

# THE SPAIN-NATO-UNITED STATES TRIANGLE: WHO CONTROLS THE NEGOTIATIONS?

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*Spain's role in NATO historically has been both ambiguous and heavily influenced by Spain's relations with the United States. Mutual defense agreements with the United States, multilateral negotiations with NATO and dramatic political changes in Spain have evolved along parallel tracks since the late 1940s. A triangular relationship has emerged recently, with each "leg" of the negotiations depending on the events in the others. Robert E. Ford analyzes how Spain-United States bilateral relations shape Spain's involvement with NATO.*

## INTRODUCTION

On January 15, 1988, Spain announced that the United States had three years to remove its 72 F-16 fighter jets and 3,000-4,000 troops from the Torrejon air base. Spain ordered the withdrawal as a condition for continuing negotiations on bilateral U.S.-Spanish base agreements.

Spain's announcement represented the culmination of a long series of military agreements with the United States that started in 1951. Initially, U.S. hegemony after World War II allowed it to largely set the terms of base agreements, although Spain had some negotiating leverage from its crucial geostrategic position. The most recent negotiations show, however, that Spain, with a stronger economy and membership in NATO, now has the advantage in setting base agreement terms.

## OVERVIEW

Conducted against the background of the Cold War and the early development of NATO, the initial talks between Spain and the United States led to the signing of the 1953 Mutual Defense Agreement. Spain's government received a four-year total package of \$777 million in military and economic aid in exchange for U.S. rights to build military bases on Spanish soil.<sup>1</sup> Provisions for renewal of the agreement set the framework for a long-term relationship.

During the history of the U.S.-Spanish bilateral agreements from 1953 to 1987, Spain passed through General Francisco Franco's military dictatorship, the reinstatement of a Spanish monarch, a transition to parliamentary democ-

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1. "Agreements Concluded with Spain," *US Department of State Bulletin* (October 5, 1953), p. 435.

racy, and the emergence of the current Socialist government. Despite the tremendous philosophical and political differences separating Francoism and modern Spanish socialism, two characteristics of U.S.-Spain relations between the late 1940s and 1987 have remained relatively constant. The United States, in order to protect its strategic defense interests, has not wavered in its support of Spain, regardless of political conflicts of interest. And Spain's foreign policy toward the United States has promoted strategies that maximize Spain's economic and military potential without compromising its political independence.

Spain has always had a sense of its own geostrategic worth. Through its relationship with the United States, and most recently with NATO, the Spanish governments have learned to wield Spain's strategic location as a lever in negotiating the terms of the ongoing U.S. base agreements.

The negotiating process has become complex, even confused, as the distinction between U.S.-Spanish bilateral agreements and NATO-Spanish multilateral relations remains unclear. The Spanish Minister of Foreign Affairs, Francisco Fernandez-Ordoñez, in a recent session of the Commission of Foreign Affairs, could not explain why Spain did not renew the pending bilateral base agreements. However, the members of the Commission were surprised to hear him conclude by saying: "The 401st fighter wing is integrated in the military structure of NATO," thereby suggesting that the negotiations should be carried out with NATO, not just with the United States. He expressed at the same time his concern for the consequences of all the bases in Spain being "NATO-ized."<sup>2</sup>

As the home of the U.S. 401st fighter wing, Torrejon air base, just outside of Madrid, has attracted the most attention from the negotiators. Spain's extension of the leases on the four major bases and nine smaller installations, has been contingent on American willingness to withdraw the 72 F-16 fighter jets from the 401st at Torrejon.

The final and best offer from the United States, according to Reginald Bartholomew, U.S. Ambassador to Spain, was to reduce the 401st by 24 jets. In March 1987, Caspar Weinberger, then Secretary of Defense, told reporters the talks were "the kind of cordial and serious discussions that you would expect from two countries that are very close friends and allies."<sup>3</sup>

But since March negotiations became more heated and unyielding. "The Spaniards . . . want to have their cake and eat it too," complained Colonel Andrew Duncan of the United States. "They want to be a part of NATO and then do as little as possible in NATO. And they want to get rid of the American bases and still have American guarantees."<sup>4</sup>

American frustrations have been heightened by Spain's obligation to honor its March 1986 NATO referendum promises. In order to obtain a "yes" vote

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2. Anabel Diez, "Los Aviones F-16 pertenecen a la estructura militar de la OTAN, según el ministro de Asuntos Exteriores," *El País*, 17 November 1987, p. 12.

3. Edward Schumacher, "Weinberger in Spain, Backs US Bases Presence," *New York Times*, 18 March 1987, sec. 1, p. 12.

4. William Echikson, "US Bases Welcome — At a Price," *Christian Science Monitor*, 21 October 1987, p. 11.

in this referendum on whether to keep Spain in NATO, the Socialists promised to keep Spain out of NATO's integrated military structure, to rid Spain of all nuclear weapons (perhaps including nuclear-capable F-16s) and to negotiate substantial reductions in U.S. troops.

By late 1987, the United States had agreed to remove the jets from Torrejon with the proviso that the cuts be compensated for by Spanish forces so that Western security would not be diminished.<sup>5</sup>

In negotiating the bilateral agreements, U.S. officials have cited multilateral NATO agreements to argue that F-16s stationed in Spain are committed to the defense of Italy, Greece and Turkey. In response to this request, Felipe Gonzalez, Prime Minister of Spain, publicly stressed the strictly bilateral nature of the Spanish-U.S. negotiations. He added it would make no sense to take the question of withdrawal of the F-16s from the framework of the Madrid-Washington talks, moving it into the sphere of NATO.<sup>6</sup> Gonzalez's comments refute, or at least downplay, the previous statements made by Fernandez-Ordoñez. Moreover, they typify the contradictory nature of the talks.

For the Spanish public, the U.S. military presence traditionally has been associated with the legitimization of Franco's regime rather than with NATO defense. The resulting anger at the U.S. government has led many Spaniards to support the reduction of U.S. military forces in Spain.

