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# **Military Rearmament and Industrial Competition in Spain: Germany vs. Britain (1921-1931)**

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The loss of Cuba, the Philippines and Porto Rico as a consequence of the Spanish military defeat against the US Navy in 1898 was considered by the public opinion not only as a tragic humiliation, but also as a national disaster. In spite of the subsequent political and moral crisis, the Spanish government and the young King Alfonso XIII intended nevertheless to rebuild the Army according to their strong belief that Spain still remained a great power. But very soon the conscience of the poor technical level of the national industry forced the Spanish government to gain the support of the foreign knowledge and financial resources. Because of the traditional links between Spain and Great Britain, the domination of the British interests in the new military industry turned to be almost complete before and even more after the First World War.

With the Primo de Rivera's dictatorship and the end of the democratic spirit in 1923, this situation changed considerably. The "Iron Surgeon" expressed his will right away to put an end to the British hegemony in this vital sector of the economy and to open the military industry to new competitors. After a short time of expectation and the insistence of German agents, the German industry, eager to escape its obligations and the Versailles military limitations, decided to cooperate with the Spanish Army on two specific issues; firstly, the construction of a new submarine prototype; secondly, the supplying of chemical weapons so important in the conduct of the war against the Riffan insurgents in Morocco.

This intrusion of the German interests in the Spanish industry was followed and observed with a deep feeling of discontent and worry by the British authorities and capitalists. They could however count on the friendship of many Spanish officers and benefit themselves of secret information about the aims and real influence of the German industry. Finally, the coming of the Second republic in 1931 and the pacific aims of the Spanish foreign policy will signify the termination of the German cooperation as well as the official worries of the British Government.

As mentioned, the loss of the Hispanic American colonies played a key role in the shaping of a new military policy during the 1920's. The Spanish-American war in 1898 did not occur without warning for the Regent Queen Maria Cristina who ruled the country in the name of her minor son since the death of King Alfonso XII in November of 1885. In fact, the Spanish authority was clearly questioned by popular armed uprisings in the Cuban territory since 1868 and

in the Philippines since 1872, not only because the central government paid but very little attention to the economic and social development of the colonies, but also because the American interests were more and more active in the island, and exerted a growing pressure on the US Government to gain control or even sovereignty over Cuba. The next decades produced no significant change, on the contrary, since the American government secretly supported the Cuban insurgents in order to create a state of war and take advantage of the anarchy to favour a military intervention of the United States. Again in 1895-1896 the Nationalistic movement of José Martí forced the Spanish Prime Minister, Cánovas del Castillo, to send thousands of soldiers to Cuba anew, while a Cuban provisional government established in New York organized hundreds of committees and directed a formal diplomatic representation in Washington and Paris. Even the big landowners who were opposed to a new financial subscription in favour of the Crown went over to the other side, so that the general control of the island rapidly slipped out from Spanish hands. The uprising stopped nevertheless as quickly as it begun in 1897, to the utmost disappointment of the American landowners, as the new Sagasta government decided to dismiss the military governor of Cuba, general Weyler. The accidental blow up of the battleship *Maine*, on 15 February 1898, came as a pretext to denounce Spain's attempt to damage the American position and force her to a naval confrontation that ended in a rapid and conclusive victory of the US Navy on July 3<sup>rd</sup> <sup>1</sup>.

The Treaty of Paris signed on December 10<sup>th</sup>, 1898, resulted in the independence of Cuba and the transfer of the Philippines and Porto Rico in favour of the United States in return for the payment of 20 million dollars <sup>2</sup>. Subsequently the shock of the defeat generated a moral and political crisis widely publicized through the newspapers and the national debate in the Cortes. The complete destruction of the Spanish *Armada*, symbol of national proud and power, and the growing criticism of the Madrid authorities were logically followed by a public claim for sanctions against those responsible. The sharpest adversaries were of course the Republicans and Socialists, even though the latter had no parliamentary representation, but some monarchists and members of the liberal party, like the Count de las Alménas or Canalejas, did not hesitate to condemn the generals in the strongest way and indirectly the liberal government presided by Sagasta.

