagged behind

those of France, Germany and Italy.[14] British Leyland was on the edge of collapse, and the continued survival of British automobile marques lay in doubt. The decline of the automobile industry mirrored that of the deterioration of shipbuilding, steel production, and the mining industry. In light of such significant Continental economic progress and to curtail economic decline Britain "wanted access to the rich EEC market."[15] As such, accession to the European Community represented a rational, Neoliberal Intergovernmentalist decision to increase the success of key British industries within the European Community and to utilize European supranational industrial regulation to increase the competitiveness of British industry both in Europe and globally.

However, the same Neoliberal Intergovernmentalist logic worked against Britain as well, thus preventing the United Kingdom from joining the European Community for well over a decade. The need to remain commercially competitive acted as the principal conduit for the French rejection of the British EC application in 1961 and 1967. In the Realist perspective, Charles de Gaulle denied British membership because he viewed the entrance of the United Kingdom into the European Community as a gateway for American hegemonic influence in European affairs. In a bipolar world of international relations de Gaulle wished to create a third pole of geopolitical influence; Great Britain, he argued, was too close to the American pole of the Cold War. However, this argument ignores the possible domestic risks that British industry posed to European Community markets if Britain were to become a member. For instance, government decision-making tends to "reflect direct, issue-specific consequences"[16] Indeed, the French rebuff of the British EC application was a premier example of Neoliberal Intergovernmentalist policy: the price of French wheat, rather than French pride was the principal factor behind French opposition. British Commonwealth trade would undermine French agricultural advantages, most notably in the Common Agricultural Policy (CAP), an EC cornerstone policy that heavily subsidized European (primarily French) farmers. Britain had a considerably different agricultural system, and unlike France was forced to import much of her food. Such a system

necessitated a preferential import scheme for Great Britain that would have disadvantaged subsidy-supported French agriculture. Thus, agricultural adjustment was a concession that de Gaulle was not willing to give to London. Britain had made a number of important concessions in the 1962–1963 negotiations, yet true to Neoliberal Intergovernmentalist policy a specific commercial issue of wheat and the threat to the CAP would force Paris to act against London's wishes in a strictly intergovernmental relationship. Agricultural policy would remain a recurrent theme in Anglo-European negotiations.

By 1973, Britain's economic downturn highlighted the need for greater access into markets previously viewed as secondary, most notably in Europe. Traditional Commonwealth commerce had become a fraction of 1952 estimates. Additionally, the *inadequacy* of Commonwealth markets had become apparent by the mid 1950s. Owing to its sheer geographic proximity, Canada had begun to dramatically increase its trade with the United States. Australia and New Zealand, protected under the American security umbrella through the 1951 ANZUS Treaty, also began to look towards the United States for its principal economic market. Although trade with the United States remained the most important market for the British economy, Europe had become an equally important outlet. Consequently, the 1972–1973 rounds of negotiations rested on primarily economic facets. Far from placating French Realist idealism of a "Third Pole" in international relations, the two respective sides came to crucial agreements concerning commercial interests, thus paving the way for accession. Following massive protest from the British fisheries industry in Northern England, the EC-Six modified the Common Fisheries Policy (CFP) to exempt Britain from the fundamental tenet of the CFP: common EC access to national fishing grounds. Ascribing to Neoliberal Intergovernmentalist norms, internal economic priorities acted as the principle means of British negotiation for EC accession. Indeed, the most aggressive negotiations concerned certain British adjustments to the revered CAP. Well-organized lobbyists won concessions for Commonwealth sugar from the British West Indies, and in particular, New Zealand lamb.

In a Realist argument such singular, internal economic issues would be irrelevant to the larger arena of interstate relations. If such an argument, however, were to have been valid concerning British accession in 1973, then France would have continued to bar British membership in its drive to leverage the European Community *against* the United States and Soviet Union. The Polaris missile program between the United Kingdom and the United States was still highly active, and the American military still maintained considerable military capability in the British Isles. In essence, from a geopolitical standpoint, the United Kingdom represented a clear threat to French dreams of a multipolar world.