In terms of conventional forces, Spain is as important to NATO defense strategy in 1987 as it was at the time of the original agreement of 1953. In fact, according to U.S. officials, the Spanish bases have grown in importance to NATO since Moscow and Washington have agreed to remove intermediate and shorter-range nuclear missiles from Europe.<sup>7</sup> The Spanish government has received the news of the INF agreement with both satisfaction and worry. The INF Treaty coordinates nicely with the Socialist anti-nuclear platform. But Spain is dismayed that its European allies expect it to maintain conventional forces strong enough to compensate for a perceived imbalance covered by the INF treaty.<sup>8</sup>

The United States and NATO have viewed Spain as a staging point for deployment of tactical aircraft and strategic bombers. In U.S.-Soviet relations Spain has played an important role in strengthening the American position on both nuclear and conventional forces.

Spain's role in NATO has never been clearly defined. In 1953, Spain was not a member of NATO, yet by virtue of the bilateral agreements with the United States, had made itself available for American NATO-related Western defense initiatives. By contrast, in 1987 Spain was a full member of NATO,

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5. Paul Delaney, "US and Spain Still Far Apart in Talks on Bases," *New York Times*, 4 October 1987, p. 14.

6. "Gonzalez Cites Bilateral Aspect of Bases Talk," *Foreign Broadcast Information Service (FBIS)*, October 26, 1987, p. 10.

7. Edward Cody, "With Talks Deadlocked, Spain May Oust U.S. Military Bases," *Concord Monitor*, 6 November 1987, p. 10.

8. Carlos Yarnoz, "España intenta frenar a los aliados partidarios del rearme convencional," *El País*, 14 December 1987, p. 3.

but had not committed itself to the integrated command structure nor consented to allied combat troops on its territory during times of peace.<sup>9</sup>

The foreign policy and domestic problems of the Spanish government caused by NATO membership raise the question of motivation for the struggle to join the alliance. Spain's economic situation in the early 1950s and in the early 1980s provides a possible explanation. After the Spanish Civil War, the subsequent rise of Franco's economic system of autarky during the 1940s led Spain's economy to the brink of ruin by 1950. The financial aid provisions of the 1953 Mutual Defense Agreement helped to resolve some of Spain's most pressing economic problems. American aid gave foreign recognition to Franco's isolationist dictatorial regime and preceded a shift toward more liberal Spanish economic policies. Many of the building blocks of Spain's economic progress followed this stimulus: investment by multinational corporations, increases in productivity in agriculture and industry, growing exports of goods and tourist services, emigration, expanding domestic savings and investment, and eventual association with the EEC.<sup>10</sup>

Spain's economic miracle of the 1960s began to falter in the mid-1970s as a result of the 1973 oil crisis. After Franco's death in November 1975, the subsequent years of political tension and uncertainty exacerbated Spain's economic problems. The transition to democracy in Spain, albeit smoothly engineered by King Juan Carlos and the newly forming political parties, allowed politicians little time to focus on sound economic policy. The second oil shock of 1979, followed by high inflation, worldwide recession, falling investment, and an alarming rise in unemployment, reinforced the Spanish government's convictions that achieving membership in the EEC would be the best plan for long-term economic stability.<sup>11</sup> However, by this point in Spain's relationship with the major Western strategic and economic blocs, a paradoxical situation had developed.<sup>12</sup>

During Franco's regime, Spain was denied membership in the EEC in 1962 because of the government's lack of adherence to democratic principles.<sup>13</sup> But after democracy had been established, the EEC posed new constraints for Spain's membership. The underlying criteria for entrance into the EEC shifted from regime legitimacy to economic concerns. The transition government of President Leopoldo Calvo-Sotelo launched a vigorous campaign to implement *Plan Occidente*: that is, full Spanish membership in both NATO and the EEC before the general elections of 1982.<sup>14</sup>

Despite socialist opposition, Spain joined NATO in 1982. Its membership was enthusiastically endorsed by the United States, whose designs on renewing

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9. "Regional Parliament Calls for U.S. Base Removal," *FBIS*, October 26, 1987, p. 10.

10. R. Richard Rubottom and J. Carter Murphy, *Spain and the U.S. since WW II*, (New York: Praeger Press, 1984), p. 100.

11. Mario Gobbo, *The Political, Economic and Labor Climate in Spain*, (Philadelphia: The Wharton School, 1981), pp. 27-30.

12. Paul Preston and Denis Smyth, *Spain, the EEC, and NATO* (London: Routledge & Kegan Paul, 1986), p. 2.

13. "Spain Joins the World," *The Economist*, 1 March 1986, p. 12.

14. Preston, p. 72.

bilateral agreements with Spain were thought to have been strengthened by Spain's new NATO status.

Negotiations between 1982 and 1986 paved the way for Spain's official EEC admittance on January 1, 1986. Although no formal connection has ever been made between Spain's membership in NATO and its subsequent entrance into the EEC, the political facts and opinions presented at the time constitute a convincing argument for the existence of such a connection.

### SPAIN'S GEOSTRATEGIC VALUE

"Africa starts at the Pyrenees," typified Europe's attitude toward Spain for most of the period between the Napoleonic Wars and Spain's entrance in NATO and the EEC. Yet NATO has always shown marked interest in Spain's contribution to Western defense.

On May 11, 1949, just one month after the signing of the Washington Treaty, the original NATO agreement, Secretary of State Dean Acheson stated that the American government's objective with respect to Spain was to incorporate it into the European Community, but that substantial relations would not develop until Spain increased special measures for freedoms.<sup>15</sup> The oppressive nature of Franco's fascist regime contradicted the basic tenets of NATO and made any formal relations with Spain unacceptable.

Despite the lack of an official connection to NATO until 1982, Spain's strategic location weighed strongly in NATO's overall defense planning. In the late forties, NATO's interest in Spain was based on the assumption that European defenses would be unable to hold the Russians north of the Pyrenees and that Spain might become a battleground and evacuation center for all Europe.<sup>16</sup> From 1950 to 1952, Chief of U.S. Naval Operations Adm. Forrest Sherman conducted preliminary investigations to evaluate the potential benefits to NATO of controlling bases on the Iberian peninsula. There was a perceived shortage of safe, adequate naval facilities in the western Mediterranean. There was also interest in creating naval bases around Gibraltar to reduce the enemy's chances of sealing up the entrance to the Mediterranean. Sherman and his investigators contemplated the strategic advantages of air bases as well. They concluded that jet fighters operating from airfields in Spain would not only reinforce the entire air defense of Europe, but could do it 1,000 miles from the Iron Curtain, a distance well beyond the range of the Soviet MiGs based on airfields in Eastern Europe.<sup>17</sup>

In May 1951, the U.S. Chiefs of Staff recommended the inclusion of Spain in NATO based on Sherman's findings. Faced with strong opposition to Franco's regime by France and Britain, the United States retreated. The division between the United States and the rest of NATO over the membership of Spain marked the beginning of Spain's bilateral agreements with the United States. It also signaled the start of Spain's ambiguous relationship vis-a-vis

15. Angel Viñas, *Los Pactos Secretos de Franco con Estados Unidos*, (Madrid: Ediciones Grijalbo, 1981), p. 27.

16. "Spain: Dollar-Hungry Fortress," *U.S. News & World Report*, 21 August 1951, p. 17.