It was easy of course for the Tories to lay the burden of the disaster at the Liberals and to avoid any public blame, even if they equally shared the political responsibility of this tragedy. As a result, the leader of the conservative party, Francisco Silvela, a devout Catholic, formed a new government on May, 3, 1899, advocating “a ‘revolution from above’ which, by effecting ‘a ground

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<sup>1</sup> See for a general survey Raymond Carr, *Spain 1808-1939* (London: Oxford University Press, 1966, 1975), 379-388.

<sup>2</sup> Albert Mousset, *L'Espagne dans la politique mondiale* (Paris: Éditions Bossard, 1923), 94.

clearance of caciquismo' would restore contact between the politicians and the people" <sup>3</sup>. This political turn did not in fact produce any persuasive change in the course of the Spanish policy, nor the following governments in 1900, 1901 and 1902, according to the *turno* <sup>4</sup>, who emphatically pleaded for the "regenerationism", i.e. the national revitalization of the country. Beside this failure, the awakening of long neglected issues like the demographic growth, the progress of socialist ideas in the working class and the regionalistic claims, produced a growing gap between the higher realms of politics and the population, as the 1899 elections showed with a 30% turnout at the polls <sup>5</sup>.

The turn of the century and the personal involvement of King Alfonso XIII in Spanish politics once he has reached his majority in 1902 caused a complete reappraisal of Spain's international position. Two ways or choices were likely to be pursued by the monarchy. Firstly, the *recogimiento* supported by a majority of monarchists, which meant to withdraw from the international scene and reflect on the implication of the defeat. In other words, Spain would abandon its traditional foreign policy of *grandeur*, face the reality and accept that it is not a great power, and maybe not even a "middle class" power, anymore. At the same time, this "contemplation" would entail going back to the metropolitan boundaries and giving up any dream of conquest abroad. The second way, supported by the republicans, democrats and liberal intellectuals, belonging to the later called *generación del 98* or "disaster generation", like Joaquín Costa, spiritual father of the "regenerationism", or the philosopher José Ortega y Gasset, favoured the economic and social modernization of the country based on the European pattern and in due course the revitalization of the old alliance policy with Great Britain and France. In Ortega's words, if "the regeneration is the aspiration; the opening onto Europe is the way to achieve it. In fact, it was clear from the first that Spain was the problem and Europe the solution" <sup>6</sup>.

A third way was finally chosen by the king and the government according to the personal and dynastic ambitions of young Alfonso – he was 16 years old in 1902 – who wanted to play a key role in the orientation of the nation's future. For Raymond Carr, "the parallel to George III is striking: Alfonso wanted to be a king, and a patriot king at that" <sup>7</sup>. It is then no surprise if Alfonso tried to claim superiority over his ministers owing to a singular interpretation of the constitution and to impose his views on the army and diplomacy. A good example is for instance the nomination of

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<sup>3</sup> Carr, op. cit., 477.

<sup>4</sup> The political life of the Restoration was based on the *turno pacífico* or "peaceful turn", a system supported by electoral management that organized the automatic alternation of government among Liberals and Conservatives after every general election with very few exceptions.

<sup>5</sup> Manuel Tuñón de Lara, *Revolución burguesa, oligarquía y constitucionalismo (1834-1923)* (Barcelona: Labor, 1981), 393.

<sup>6</sup> José Ortega y Gasset, "Vieja y nueva política", *Obras Completas*, Vol. 1, (Madrid, 1966), 521.

<sup>7</sup> Carr, op. cit., 475.

the War minister that the king insisted to oversee and decide from the very beginning, or the facility given to the high-ranking officers to get a direct access to him <sup>8</sup>. He determined a policy of national revitalization based on the recovery of the past *grandeur*, advocating for colonial accomplishment in Morocco and as expected for reconstruction of the military power.