Yet, France's Realist idealism would not manifest itself. Both sides continued to press ahead with negotiations. France needed British financial capital and a new market for its large agricultural sector. Consequently, Paris agreed to British demands over preferential trade agreements for Commonwealth sugar and New Zealand lamb. Britain accepted the CAP to remove a large obstacle to accessing Europe's large commercial market for her own key, flagging industrial sector. Far from the publicity of French *grandeur*, the accession of the United Kingdom in 1973 simply represented good business between economies and governments. 1970s Britain could have feasibly continued to use the Commonwealth as its principal outlet for international hegemony. Indeed, Australia, New Zealand, and Canada had after the end of the Second World War maintained the notion of "dual-loyalty," blending autonomous international and domestic behavior with the image that the Dominions were still "loyal outposts of British culture and British civilization."[17] In actuality, however, Britain's depressing economic situation facilitated the need of the Nation to focus their commercial efforts on the European Continent, rather than towards the Commonwealth and remnants of Empire.

Endnotes

1. Benjamin Rosamond, *Theories of European Integration* (London: Palgrave Macmillan, 2004), p. 137.
2. Rosamond, *Theories of European Integration*, p. 138.
3. Mark A. Pollack, "Theorizing the European Union: International Organization, Domestic Polity, or Experiment in New Governance?" *Annual Review of Political Science* 8 (2005): pp. 357–398. 361.
4. Pollack, *Theorizing the European Union*, p. 361.
5. "Council Decision of the European Communities Adjusting the Instruments Concerning the Accession of the New Member States to the European Communities," *The European Community* (Brussels: The European Community Office of Publications, 1973).
6. *Council Decision of the European Communities*, 1973.
7. In turn, this agreement superseded the Yaoundé Agreement that had given French territories and associated states economic privileges within the European Community; France thus ensured its own domestic and international economic stability in the agreement.
8. Sir William Nicoll, "Britain and the Commonwealth in the 1950s," in *Britain, the Commonwealth, and Europe: The Commonwealth and Britain's Applications to join the European Communities* (New York: Palgrave Macmillan, 2001).
9. Desmond Dinan, *Europe Recast: A History of European Union* (Boulder, Colorado: Lynne Riener Publishers, 2004), p. 47.
10. "The Quest for Prosperity," *Economist*, 17 March 2007, p. 6.
11. *The Quest for Prosperity*, p. 6.
12. John McCormick, *Understanding the European Union: A Concise Introduction* (New York: Palgrave Macmillan, 2005), p. 167.
13. Robin D. Hocking, "Trade in Motor Cars between the Major European Producers," *The Economic Journal* 90 no. 359 (Sep., 1980): pp. 504–519. 507.
14. Hocking, *Trade in Motor Cars between the Major European Producers*, p. 507.
15. McCormick, *Understanding the European Union*, p. 65.
16. Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (Ithaca, New York: Cornell University Press, 1998), p. 245.
17. S. Ward, "A Matter of Preference: The EEC and the Erosion of the old Commonwealth Relationship," in *Britain, the Commonwealth, and Europe: The Commnowealth and Britain's Application to join the European Communities* (New York: Palgrave Macmillan, 2001), p.p. 156–157.

Civil-Military Relations & the Response to Insurgency

Arjun Verma
Tufts University

The United States remains engaged in two major wars. Even before the collapse of credit markets in fall 2008, the wars in Afghanistan and Iraq reserved little attention in the American political conscience. American armed forces have spent more time deployed in these wars than troops during World War II. Since 1945, the fighting has been especially arduous because it has not been conventional. Instead, America has been fighting an irregular war where its military preponderance has been rendered irrelevant. Thus, in order to complete the mission of establishing stable, democratic nations, the Army and Marine Corps have had to adopt counterinsurgency doctrine. The ultimate prize is not territory but rather the support of the population. Furthermore, there is no segregated battlefield as the war takes place on street corners, television sets and internet message boards. Forces not only use combat but political, economic and social means in order to establish rule of law and win hearts and minds. Accordingly, winning this type of war requires a whole-of-government approach as well that integrates the military, economic and social resources of the United States government. Civil-military coordination must improve; otherwise, future counterinsurgency operations will fail.

Traditionally, militaries are hesitant to change. The common trope is that generals prepare to win the last war. Militaries often plan for the war that best suits them, forgetting that the enemy has an impact on the nature of the war. In Iraq, military and civilian leaders assumed that a surgical strike would devastate the enemy

and allow for a short operation; the reality has been markedly different. Yet, even after learning painfully the need for long-term, counterinsurgency operations, most commanders still resist shifting the training and preparation of the military. Many feel that after undertaking these laborious operations, the United States will more likely pursue conventional, interstate wars in the future. Thus, a wholesale shift of military training and resources towards counterinsurgency would make the military vulnerable in the case of an interstate, conventional war against Russia or China. In sum, the argument within the military is that America will not engage in irregular warfare and the military should not train for it.