17. "Spanish Bases: Good Insurance?" *U.S. News & World Report*, 18 September 1953, pp. 43-44.

NATO and the United States. The triangular features evident in this process set the stage for future Spanish attempts to play off the United States and NATO in order to achieve economic benefits.

#### BACKGROUND TO THE FIRST BILATERAL AGREEMENT

By 1950, Spain was desperate for outside economic aid and recognition. Had Franco's system of autarky provided Spain with a flourishing economy, contact with the United States might not have been pursued. And had the postwar political atmosphere been more stable, the United States might not have considered Spain to be such an essential strategic acquisition for Western defense.

To stimulate the essential North American help, Franco's regime followed three tactics: it alluded to the inevitability of linking economic aid with internal political liberalization, thereby lending legitimacy to American association with Spain; it suggested the possibility of a bilateral agreement; and it encouraged the executive branch to believe that incorporating Spain in the Western defense network was in its best interest. As early as 1945, Spain exhibited confidence in its strategic location when Alberto Martin Artajo, a Spanish politician, stated: "Spain . . . has a geographic position that favors the development of modern arms, especially aviation, and makes friendship with us valuable."<sup>18</sup>

Against this backdrop, the original talks between Spain and the United States took place in 1950. In that same year, a U.S. loan provision of \$62.5 million was authorized for farm machinery, fertilizer, railroad equipment, and general capital outlays — \$7 million of which was eventually used to buy wheat to stave off starvation.<sup>19</sup> Final approval of the loan was contingent either on Spain being a member of NATO or on President Truman's judgment that U.S. economic aid would lead to mutually advantageous positions for Spanish and U.S. foreign policy. Truman had given Admiral Sherman authority to go to Spain for direct discussions with Franco. Truman said: "I don't like Franco and I never will, but I won't let my personal feelings override the convictions of you military men."<sup>20</sup>

Despite Truman's dislike of Franco and NATO's refusal to recognize Spain based on Franco's politics, the United States persuaded itself to extend economic aid and military assistance to Franco on the grounds that "he might be a bastard, but at least he's *our* bastard."<sup>21</sup> The United States was concerned over the possibility of losing access to Spain for Western military bases. Franco had no military or political ties to the United States prior to the negotiations. By virtue of his support of Adolf Hitler and Benito Mussolini during World War II, Franco not only did not share the goals of the Allies but was considered an enemy. From the American postwar perspective, Franco had no allegiance

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18. Viñas, p. 27.

19. Mildred Adams, "Spain as an Investment," *Fortune*, November 1951, p. 99.

20. Rubottom, p. 31.

21. "Spain Joins the World," p. 4.

to the United States that would have prevented him from negotiating with the Soviets, despite his anti-communist obsession. Keeping the Soviets out of the Iberian peninsula was as much of a defense strategy for the United States as was gaining access to Spanish territory.

A Soviet presence in Spain would have given the Warsaw Pact the same advantages that the United States was seeking, and more: a staging ground for tactical deployment of aircraft, a naturally protected evacuation and emergency center, control over the Mediterranean and Atlantic shipping lanes, and an undeniable advantage over Western Europe in having the capability to attack from the south and the east simultaneously. This scenario, combined with communist progress in North Korea, Czechoslovakia, and East Germany, convinced the United States that economic aid to Spain should not be denied. The General Appropriations Act of 1951 granted the official release of the funds to Spain under the auspices of the Export-Import Bank. The approval of the credit marked the end of the first phase of modern Spanish-American relations.<sup>22</sup>

#### PROVISIONS OF THE FIRST BILATERAL AGREEMENTS

The first bilateral agreements, known as the Madrid Pact, were signed by Spain and the United States on September 26, 1953. The three agreements provided for: the construction of U.S. Air Force and Naval bases on Spanish soil; an economic assistance program; modernization of Spanish armed forces with American expertise; and mutual defense assistance in case of war.

The defense agreement contained many indirect references to the Soviet menace and the need for mutual security against "the danger that threatens the Western world."<sup>23</sup> Yet, since the Pact was not a treaty (in contrast to NATO and the Rio treaties), it did not constitute an "alliance." And although Article III provided for the joint utilization of the bases, which would remain under Spanish flag and command, the question of activation of the bases in case of an emergency remained a source of tension during the negotiations in 1952 and 1953. The text of Article III states: "The time and manner of wartime utilization of said areas and facilities will be as mutually agreed upon."<sup>24</sup> However, Spanish historian Angel Viñas suggested that "mutuality" was significantly undermined by the addition of a secret clause to Article III of the defense agreement.

The secret clause was based on two suppositions. First, in the event of communist aggression against the West, the United States could use zones and installations in Spanish territory as bases against communist military objectives. Second, acts threatening Western security would bring both governments into emergency consultation resulting in immediate measures. The first supposition suggests that both Spain and the United States interpreted the Pact of Madrid to be an alternate form of Spanish participation in NATO.

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22. Angel Viñas, "La primera ayuda económica norteamericana a España" *Lecturas de Economía Española*.

23. "Agreements Concluded with Spain," p. 435.