This important turn in the national foreign policy was dictated by the strong will to defend the coasts of Spain, its fishing and trade activities, and most of all to impose the country as a counter power in the Western Mediterranean in front of Britain, France and Italy, the dominating nations in this region. The preference of Morocco as starting point for the imperial mission of Spain appeared therefore logical, because the Spanish Crown had always shown, at least since the end of the 15<sup>th</sup> century, a deep concern about North Africa and the necessity to carry on the *reconquista* over the seas against the Barbarian kingdom of Granada. In that sense, the conquest of the *presidios* or strongholds of Melilla in 1496 and Ceuta in 1580, still in hands of the Spanish monarchy, and the O'Donnell expedition in 1860, were reminders of the past glory and also an inspiration for young Alfonso. Owing to the French expansion's policy in Morocco and the British interference on one hand, and to a very active diplomacy on the other hand, Spain's interests and colonial ambitions were finally endorsed by bilateral and international agreements in 1904, 1906 and 1907, paving the way to the occupation of the Riff in the north and Sahara in the south <sup>9</sup>.

The fulfilment of the Spanish goals was nevertheless conditioned by the clearance of two major obstacles. One was the poor condition of the Spanish army, specially the Navy almost entirely destroyed in 1898 with the exception of 3 old battleships and 13 cruisers <sup>10</sup>; the second was the tough resistance of the Riffan tribes strongly opposed to any lessening of their independent lifestyle or attack on the sultan's sovereignty. It is not the place here to explain the reasons of the backwardness of the Spanish economy at the turn of the century <sup>11</sup>; but it is nonetheless important to emphasize that the Hispanic Peninsula suffered a long term foreign dependence, i.e. a strong British and French influence since the 18<sup>th</sup> century, that ended up in a constant intervention, both economical and political, in the Spanish affairs, with the conclusion of the Quadruple Alliance in 1834 <sup>12</sup>. The fact is that the British and French economic interests were particularly significant in the agriculture and industry, with the Jerez and Malaga vineyards and the large mining corporations (*Río Tinto*, *Peñarroya*, the *Tharsis & Sulphur C<sup>o</sup>*), as well as in the railway (*MZA*, *Norte...*) and

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<sup>8</sup> Manuel Tuñón de Lara, *Poder y sociedad en España, 1900-1931* (Madrid : Espasa Calpe, 1992), 105.

<sup>9</sup> Mousset, op. cit., 96-144.

<sup>10</sup> Michael Alpert, *La guerra civil española en el mar* (Madrid : Siglo Veintiuno, 1987), 2.

<sup>11</sup> See Jordi Nadal, *El fracaso de la Revolución industrial en España, 1814-1913* (Barcelona : Ariel, 1992) and Nicolas Sánchez-Albornoz (Ed.), *La modernización económica de España, 1830-1930* (Madrid : Alianza Universidad, 1987).

<sup>12</sup> See Juan Carlos Pereira, *Introducción al estudio de la política exterior de España (siglos XIX y XX)* (Madrid : Akal, 1983), 121-123 and 248-249.

urban services, like water and electricity supply (*Seville Tramways Cº, Energía Eléctrica del Centro de España*)<sup>13</sup>. As a consequence, the renovation of the Spanish army at the beginning of the 20<sup>th</sup> century would closely depend on the technology and the know-how of the great European powers and also on the modernization of the national shipyards. Concerning Morocco, the colonization would rapidly prove more difficult than expected with the development of a nationalistic and religious movement between 1907 and 1909, as we will see soon after.