There are several flaws with this argument. Firstly, the tendency of some to presume China and Russia as sites of conflict has rightly been called by Secretary of Defense Robert Gates "next-war-itis." Commanders must focus on the two wars today and the demands they place upon the military. Preparing marines solely for amphibious assaults is a disservice to the operations that are still occurring today. It also throws out the hard-earned lessons of the past seven years. That said, even if the military were to institutionalize counterinsurgency doctrine that does not mean that conventional tactics and training will necessarily suffer. It is not an either-or proposition; rather, the key is for leaders to digest and employ counterinsurgency operations as a part of their toolbox. Often, kinetic, lethal force can accomplish goals. When it does not, there needs to be something that can. Finally, Iraq and Afghanistan do not exist in a vacuum. There are multiple zones of conflict where government forces are engaged in a competition with insurgencies for public support. Examples include Somalia, Mexico, and Kashmir. War seems to be moving away from industrial armies fought between tanks, artillery and jets. As British General and NATO Commander Rupert Smith writes, war is now fought "among the people." The U.S. military must adapt to the changing environment of wars being fought.

The Department of Defense (DOD), while quick to adapt to the counterinsurgency platform in the last two years, still impedes the process with its excessive budget and bureaucratic overreach. The Obama Administration has requested $533 billion for the

Department of Defense in the 2010 Budget. By contrast, the State Department is due to receive approximately $52 billion. In fact, the DOD has dwarfed all other government expenditures for the last two decades. What seemed practical in the Cold War in the midst of an arms race is no longer in alignment with American armed operations. The expensive weapons systems and armaments have far less utility in Iraq or Afghanistan. Experience has shown that disaster relief and institution building has been more valuable than precision bombs. Yet, as Dan Sullivan reports, in the first three years of the Iraq war, U.S. expenditures were 98.6% military. Afghan expert Ahmed Rashid writes that USAID, the government's primary poverty alleviation agency, was systematically undermined in Afghanistan by both the Defense Department. The agency utilized its own agencies to carry out tasks that normally fall under the jurisdiction of USAID, leading to inadequate execution and poor coordination. DOD must become leaner and avoid stealing the roles of other government agencies.

At the same time, their fellow government agencies must be willing to participate in counterinsurgency. While the military and DOD have a monopoly on force and its employment, they are not as skilled when it comes to fostering democratic leaders, local economies and educational services. Washington should leverage agencies' comparative advantages to add resources and knowledge to the counterinsurgency operations. The Department of Agriculture should utilize its manpower to help foster better farming techniques so that poppy production is not a necessity. The Commerce Department should help build economic institutions and policy. The Department of State must also perform better when it comes to increasing government capacity. While some leaders in Iraq and Afghanistan have performed admirably, many still are not meeting the expectations of their constituents. Often this is a result of corruption as well as ignorance. Thus, counterinsurgency is not the sole exercise of the military. It requires the support and engagement of civilians as well.

However, even if the civil-military relationship becomes more fluid and effective, there is no guarantee for long-term success. Though successful counterinsurgency operations can set the

conditions for stability, ultimately the outcome will depend on the decisions of foreign citizens. As always, war is fueled by risk and uncertainty. In order for counterinsurgency operations to succeed, civilian and military leaders must coordinate their actions without friction. To not do so would jeopardize the entire mission.

A *Perfect 10* on Human Rights: Olympic Bids and Civil Rights

Christy Loftus
Tufts University

Every two years, the world pauses to connect via sports during the Olympic Games. Not only does this event showcase immensely talented athletes, but it also allows host nations to celebrate their strengths in front of a global audience. Therefore, every four years many countries bid to organize the Olympics. The International Olympic Committee (IOC) subsequently chooses a winner nation in a controversial decision-making process. Currently, this body claims that its decision is rooted in the country's geographic location and its ability to finance the necessary infrastructure. As it does not consider itself a political body, the IOC continues to deny requests to consider the host government's human rights record as additional criteria. Yet, its choice of location has vast political consequences and the IOC should therefore reevaluate its criteria for determining Olympic hosts.

While the IOC does not consider human rights offenses when selecting the victorious Olympic bid, the political impact of its decisions can be traced to some of the earliest modern Games. Perhaps the most prominent is the "Nazi" Olympics of 1936. Hosted in Berlin, this event is often credited with cementing Adolf Hitler's control over the country and eventually enabling him to implement his genocidal policies. According to an American diplomat in Germany, "to the [Nazi] Party and to the youth of Germany, the holding of the Olympic Games in Berlin in 1936 has become a symbol of the conquest of the world by National Socialist doctrine.