24. *Ibid.*

The United States, however, did not want to commit as fully to Spain as to its NATO allies. The secret clause allowed the United States to make a unilateral decision to activate the bases in Spain in case of a threat to NATO security. Yet, an attack on Spain in no way guaranteed that the United States or NATO would commit its forces to the defense of Spain.<sup>25</sup>

The original terms of the agreement granted Franco \$100 million in aid: \$88 million economic and \$12 million military. Franco insisted that the military portion be increased and that the economic aid be continued for a given number of years.<sup>26</sup> The final terms of assistance, totaling \$777 million over four years, provided for \$226 million, in fiscal year 1954, to be furnished under the provisions of the Mutual Security Act, which legitimized economic aid appropriated for military security reasons.

The two major objectives that the United States hoped to gain through the agreements were: ensuring political stability in the Spanish government so as to maintain influence in Spain; and securing long-range strategic insurance through control of the bases in Spain.

While U.S. objectives were directed toward military considerations, Spain's goals can be summed up as follows: (1) increasing agricultural and industrial output with goals of becoming independent of foreign assistance; (2) stabilizing the peseta, balancing the budget, and restoring confidence in the monetary system; (3) facilitating market interplay and reducing commercial barriers; (4) utilizing more fully the resources from European countries; and (5) promoting U.S. public and private investment in Spain. Other facets of the improvements to Spain's economy included in the agreement were: the establishment of modern telecommunications; technical assistance in hydroelectric plants; coastal development; establishment of post offices; guarantee of importation of all types of raw materials and intermediate goods; the acquiring, use, conversion, and transfer of U.S. dollars; and the construction of a pipeline connecting the sea bases near Cadiz and the air bases near Seville, Madrid, and Zaragoza.<sup>27</sup>

#### ECONOMIC IMPACT OF THE AGREEMENT

The construction and operation of the bases clearly stimulated the economy. The \$300 million provided for the construction of the bases in Spain between 1954 and 1957 was greater than the sum of Spanish foreign reserves during the same three-year period.<sup>28</sup> Close to 30,000 jobs for Spanish laborers and contractors were created. Provinces near the bases became population centers and per capita income in those regions showed greater increases relative to the national norm.<sup>29</sup>

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25. Viñas, *Pactos Secretos*, pp. 170-172.

26. Adams, p. 40.

27. Viñas, *Pactos Secretos*, p. 196.

28. Samuel Charkin, *Spain: Implications for U.S. Foreign Policy* (Stanford: Greylock Publishers, 1976), p. 40.

29. Adams, p. 38.



The aid also affected volume and direction of Spain's foreign commerce. From 1953 to 1963, defense and economic agreements totaled about \$1.69 billion, and military assistance reached \$521 million. The U.S. aid granted in 1953 was the equivalent of 13.9 percent of Spain's national income. U.S. expenditures on Spanish imports increased 54 percent from 1953 to 1958, from \$592.4 million to \$910.4 million. Spain's overall exports increased by 21 percent. The greatest percentage gain, from 6.9 percent to 13.3 percent of total exports, went to the United States.<sup>30</sup>

The Spanish peseta also benefited from the connection with the United States. At the peak of Spain's economic crisis in the spring of 1950, the peseta depreciated from forty to sixty to the dollar. The frantic buying of dollars on the black market in Tangiers, provoked by the lack of faith in the Spanish economy, forced down the value of the peseta. Spain had gold reserves of only \$60 million at this time. The money that arrived in 1951-52 through the Export-Import Bank and private American loans, much of which was used to buy wheat from Argentina and Brazil, prevented Spain from having to deplete its limited reserves to provide bread for the starving population. As a result, by 1953, the peseta stabilized at forty to the dollar.<sup>31</sup>

Additional support for the peseta was provided by Frank T. Ryan, American director of the World Commerce Corporation office in Madrid. He arranged to pay for cotton in dollars and then sell to manufacturers for pesetas. By selling the pesetas through five major banks in the United States and in Madrid, at a rate slightly below the official exchange, World Commerce provided a legal money exchange service that promoted foreign investment in Spain.<sup>32</sup>

#### NEW ECONOMIC PLAN FOR DEVELOPMENT

Encouraged by the positive economic relationship formed with the United States during the early and mid-fifties, Franco's economic advisors convinced him to make a clean break from the policies of autarky and open the economy more fully to the West. Under the Plan of Stabilization of 1959, Spain became less protectionist and followed a more orthodox line of capitalism. The government removed some administrative controls, froze wages, limited credit and devalued the peseta significantly in hope of achieving greater reliance on export earnings. By becoming affiliated with the IMF, the World Bank, and the OEEC (the predecessor of the OECD), Spain tried to attract foreign investment.<sup>33</sup>

Although Spain's economic development of the 1960s can be attributed mainly to financing through tourism and migrant workers' remittances, rather

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30. Rubottom, pp. 45 and 53.

31. Charles Wertenbaker, "Spain: U.S. Loans and God's Good Rain," *Reporter* (Fortnightly), March 30, 1954, p. 25.

32. *Ibid.*, p. 27.

33. Raymond Carr and Juan Pablo Fusi, *Spain: Dictatorship to Democracy* (London: George Allen & Unwin Ltd., 1981) p. 54.

than to foreign investment, domestic capital formation was bolstered by legitimization of the economy through U.S. and other foreign investment. Richard Rubottom maintained that: "[t]he investors from abroad brought to Spain not only financing for imports but a new breed of management, advanced technology, and connections to sales and distribution channels on foreign markets."<sup>34</sup>

Some argue that the reforms of the 1959 Plan were limited and that Spain did not achieve an open economy. They contend that the government hoped "the prosperity would persuade Spaniards to forget about politics and leave the running of the country to their (unelected) betters."<sup>35</sup> Whatever the political motivations, the economy improved tremendously. Spain moved from imminent bankruptcy in 1949 to a system of autarky, partially funded by agreements with the United States, to an economy growing faster than that of any other capitalist country, except Japan, in the 1960s.<sup>36</sup>

#### AGREEMENT RENEWALS

Despite this progression of economic agreements, the mutual defense component of the 1953 agreement remained ambiguous. Confusion and discord about Spain's military role persisted at high levels in the U.S. government. Secretary of State John Foster Dulles sent a strong message to Congress and to NATO allies emphasizing Spain's strategic importance by visiting Madrid on November 1, 1955, after the Geneva Conference.