In spite of internal difficulties and a passionate debate in the Cortes about the necessity of a military rearmament in 1902 and again in 1903-1904, an ambitious naval plan was adopted under the new conservative Maura Government as a consequence of a royal decree issued on June 1<sup>st</sup>, 1907. The Ferrándiz Act, named after the ministry of the Navy, and the subsequent January 7, 1908 “Squadron Act” (*Ley de Escuadra*) established a large-scale construction plan based on a 200 million pesetas budget divided over a period of 6 to 8 years, which was designed to authorize the synchronized production of 3 battleships, 3 destroyers, 24 torpedo boats and 4 gun boats<sup>14</sup>. This new policy was supported to a great extent by the Parliament and also by the public opinion thanks to a subtle propaganda in the newspapers and the recent events in Morocco. As a matter of fact, the approval of the Cartagena agreement signed with France and Britain on April 8, 1907 not only recognized the political personality of Spain as component of the European entente, but also its imminent cooperation in favour of the European peace. Moreover, the Riffian tribes commanded by Bou Hamara el Rogui and especially Mohamed Ameziane, whose fame as energetic preacher of the *jihad* was widespread among the population in all Morocco, opposed a growing resistance to the occupation and exploitation of the mining resources; it was then more than necessary to reinforce the capacities of the Spanish *Armada* in order to defend the nationalistic pretensions of the Crown in North Africa<sup>15</sup>.

To complete such a huge program supposed financial and technical possibilities that Spain was far from being able to combine. No armament effort had been made actually since the end of the 1880's so that the Spanish ship industry had lost any kind of aptitude to compete with the main

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<sup>13</sup> On this subject see the unpublished dissertation of Albert Broder, *Le rôle des intérêts économiques étrangers dans la croissance de l'Espagne au XIXe siècle 1767-1924* (Lille, 1981) and Gérard Chastagnaret, *L'Espagne, puissance minière dans l'Europe du XIXe siècle* (Madrid : Casa de Velázquez, 2000).

<sup>14</sup> Melchor Fernández Almagro, *Política naval de la España moderna y contemporánea*, Instituto de Estudios Políticos, Madrid, 1946, pp. 254-260. As Carlos Ibáñez de Ibero writes, “it was not a perfect work; it lacked many defaults among others the fact that no submarine construction was scheduled. Despite of this, no other project has been so serious nor so well designed during the long years of maritime decay”. Carlos Ibáñez de Ibero, *Historia de la marina de guerra española. Desde el siglo XIII hasta nuestros días* (Madrid : Espasa-Calpe, 1943), 221.

<sup>15</sup> The Moroccan Sultan was a powerless sovereign at the beginning of the 20<sup>th</sup> Century because of the European great powers domination and the existence of a virtual independent state from 1902 to 1909 in Northeast Morocco under the leadership of Bou Hamara el Rogui. The concession of exploitation privileges to a Spanish mining company, *Minas del Rif*, and a Franco-Spanish group in Summer 1907 by Bou Hamara was considered by Mohammed Ameziane and the Riffian population as a treason, and therefore punished by a military expedition which would lead eventually to the forced dismissal of the latter and a Spanish military campaign against the Riffians in 1909.

European and non European arsenals which experienced a significant improvement of their know-how and skills in the development of efficient and powerful naval warfare in the eve of the First World War<sup>16</sup>. For that reason, the Prime Minister Antonio Maura decided to call on Spanish naval firms provided that they mastered any established foreign technology and possessed the required skills in the construction of warships. The Madrid government came to the decision that the *Sociedad Española de Construcción Naval*, better known as the *Constructora Naval*, was the most accomplished firm among all the competitors and the most suitable for this undertaking, and finally commissioned the construction of new units. This Spanish society, which was founded on purpose in 1908 on account of Basque capital, was in fact strongly supported by important British naval companies such as *Vickers Sons & Maxim Limited*, *Sir W.G. Armstrong Whitworth & C<sup>o</sup>* and *John Brown and C<sup>o</sup>*, and based on British plans and technology<sup>17</sup>. In reality, the *Constructora Naval* was the product of the absorption by Vickers in 1897 of the oldest British armament company established abroad, *The Placencia de las Armas Company Limited*, founded ten years before thanks to the sole British investments and since then in great financial troubles<sup>18</sup>. Although the *Constructora Naval* was formally in hands of Spanish industrialists, one could hardly contemplate it therefore as a pure national society, not only because the presence of concentrated Basque assets concealed a *de facto* domination of British capital, but also more generally because the Spanish warfare industry was openly considered as a private ground for the British manufacturing and engineering<sup>19</sup>.