Should the games not be held in Berlin, it would be one of the most serious blows which Nationalist Socialist prestige could suffer."[1] It is unlikely that denying Hitler the Olympics would have stopped his egregious human rights violations, but it could have catalyzed more international resistance to the dictator. If there was enough public opposition worldwide, his policies may have been tempered or other nations may have intervened earlier to save millions of lives.

Not only can the IOC legitimize a tyrant by accepting his bid, it can also deter global opposition to the regime if it awards it the Games. The committee enjoys significant international renown; by naming a country an Olympic host, it tacitly states that it supports the current government. Thus, many incorrectly assume that all successful nations protect their citizens' human rights.

Further discouraging international criticism to their policies, dictators often use the Games to manipulate public opinion about their country. They project an image designed to placate opposition to human rights abuses. Even Nazi Germany, according to historian Duff Hart-Davis, seemed like "a perfectly normal place, in which life went of as pleasantly as in any other European country."[1] Some dictators even overtly attempt to manipulate public opinion. Prior to the 1988 Olympics in Seoul, South Korea, many censured dictator Chun Doo-Hwan for denying many of his citizens adequate shelter. To mollify critics, the government erected banners to cover decrepit housing units. In the words of broadcaster Katherine Switzer, "the Koreans has covered over the more rundown parts of the city with fuchsia, white, pale blue, and green banners. Some of the banners were 30 to 40 feet high and were hung on scaffolding to hide the grimness of the city's poorer neighborhoods."[3] While widespread poverty does not necessarily constitute a human rights violation, the ease with which the South Korean government hid the undesirable demonstrates that host nations can portray their country however they desire. This, in turn, can placate those who might otherwise lobby for human rights.

In their quest to hide past violations, nations named as hosts by the IOC may even commit further crimes. The Mexican government, for instance, brutally slaughtered protesters attempting

to refocus Olympic attention on human rights issues. According to John Hoberman, "[the Mexican regime was] confronted with massive antigovernment demonstrations that culminated with the Mexican Army mowing down 300 protesters."[2] In addition to overt attempts, some host nations engage in more secretive means of suppressing dissent. For example, Moscow was "a city gutted of life and ordinary people"[3] throughout the Olympics. Given the Russian governments' policies in 1980, most historians agree that the regime must have secretly silenced its critics, most likely through illegal means.

As history repeatedly suggests that a successful Olympic bid can strengthen a regime and catalyze future human rights violations, the IOC must consider internal governmental policies throughout the selection process. Some argue that the committee should choose a corrupt regime and attempt to improve it via engagement. However, past precedent suggests that this will yield few results, while the negative consequences could be great. The Olympic Games need not be tarnished by another massacre similar to those that occurred in Mexico and Moscow. Yet, such tragedies will not be avoided if the IOC continues to maintain that it is an apolitical body.

Endnotes

1. "China: A Dangerous Decision (2008 Olympics in China compared with the 1936 Olympics in Nazi Germany)." *National Review* 53.15(2001)
2. Vitiello, Greg. "How Host Nation Use the Olympics to Burnish Their Country's Public Image." *Television Quarterly* 45–50.
3. Hoberman, John. "The Olympics." *Foreign Policy* July 2008: 22–28.

TUFTS PROGRAM IN

The Tufts Program in International Relations was created in 1977 with the express purpose of preparing undergraduates for the rigors of graduate school in international affairs. In that inaugural year, the Program enrolled twenty-seven students. Today, with over six hundred declared majors and a national reputation, the Program in International Relations has become one of Tufts University's most popular undergraduate concentrations.

Yet its popularity has not prevented the IR Program from delivering the hallmark of a Tufts education—small class sizes allowing for individual faculty attention to students. The inclusiveness of Tufts' approach to international relations, a multidisciplinary major, enables it to draw upon the strengths of over 80 Core Faculty from nineteen different departments and programs.

Students are guaranteed exposure to diverse languages, cultures, and political, economic, and social perspectives. International Relations majors may focus their studies in concentrations such as:

Regional and Comparative Analysis **International Economics**
The U.S. in World Affairs **International Security**
Global Health, Nutrition and the Environment

The IR Graduating Class of 2008 consisted of 189 graduates, and exemplifies the diversity of the student body, their studies and activities:

- Approximately 20% were international students from 22 different countries.
- 16 languages were used to complete the demanding 8-semester (or equivalent) IR language requirement.
- Almost 75% of the IR Class of 2008 participated in overseas studies programs.