On December 20, 1957, Dulles initiated what was to become a custom for American secretaries of state by going to Madrid to report to Franco what had transpired at NATO meetings in Paris. Said Dulles, "I told him . . . of the basic policies and the strategies that were being followed. I felt that Franco, by the contribution that his government was making to the defense of Europe, had clearly entitled himself to that kind of information."<sup>37</sup> During the 1960s, Secretary of State Dean Rusk and Spanish Foreign Minister Fernando Castiella agreed that military talks should be held both to develop common strategic concepts and to determine what types of military equipment would be mutually advantageous.<sup>38</sup>

Despite these contacts, certain members of the Executive Branch denied any U.S. military commitment to Spain. In March 1969, Elliot Richardson, the Undersecretary of State remarked:

Under this defense agreement and joint declaration issued in 1963, we have no security commitment whatsoever to Spain. . . . We have no obligation to defend Spain itself, and nothing in either

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34. Rubottom, p. 101.

35. "Spain joins the World," p. 7.

36. Carr, p. 49.

37. Rubottom, p. 70.

38. Charkin, p. 9.

the diplomatic or military discussions to date had undertaken or committed us to undertake any such obligation.<sup>39</sup>

These comments were made as testimony before Congress, which addressed why the agreements with Spain did not have treaty status. Congress believed that a treaty would have given Spain and the United States better guarantees in the event of war. The disagreement in the United States highlighted the confusion over American and Spanish interpretations of the Mutual Defense Agreement.

The renewed agreements of 1970 did little to clarify the ambiguities of the original agreements. Article 34 of the 1970 base agreement suggested that both Spain and the United States retain "the inherent right of self defense" without the need for consultation.<sup>40</sup> Thus, as with the additional "secret clause" to Article III from the 1953 agreements, the United States appeared to expect uncontested use of the Spanish bases in a NATO war. The worldwide political-military atmosphere necessitated continued strong display of force by NATO and, consequently, the American desire to have unconditional control of the bases in Spain increased.

In the 1970s, NATO found itself in a difficult position. Neither the Truman nor the Eisenhower administrations anticipated that NATO would be permanent. They viewed NATO as a temporary mechanism to help Europe get back on its feet. Eisenhower, in a letter written in 1957, wrote, "[if] in 10 years all the American troops stationed in Europe have not returned to the United States, then this whole project will have failed."<sup>41</sup> Political instability in NATO's southern flank contributed to preventing American troop withdrawal. Concurrently, a growing Soviet presence in the Mediterranean, the Turkish invasion of Cyprus, the Greek withdrawal of military forces from NATO command, and Portuguese instability revealed the southern flank's vulnerability and increased the strategic importance of the bases in Spain.<sup>42</sup>

In an attempt to tighten ties between Spain and the United States, and perhaps to pave the way for Spain to become a member of NATO, the defense relationship, formerly based only on executive agreements, was established on treaty basis. The features of the Treaty, which was not signed until 1977, indicate the shift from outright U.S. economic aid to Spain, to loans and credits for military purchases.<sup>43</sup> This gradual shift and restructuring is consistent with the Spanish government's long-term goal of independence from direct foreign assistance.

#### THE TRANSITION GOVERNMENT FROM 1977 TO 1982

Spain embarked on a democratic journey as King Juan Carlos announced to the world the Spanish government's plan to diverge from Franco's political

39. *Ibid.*, p. 8.

40. *Ibid.*, p. 23.

41. Jim Stewart and Matt Vita, "Treaty Leaves Shadow Hanging over Europe," *Rochester Democrat & Chronicle*, 29 November 1987, p. 3.

42. Rubottom, p. 110.

43. David C. Jordan, *Spain, the Monarchy, and the Atlantic Community* (Cambridge, Mass. June 1979), p. 41.

path. Leopoldo Calvo-Sotelo commented, "the governments of the new regime of the monarchy had an unequivocal calling or inclination to join the Western world."<sup>44</sup> The euphoric reaction, in Spain and abroad, was short-lived. The realities of creating a constitution, organizing political parties, stabilizing the domestic situation, balancing the power of the military, and dealing with foreign interests set in quickly. Adolfo Suarez was appointed as interim leader of the government which set out to address these challenges.

Suarez's government brought full democracy to Spain in a relatively short period of time. It was able to regulate the return of political and trade union freedom without upsetting the growing left, which had hoped for a much quicker turnaround. The military was handled carefully, especially during the attempted coup d'etat on February 23, 1981 — an important factor in the Spanish government's discussion of Spain's entrance into NATO.<sup>45</sup> In addition, concessions to the Basque and other separatists limited upheaval without repressive government measures.<sup>46</sup> These pressing internal concerns relegated the question of Spain's role in the alliance to a lower position on the transition government's list of priorities.

The Spanish Socialists (PSOE), the dominant voice of the opposition, were against Spanish membership in NATO on the grounds that it might upset the balance between capitalist and socialist forces in Europe. As early as 1976, Felipe Gonzalez, as head of the Socialist Party, declared that NATO "is nothing but a military superstructure implanted by the Americans in order to guarantee the survival of the bilateral agreements with the United States."<sup>47</sup> Furthermore, the PSOE's fundamental campaign slogan in the 1982 general election promised a referendum to pull Spain out of NATO. According to the government, the decision to enter NATO was neither a surprising nor a capricious act, rather the fulfillment of a programmatic point of the government and its party within the strict time frame of the legislature.<sup>48</sup>

Less than six months later, however, the Socialist Party victory in the general election changed the nature of Spain's involvement with NATO. The government policy of the PSOE included a freeze of the military integration process, a complete study of Spanish security needs, negotiation of political control of Gibraltar and the referendum to consider Spain's removal from NATO.<sup>49</sup>

The Spaniards who supported the Socialists believed that Spanish participation in NATO would lead to greater isolation in international relations. For these people, Portugal and Greece served as models of countries whose adher-

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44. Leopoldo Calvo-Sotelo, "La adhesión de España a la Alianza Atlántica," Fletcher Symposium on Modern Spain, 1984, p. 6.

45. In a speech at the Fletcher School of Law and Diplomacy on October 15, 1987, Alberto Oliart, defense minister during the transition, confirmed that worries about unrest in the military did influence the government (although it was repeatedly denied at the time).