In 1914 and again in 1915, the Spanish government decided to initiate two new naval programs in order to finalize the restoration of the *Armada* and to take into account the technical experience and advancement acquired in this field since the beginning of the war in Europe. The prime minister and the King himself were convinced indeed that Spain had an important part to play in the Mediterranean and for that reason resolved to launch among others the construction of four new cruisers, six high sea destroyers and three gunboats within a period of 6 years. The originality of the new plans lied in the fact that they considered the manufacture of twenty-eight submarines for the first time in Spain's warfare history as a result of the astounding success of the German U-9 on September 22, 1914 as it sunk three British cruisers in slightly more than 90 minutes. This project was so important that 110 of the 270 million pesetas financial plan should be dedicated to

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<sup>16</sup> See Paul Kennedy, *The Rise and Fall of the Great Powers* (New York : Vintage Books, 1989), 202-249.

<sup>17</sup> Rafael Ossa Echaburu, *Riqueza y poder de la Ría 1900-1923. El Bilbao del novecientos* (Bilbao : Biblioteca Vascongada, 1969), 293-294.

<sup>18</sup> In 1908, Vickers took up officially 24.5 per cent of the issued capital of £ 385,000. J.D. Scott, *Vickers. A History* (London : Weidenfelt & Nicolson, 1962), 84.

<sup>19</sup> Another good example is given by *Babcock & Wilcox* whose presence in Spain as one of the major Navy suppliers is also attested in the national archives since the creation of a Spanish branch on March 1<sup>st</sup>, 1918 in Bilbao.

this purpose according to the 1915 Miranda Act<sup>20</sup>. Even with long-term delivery time, the warship manufacturing was very beneficial for the state owned shipyards of El Ferrol and Cartagena because of the employment of a large number of workers and the subsequent capability to reach the industrial self-reliance in a near future.

In this respect, the First World War represented for the Spanish economy and more specifically for the ship building an historical and quite unique occasion to develop its capacities and activities on account of the growing external call for civil goods in France and Britain from 1914 to 1917, and the King's decision to adopt a strict neutrality. If Spain was rich of natural products, like oranges, rice, leather, copper or iron ore, the need for freighters among the great powers was also imperative because of the heavy losses suffered in the Atlantic owing to the multiplication of the German *U-Boote* and the initial American refusal to intervene whatsoever in this conflict<sup>21</sup>. Spain had no serious reason to join the allied forces into the war, but it is true however that its neutrality could appear as a surprise to any good spectator of the European scene given that Spain seemed closely connected to France and Britain since the 1904 and 1907 Moroccan agreements, and more recently since the personal meeting between King Alfonso and Raymond Poincaré on October 7, 1913 in Cartagena<sup>22</sup>. Although one serving Prime Minister, count of Romanones, changed his mind about neutrality in 1917 because of the German submarine attacks against the Spanish ships<sup>23</sup>, the general policy in Madrid remained unchanged until the end of hostilities. Everybody was convinced in fact that the conflict did not affect directly the Iberian Peninsula, that the Spanish interests were certainly not involved in the European disputes and that a declaration of war could only throw a gulf between the pro-German and the pro-Allied leanings in the public opinion<sup>24</sup>. Moreover, the kingdom's economic and financial situation was not particularly magnificent, and in any case not secure enough as to allow a military participation in a major struggle. In conclusion, the lack of preparation, the divided opinion and the weight of the Spanish foreign policy inherited from the 19<sup>th</sup> century were the main factors that determined the neutral position of the country during the war.

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<sup>20</sup> Jesús Salgado Alba, "Evolución estratégica de la Marina española entre las dos guerras mundiales", *Les armées espagnoles et françaises. Modernisation et réforme entre les deux guerres mondiales* (Madrid: Casa de Velázquez, 1989), 140-142; Michael Alpert, *La guerra civil en el mar* (Madrid : Sigloveintiuno, 1987), 5. The first submarine units were built nevertheless in the United States and in Italy because the Spanish dockyards lacked of technology and skills. They were delivered in 1917 and installed in Cartagena where a new submarine base had been built.