InternationalRelations
@TUFTS

Tufts University
Program in International Relations
Cabot Intercultural Center, Room 605
Medford, MA 02155 USA
Tel: 617.627.2776
Fax:617.627.3083
Web: ase.tufts.edu/ir
Email: internationalrelations@tufts.edu

INTERNATIONAL RELATIONS

The Program supports students with resources, mentors, and grants for research and internships, emphasizing both practical, "real world" experience and the importance of a deep and critical understanding of the theories and academic disciplines that comprise the study of international relations. Research opportunities include:

- Anne E. Borghesani Memorial Prize, IR Research Scholars
- Directed Research Program, Senior Honors Theses, Senior Research Seminars
- International Research Colloquium, Online International Research Network

In addition to traditional IR careers in diplomacy, law, business, and international development, graduates of the program have also combined their interest in international affairs with interests in the humanities and natural sciences to pursue careers in film, journalism, performing arts, global health, and environmental conservation.

The IR Program has a professional staff as well as several student leadership programs to supplement the IR experience:

- Director's Leadership Council, Sigma Iota Rho Honors Society
- The IR Mentors, Fletcher Global Women Mentor Program

Please visit the IR website for additional information about the Tufts IR program:

http://ase.tufts.edu/ir

THE TUFTS PROGRAM IN INTERNATIONAL RELATIONS WOULD LIKE TO CONGRATULATE HEMISPHERES ON ANOTHER OUTSTANDING PUBLICATION.

IN A RAPIDLY CHANGING WORLD,

UNDERSTANDING OUR GLOBAL PAST IS CRITICAL TO LEADING THE FUTURE.

Renowned academics explore history for a new millenium.
Felipe Fernández-Armesto
Gordon Wood
Charles Maier *and more!*

The
Tufts
Historical Review
A JOURNAL OF GLOBAL HISTORY

GOVERNANCE

One of the few academic journals of its kind in the United States today. The Tufts Historical Review publishes the best in historical research from **both** undergraduate and graduate scholars.

National and international perspectives in one location. Commentary, analysis, and probing questions from leading institutions throughout the United States and Great Britain.

The
Tufts
Historical Review
A JOURNAL OF GLOBAL HISTORY

PURITAN

Subscribe or submit at:
WWW.TUFTSHISTORICALREVIEW.ORG
321 EATON HALL, MEDFORD, MA 02155

Tufts UNIVERSITY | School of Arts and Sciences

The Department of
POLITICAL SCIENCE

Congratulations from the faculty of Political Science to the staff of *Hemispheres* for another fine issue!

David Art
Jeffrey Berry
Kerry Chase
Consuelo Cruz
Robert Devigne
Richard Eichenberg
James Glaser
Marilyn Glater
Gary McKissick
Malik Mufti
Philip Mũnoz
Kent Portney
Deborah Schildkraut
Tony Smith
Vickie Sullivan
Jeffrey Taliaferro

Packard Hall | No. 4 the Green
Medford, Massachusetts | 02155

The Department of Economics congratulates the student authors and staff of *Hemispheres*

The success of Tufts' International Relations Program is demonstrated by the enthusiasm that IR students show for producing a journal devoted to social, economic, political, and legal issues. Since 1976, Hemispheres has been a showcase for students who are actively engaged in their own education.

The Department offers courses that are part of the IR Program and three majors that are of interest to IR students

B.A. *in* Economics *or* Quantitative Economics

Economics is one of Tufts' most popular undergraduate majors. The major provides a solid background for many different career paths—from employment immediately after graduation to postgraduate study. It is particularly appropriate for those with interests in business, finance, law, or public policy.

M.A. *in* Economics

Tufts offers an eight course program of study leading to an M.A. in Economics. It is designed for students who have completed a baccalaureate degree and have taken some college level work in economics and mathematics. A degree in economics is not required for admission and well-prepared students can complete the program in one year.

For more information please visit our website at
http://ase.tufts.edu/econ

The Department of Economics

Tufts UNIVERSITY | School of Arts and Sciences

Hemispheres
Mayer Campus Center
Tufts University
Medford, MA 02155
hemispheres@tufts.edu
http://ase.tufts.edu/hemispheres