46. Gobbo, p. 10.

47. George P. Allin, "Spain's NATO Dilemma," *Military Review* LV (January, 1985): 63.

48. Ignacio Camaño, "España en la OTAN: Aspectos políticos de la Integración," *España, Europa, Occidente: Una política integrada de seguridad*, p. 114.

49. Allin, "Spain's NATO Dilemma," p. 64.

ence to the alliance led to many closed doors with non-aligned trading partners. Spain had significant economic interests in the Arab states of North Africa and the Middle East. As a result of NATO affiliation, Spain worried that in the case of a flare-up in the Arab world, a U.S. unilateral or NATO use of bases in Spain might harm overall economic and political relations with the Arab world.<sup>50</sup>

The Socialist supporters argued that NATO favored the more powerful allies at the expense of the weaker ones. They believed that Spain and the other countries of southern Europe were forced to compromise their national security for the sake of collective Western defense.<sup>51</sup> Many Spaniards doubted that the defense strategy of NATO took into account the defense and foreign policy orientation traditionally held by the Spanish government.

The only foreign wars fought by Spain during the 19th and 20th centuries, other than the war against the United States over the Philippines and Cuba, were fought in North Africa. Spaniards view the south, not the east, as the origin of possible threats to national security.<sup>52</sup> According to Article 6 of the North Atlantic Treaty, NATO's responsibility does not extend to these areas.

The threat posed to Spanish pride by British "occupation" of Gibraltar is equally present in the Spanish mind. Joining NATO increased protests against the reign of Great Britain in Gibraltar, an ever-present insult to the Spanish sense of independence since 1714. The bitterness felt by most Spaniards over this issue was conveyed by Gonzalez during the PSOE's 1982 election campaign: "We are now an ally of a country which has a colony on our soil."<sup>53</sup>

The PSOE also emphasized the advantages of neutrality. The argument contained the following points. An exit from NATO would help relieve the tensions in the Western Mediterranean and lead to greater security for the Spanish people. Without bases, training grounds, and control systems supplied by NATO and the United States, the Warsaw Pact would have very little on which to focus in Spain. By allowing Spain to provide for its own security, the Spanish military would have better incentive to develop its own high-tech military system — thus decreasing dependence on foreign assistance.<sup>54</sup>

The Socialist referendum promised to give the Spaniards the chance to rectify the NATO issue. But another facet of the PSOE's campaign was a pledge to create 800,000 jobs. The Spanish workers were just as interested in having the PSOE hold true to its economic promises as to the referendum. Upon assuming power, the Socialists were rudely awakened to the necessity of rebuilding the economy before they could create jobs.

50. R. W. Apple, Jr., "U.S. Military Pact in Trouble in Spain," *New York Times*, 7 October 1987, sec. 1, p. 4.

51. España: ¿Qué Defensa? Las opciones españolas de seguridad (Madrid: Instituto de Cuestiones Internacionales, 1981), pp. 137-139.

52. Piquer, p. 325.

53. "Spain's Socialists Throw Pact into Doubt," *New York Times*, 27 September 1982, p. 1.

54. Alvarez de Castro, *¿España en la OTAN? Una Alternativa para la Defensa Nacional* (Madrid: Manifiesto Editorial, 1978), p. 166.

## THE MOVE TO ENTER THE EEC

During the transition period, the Centrist government sorely neglected the economy. Prior to 1974, Spain's international debt was non-existent, but by 1977, the debt exceeded 14 billion pesetas.<sup>55</sup> The subsequent economic deterioration was compounded by the banking crisis of 1978, "a sorry comment on the supervisory powers and standards of the Central Bank [of Spain]."<sup>56</sup> These problems in the economy arose despite the substantial loans Europe and the United States extended to Spain; the American loans fulfilled a provision of the renewed bilateral agreement of 1977 designed to prevent internal unrest and to promote economic stability and independence.

The transition led to greater dependence on foreign interests, sparking a negative reaction.<sup>57</sup> In order to gain control of its own economy, and eventually have a greater impact on the economies of its current trading partners, the transition government strove to become an equal partner in the EEC.<sup>58</sup>

As the transition government moved through negotiations with the EEC between 1978-80, allusions to Spain's acceptance by the EEC being contingent on adherence to the alliance became more prevalent. Spain submitted its application to the EEC in 1977, but even though Spain was successfully forming a democracy, the EEC balked at the idea of admitting a non-member of NATO.<sup>59</sup> Spanish Foreign Minister Marcelino Oreja spoke out in favor of Spain's membership in NATO in March 1978. A later statement by Oreja, which stressed the government's intention to discuss the question of NATO membership, came only several days after the EEC summit meeting in Venice in June 1980, at which the French president's proposal to suspend the talks on the admission of Spain to the EEC was submitted.<sup>60</sup>

Despite this timely coincidence, Calvo-Sotelo has contended that his government saw no advantage in connecting the issues of NATO and the EEC. But in the minds of both the public and the Socialists, the NATO-EEC connection has indeed been real.<sup>61</sup>

The renegotiation of the U.S.-Spanish bilateral bases agreements of 1982, which coincided with Spain's deliberations of and eventual acceptance into

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55. Jordan cites these statistics in *Spain, the Monarchy and the Atlantic Community* on the economic costs of the transition period. Prior to 1976 the GNP growth was 7 percent, foreign exchange reserves exceeded the debt, which was very minimal, unemployment was 4 percent, and inflation was 15 percent. In 1977, the GNP growth was 2.4 percent, foreign debt was higher than reserves, unemployment was 6.3 percent and inflation was 26.4 percent. p. 34.

56. William Chislett, "Winds of Change in Spain," *The Banker*, 19 April 1987, p. 107.

57. Jordan, p. 35.

58. Michael Noelke and Robert Taylor, *Spanish Industry and the Impact of Membership of the EEC* (Brussels: European Research Associates, February, 1980) pp. 15-18. Foreign investments more than doubled in one year between 1977 and 1978, going from 28 billion pesetas (\$420 million dollars) to 56.9 billion (\$860 million dollars). Foreign investments in the first five months of 1979 amounted to 27.5 billion pesetas (\$415 million dollars) exceeding already 50 percent of the investments for the whole of 1978. The biggest investors were Holland, France, Germany, and the United States.