<sup>21</sup> See Yves-Henri Nouailhat, *Les États-Unis: L'avènement d'une puissance mondiale, 1898-1933* (Paris : Éditions Richelieu, 1973), 233-240.

<sup>22</sup> A. Mousset, op. cit., 169-170.

<sup>23</sup> Conde de Romanones, *Las responsabilidades del Antiguo régimen. De 1875 a 1923* (Madrid : Renacimiento, 1923), 75-96.

<sup>24</sup> See Fernando Diaz-Plaja, *Francófilos y Germanófilos (Los españoles en la guerra europea)* (Barcelona : Dopesa, 1973).



All things considered, this opportunist attitude could only bring advantages to Spain and also maybe to Britain and France, which were not enthusiastic about an explicit involvement of the Iberian Peninsula into the war. Would they not rather benefit from the so-called neutrality on account of their old and intense trade partnership with Spain? Indeed, after a short crisis due to the possible collapse of the foreign exchanges, the economic environment changed radically in 1915 because of the extension of the war and the conversion from civil to warfare manufacturing of the Western European industries. The Spanish economy experienced then a swift increasing of the national production thanks to the British and French imports from raw materials and foodstuffs to industrial products like textile, steel or pharmaceutical goods, generating a short but intense golden age, especially in the main centres of Spanish capitalism, i.e. Catalonia and Biscay<sup>25</sup>. Even if the long-term consequences of this expansion are still debated, inasmuch as these exceptional circumstances did not produce any significant improvement of the economy, on the contrary<sup>26</sup>, it is true however that the enormous profits of war played a crucial role in the nationalization of economic key sectors<sup>27</sup>. This is particularly true for the shipbuilding and fret industry that developed their capacities in such a way that the expansion produced with extraordinary evidence a huge increase of accumulation and concentration in capital, especially in the Basque country, and consequently the foundation and multiplication of shipping companies<sup>28</sup>. From mid-December 1914 the Spanish shipping companies stocks and shares came across a flourishing period with an unexpected rising, reflecting the favoured position of Spain in the Mediterranean under the British protection and without German rivalry<sup>29</sup>. With regard to the shipbuilding industry, the vitality of the Basque country is so high that “it has never been produced so many ships nor so great tonnage in the Biscayan shipyards than in the years 1917-1918-1919-1920...” i.e. respectively 79, 93, 169 and 100 ships<sup>30</sup>. In the case of the *Constructora Naval*, the “company’s authorized capital of £ 1,020,000 had all been issued, 70 per cent having been subscribed by Spanish concerns and the remaining 30 per cent by the British group in equal proportions.”<sup>31</sup>

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<sup>25</sup> See Santiago Roldan and José Luis García Delgado, *La formación de la sociedad capitalista en España 1914-1920*, vol. 1 (Madrid : Condeferación Española de Cajas de Ahorro, 1973), 31-74.

<sup>26</sup> Albert Broder, *Historia económica de la España contemporánea* (Barcelona : Edicions de la Universitat de Barcelona ; Madrid : Alianza, 2000), 139-144. See also the original edition : *Histoire économique de l’Espagne contemporaine* (Paris : Economica)

<sup>27</sup> It is estimated that the total amounts of benefits generated by the Spanish economy during the First World War came to about 5 000 million pesetas. Jordi Palafox, *Atraso económico y democracia. La Segunda República y la economía española, 1892-1936* (Barcelona : Crítica, 1991), 71 ; Broder, 143.

<sup>28</sup> As indicated by the Spanish Financial Yearbook, 58 new shipping societies were created between 1916 and 1920, among them 30 in Bilbao and 11 in Barcelona. See Santiago Roldan and José Luis García Delgado, *La formación de la sociedad capitalista en España 1914-1920*, vol. 2 (Madrid : Condeferación Española de Cajas de Ahorro, 1973), 13-89.