59. Allin, p. 62.

60. Anatoly Medvedenko, "16th NATO Member?" *New Times*, August 1980, p. 10.

61. Oliart (see footnote 45) acknowledged that the Calvo-Sotelo government also felt that the connection existed.

NATO, granted more concessions to Spain than had previous agreements. Prior to the signing of the protocol on February 24, 1983, Gonzalez said that Spain "in a sense had been selling its sovereignty ever since Madrid agreed to grant the land and sea bases to the United States in 1953.<sup>62</sup> The preamble of the actual agreement reflects a sensitive response to this sentiment, underscoring respect for Spain's sovereignty and political independence. Article 1 speaks directly, for the first time in the history of the agreements, of cooperation both bilaterally and within the framework of NATO. Article 4 states that the status of the armed forces for each country shall be regulated by the provisions of the NATO Status of Forces Agreement, signed June 19, 1951.<sup>63</sup>

The other agreements and articles cover areas of operations, bases and economic assistance, but the most extensive section pertains to defense industrial cooperation. It promises to promote increases in areas of research and development, production, and procurement of advanced defense equipment in order to bring Spain's military technology up to NATO standards.<sup>64</sup> This particular agreement helped the Socialists' standing with the Spanish military and provided for greater independence by achieving a stronger and more modern national defense.

By 1983, the Socialists had to reevaluate their stance on NATO. They believed that a withdrawal from NATO would seriously undermine their chances for membership in the EEC, as well as decrease their anticipated assistance in military development. Gonzalez reiterated the Socialists' yielding position on NATO involvement during a 1983 visit to Washington. In a conversation with President Reagan, Gonzalez brought up the polemic question of NATO in the context of securing Spain's entrance into the EEC.<sup>65</sup> The date for the referendum had not been officially set, and Gonzalez wanted to reassure the United States that Spain would honor its limited commitment to the alliance until the result of the referendum was known.

Faced with pressure from within the PSOE and from the public, Gonzalez knew that the government could not concede to full integration in NATO. The severity of that single policy reversal would have led to certain political suicide. Instead, he softened his approach to the issue by advocating that Spain remain in the alliance but refuse to integrate fully with NATO's military structure. He appealed for the public's understanding of the situation by stating, "Rationally, one can understand why it's better for us to stay in NATO, but viscerally, we want to exit from the alliance. For this, we must use reason over passion." Public opinion viewed staying in the alliance as the price that Spain had to pay in order to achieve full integration in the developed Western world, principally the EEC, to develop the military, and to solve the problem with Gibraltar.<sup>66</sup>

62. "Socialists Throw Pact in Doubt," p. 1.

63. *Defense, Friendship, and Cooperation Agreement, with Complementary Agreements and Related Notes Between the United States of America and Spain* (Washington, D.C.: U.S. Government Printing Office, 1982), p. 29.

64. *Ibid.*, p. 28.

65. Preston, p. 77.

66. Aldecoa, p. 448.

Once the seed of change had been planted, Gonzalez declared that leaving NATO would actually bring the worst of both worlds. Not only would Spain be excluded from the military modernization benefits from linkage with NATO, but because of Spain's geostrategic position and longstanding bilateral relationship with the United States, it would still be a possible target in case of a Soviet nuclear attack. In an attempt to play off NATO against the United States, he added that out of NATO, Spain would become more dependent on the United States and less able to negotiate favorable base agreements without the support of its European NATO allies who also had differences with the United States.<sup>67</sup>

Gonzalez also suggested that staying with NATO, on Spain's terms, would lead to a reduction of U.S. troops. The Socialists knew that many Spaniards disliked NATO because it is dominated by the United States. By promising to remove some of the U.S. presence, Gonzalez implied that NATO presence in Spain would be free from the U.S. view of European issues and Spanish national defense.<sup>68</sup>

Spain's Defense Minister, Narciso Serra, helped divert attention from NATO by making a reference to the impending loss of American control in Spain. In 1983, just three months after the signing of the last bilateral agreement with the United States, he asserted: "There are no U.S. bases in Spain," rather, "there are Spanish bases which are loaned to the U.S. under certain conditions for certain uses, and in return for certain benefits to Spain."<sup>69</sup>

Gonzalez and his Finance Minister, Carlos Solchaga, alluded to the "possible dire consequences" to the Spanish economy of a "no" vote to NATO. Although the initial concessions, modernizations, and reorganizations of Spanish industry and agriculture would be difficult and costly, the predicted long-term benefits of Spain's membership in the EEC were considered worth the risk.<sup>70</sup> Gonzalez and Solchaga went as far as to describe the "economic bonanza that was not far off" as long as the "no" to NATO lobby was not successful.

A psychological justification had been brewing to the point that the two issues were seen as inseparable: exit from NATO would mean no entrance to the EEC. The Socialists also affirmed that the best European campaign in favor of Spanish permanence in NATO would be the admission of Spain to the EEC. The persuasive talk had an effect. Despite some opposition from the French over agricultural policy, Spain was officially admitted to the EEC in January 1986. The referendum on NATO followed just three months after Spain's rite of passage into the Western economic world.

67. Anthony Gooch, "A Surrealistic Referendum: Spain and NATO," *Government and Opposition* XXI (Summer, 1986): 305.

68. Aldecoa, p. 458.

69. Rubottom, p. 144.

70. *OECD Economic Surveys 1985/86: Spain* April, 1986. The pre-EEC economic projections (1984-86) from *OECD Economic Surveys* suggested significant progress in the fight against inflation, a more satisfactory pattern of income shares was predicted to emerge, with restored firms' profitability leading to a recovery in private sector investment and progressive improvement on the employment front. The Spain survey from *The Economist*, March 1, 1987, points out that the budget deficit was gradually being reduced as Spain neared entry to the EEC; the employment prospects increased with the arrival of multinationals such as International Harvester, General Motors, and even the possibility of Disneyland, p. 7.