<sup>29</sup> *Ibid.*, 49-60.

<sup>30</sup> *Ibid.*, 46.

<sup>31</sup> Scott, 147.

Yet the prosperity of the Iberian economy vanished as fast as it appeared in consequence of the profound crisis generated by the end of the war, and more specifically by the American declaration of war to the Triple Alliance in April 1917 that meant the rapid substitution of Spain by the United States as main supplier of the other two allied countries. The Spanish exports suffered consequently a critical collapse whereas the prices were still going up and the social crisis spreading all over the country because of the growing unemployment<sup>32</sup>. The general discontent degenerated soon in a political crisis that the dominating parties were unable to master because of their frailty and internal weaknesses. Moreover, the intervention of the Army in politics in May 1917 through the Junta movement, i.e. a “peaceful pronunciamiento ‘within the concept of military discipline’, a protest of officers below the rank of colonel against the generals and politicians”<sup>33</sup>, all together with the constant unrest instigated by the social war in Catalonia between revolutionaries and *pistoleros*, with a high peak in 1920, and the regionalistic protests could only but sentence the Restoration’s system to a definite disintegration<sup>34</sup>.

Paradoxically, the Anglo-Spanish military cooperation did not endure the consequences of the war at once, on the contrary. According to J.D. Scott<sup>35</sup>,

“By 1917 the first stage of the construction of the new Spanish navy had been completed with the building of three first-line battleships, as well as the greater part of the smaller units, and the Spanish government was now ready to enter upon its second naval programme, which included the construction of more warships and submarines and also the manufacture of heavy artillery and forgings. The contract for this second naval programme was given to La Sociedad. [*Constructora Naval*]”

The above-mentioned programme was indeed the continuance of the 1915 Miranda Act since the time limit primarily considered of six years would be soon ended. Furthermore, the battleships planned in the 1908 Ferrándiz Act – the *España*, *Alfonso XIII* and *Jaime I* – were launched between 1912 and 1914, but came into service in the Navy respectively in 1912, 1915 and 1922<sup>36</sup>. The reason for such a delay can be explained by the involvement of Britain in the First World War and the shortage in strategic transfer that affected directly the Spanish shipyards in El Ferrol and Cartagena whose activities experienced such a drastic decline from 1915 that many

<sup>32</sup> José Luis García Delgado, “La economía española entre 1900 y 1923”, *Revolución burguesa, oligarquía y constitucionalismo (1834-1923)*, ed. Manuel Tuñón de Lara (Barcelona : Labor, 1981), 425-452.

<sup>33</sup> Raymond Carr, *Spain, 1808-1939*, 3<sup>rd</sup> (Oxford : Clarendon Press, 1975), 500.

<sup>34</sup> See *ibid.*, 497-516 ; David Ruiz, “España 1902-1923: Vida política, social y cultural”, *Revolución burguesa, oligarquía y constitucionalismo (1834-1923)*, op. cit., 503-524 and José María Marín Arce, *Santiago Alba y la crisis de la Restauración* (Madrid : UNED, 1990).

<sup>35</sup> Scott, 147.

<sup>36</sup> The *Alfonso XIII* changed its name to *España* after the proclamation of the Second Republic in April 1931.

constructions were cancelled<sup>37</sup>. In these circumstances, the Miranda Act could only represent a first stage in the regeneration of the *Armada* and a new plan was designed in 1922 in order to adjust the Spanish navy to the new international standards.