The conservative opposition, headed by Manuel Fraga and the Popular Alliance, always had been in favor of complete integration of Spain into NATO. But in order to thwart a potential vote of confidence for Gonzalez and the Socialists, they urged their supporters to abstain from voting in the referendum. Gonzalez played on this politically to distinguish the PSOE from the conservatives on the NATO issue. Strategically, he said "yes" to NATO, but "no" to bases and full integration.<sup>71</sup> On March 12, 1986, the Socialists won the referendum to keep Spain in NATO.<sup>72</sup>

Carlos Robles Piquer, a conservative member of the Spanish Senate, pointed out that the "yes" to the referendum actually symbolized a "no" to NATO. In 1981, Spain had attended meetings not only of the Atlantic Council, but also of the Defense Planning Committee and the Military Committee. The Socialist plans of "cooperation without integration" after the referendum did not include such attendance.<sup>73</sup> By December 1987, indications of Spain's intentions showed that "cooperation without integration" prevailed.

#### CURRENT DEFENSE POLICIES

Spain has shown tremendous interest in participating in NATO actions in areas of Spain's strategic interest. Spain wants to increase its support of NATO's southern flank. The Spanish government proposed assuming control of the region between Gibraltar and the Canary Islands with an air force composed of NATO countries, under Spanish command. There would be two separate forces: one in the Canaries, the other in Gibraltar. This assumes that the Spaniards would replace the existing British fleet command. Spain believes it should have the greatest representation in the Gibraltar-Mediterranean-Canaries region since it has the greatest national security interest in the region.<sup>74</sup>

Defense Minister Narciso Serra has declared that "Spain is ready to contribute more than just its geostrategic position. Spain wants to share more responsibility for the defense of Western Europe."<sup>75</sup> He also has made it clear, however, that defense of the national territory is the first priority. Serra realizes that it will probably take years to negotiate the terms of Spain's proposed NATO participation and control of the southern flank. In the meantime, Spain has planned to solicit funds for the expenses related to improving the infrastructure of its air, land, and sea bases to reach the standards by which NATO could utilize them safely and effectively. Serra also wants to designate permanent military chiefs to serve as liaisons between the armed forces of Spain and the High Command of SACEUR and SACANT.<sup>76</sup>

71. Aldecoa, p. 449.

72. Results of the vote: Yes — 9,003,000; No — 6,829,000; Abstentions — 11,558,000. This last figure allowed the opposition to claim a victory.

73. Piquer, "Surrealistic Referendum," p. 326.

74. Carlos Yarnoz, "España propone a la OTAN el control de una Fuerza Aeronaval cerca de Canarias," *El Pais*, 30 November 1987, p. 13.

75. Eduardo Serra, "Spain: Politics and Change," *Washington Quarterly* X (Winter, 1987): 27.

76. Jose Luis Muñiz, "España frente al desarme," *El Pais*, 28 November 1987, p. 5.

The development and modernization of Spain's defense industry is an important element of Spain's defense policy objectives. The promotion of industrial and technological programs is considered fundamental to a competitive national industry.<sup>77</sup> These are the types of programs that were included in the bilateral agreements of 1983. It remains to be seen exactly how these programs will be implemented. Spain's defense industry is underdeveloped, but with the increased foreign investment in the high-tech fields because of EEC affiliation, coupled with purchases, grants, and issues of military equipment from the United States and NATO, the potential for growth is high.<sup>78</sup>

Serra has decided that Spain should buy several Boeing 707s equipped with AWACS (Airborne Warning and Control System) in order to reinforce its own air defense in the area of strategic defense. In this manner, Spain will be able to coordinate its system with NATO's at the highest technical level. AWACS are known as spy planes, and can connect with NADGE (NATO Air Defense Ground Environment).<sup>79</sup>

In keeping with this spirit of cooperation, the Spanish government will include in the bilateral agreement guarantees that North American combat planes, including the F-16s with nuclear capability, can use Spanish bases, even at Torrejon, as long as the 72 F-16s from the 401st fighter wing are not on the bases in times of peace.

This situation may have come about because the Spanish air force is not in condition to replace the F-16s with the 72 F-18s that were bought from the United States in 1986. The F-18s have four major technical problems that prevent them from serving as worthy replacements. Spain was counting on these planes to replace the F-16s which it had ordered out of Spain as part of the renegotiation of the base agreements.<sup>80</sup>

### CONCLUSIONS

Spain has successfully maneuvered itself into an advantageous position with respect to NATO and the United States. From 1953-1987, while NATO and the United States have struggled to form a cohesive policy regarding the role of Spain in NATO, the Spanish governments single-mindedly have pursued a policy of independence from the United States. With emphasis on economic development during the Franco years and a gradual shift to concentrating on military advancement during the seventies and eighties, Spain has effectively used the Spanish-U.S. bilateral agreements, and its current affiliation with NATO, to obtain significant assistance to help achieve its goals. The main bargaining chip for the Spanish government throughout the Spain-U.S.-NATO triangular relationship has been Spain's geostrategic importance for

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77. Serra, p. 25.

78. Comments from Alberto Oliart, Defense Minister of Spain during the democratic transition, on October 16, 1987.

79. "España comprará los aviones espías más caros del mercado," *El País*, 15 November 1987, p. 1.

80. J. Ignacio Cembrero, "Los F-18 españoles adquiridos a EEUU presentan problemas técnicos para sustituir a los F-16," *El País*, 15 November 1987, p. 12.

Western security issues. The reemphasis on conventional warfare, as a result of the INF Treaty, as well as the increased Soviet influence in the Mediterranean area, has made NATO presence on the Iberian peninsula even more crucial to Western defense than during the era of the original base agreements in 1953.

Many American and European officials fear that the results of the current bilateral negotiations might set a dangerous precedent for NATO countries. A similar fear accompanied Spain's referendum on NATO. In 1983, Alfonso Guerra, Spain's Deputy Prime Minister, said:

Entering or not entering NATO is obviously not the same thing as leaving or not leaving . . . because it is possible that Greece, Denmark, and so forth may now say that "if you can leave here, a few more of us may."<sup>81</sup>

If the United States allows the bilateral base agreements to provide for large reductions in U.S. military presence, other countries, most likely Greece, Portugal, and the Philippines, could follow the model. This type of "Domino Theory" is equally as troublesome to NATO strategists as the one from the fifties.

In the process of achieving a foreign policy more independent of the United States, the Spanish governments, especially the most recent Socialist government, have learned to balance their foreign policy goals with domestic political pressures. Simultaneously, Spain has gained the upper hand in its negotiated relations with NATO and the United States.

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81. "Deputy Premier Reviews Government Performance," *FBIS*, July 25, 1983, p. 14.