The Cortes adopted the *Ley Cortina* fundamentally on January 11, 1922 on account of the new strategic changes that occurred after 1918. Apart from the 1921-1922 Washington Conference, which implied the limitation of sea power, and the old Gibraltar case<sup>38</sup>, the main issue was the Moroccan affair that represented a growing concern for the Spanish Army and Navy. Without going into details, it must be said that the Riffan resistance to colonization had been temporarily broken in 1912 after a vast military campaign and the victory over Mohammed Amziane, the leader of the confederate tribes in North-East Morocco. In spite of the creation of a Spanish Protectorate over the Riff in 1912, the years 1912-1919 had been then relatively peaceful, because of the end of military occupation, a reconciliation's policy toward the local notabilities inspired by the French example and the impossibility to lead any major strategic operation during the war. Yet the Riffan resistance did not vanish at all, as it was proved in 1919 when Abd el Krim appeared as a new charismatic leader with the aim to overthrow the Spanish domination and establish the first Islamic Republic in Morocco<sup>39</sup>. The tragic defeat of Annual in July 1921 that ended with the slaughter of thousands of conscripts pointed out the extreme vulnerability and weakness of the Spanish Army in Morocco, and consequently the critical importance of a new rearmament. In this respect, the Navy was supposed to play a key-role in the recovery of the lost territories and eventually the destruction of Abd el Krim's headquarters in Ajdir.

The Cortina Bill was characterized by a significant financial plan focused on two main ideas. First were the necessary completion of the current constructions and the manufacture of new ship types according to the latest technologies; secondly the obligation to resort to Spanish shipyards in view of the costly foreign imported manpower and equipment, and the government's ambition to promote a national warfare industry. Now, the *de facto* monopoly that was granted to the *Constructora Naval* with the production of two new cruisers in El Ferrol – the *Príncipe Alfonso* and *Almirante Cervera* - replicated from British counterparts was questioned by the sudden and quite unexpected *pronunciamento* planned by general Miguel Primo de Rivera on September 13, 1923. The fact that the military cooperation with Britain got to a such a high point of dependency

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<sup>37</sup> Salgado Alba, 140.

<sup>38</sup> Spain was not invited to the conference, but was forced to accept the Washington Treaty, i.e. to limit its tonnage to Italy's one. With respect to Gibraltar, new discussions took place between Spain and Britain during the war in order to restore Spain's sovereignty over Gibraltar and replace this possession by Ceuta on the Moroccan coast. AMAE, R5499 bis E6, *Cuadernos de Política Internacional Española. Gibraltar (1895-1919)*, Third Part, 1934-1936.

<sup>39</sup> See David S. Woolman, *Rebels in the Rif. Abd El Krim and the Rif Rebellion*, (Stanford: Stanford University Press, 1968); *Abd el krim et la République du Rif*, Colloque international d'études historiques et sociologiques, janvier 1973 (Paris: Maspero "Textes à l'appui", 1976).

that no strategic ambition or plan might enjoy any confidentiality or autonomy was particularly frustrating for the Spanish Navy and of course for the dictator, now that everything has to be done to crush the Riffan resistance. By “everything”, the government and also the King had in mind any existing weapon able to achieve this aim, regardless its legal or illegal use, i.e. forbidden weapons like chemical projectiles and shells that the British government would sell to Spain at no price, if any chemical weapon was to be sold at all. Despite earlier positions taken by Primo de Rivera against the “pacification policy” in Morocco, the dictator changed his mind in March 1924 as the Riffan constant assault against the Spanish line of defence signified a palpable threat for the Crown’s possessions, especially Xauen and Tetuan<sup>40</sup>. He also had to count on the strong anti-French feeling among the military, especially the *Africanistas* like Franco whose personal career and promotion was directly linked to the colonization. As the French military attaché observed in February 1922,

“Despite its defeat [Germany’s defeat] a huge majority of Spanish officers still express a boundless admiration for the German army. Besides, this is something I have personally asserted when I visited the War High school [*École Supérieure de Guerre*], they mostly study the art of war in the manifold publications sent from Berlin to that purpose that the Spanish military attaché in this capital is in charge to propagate in his country’s schools. Moreover, the German press never lets the opportunity slip to flatter the Spanish self-esteem; it praises warmly the Spanish operations in Morocco or anything with reference to Spain, whereas the French press often hurts the extreme susceptibility of our neighbours.”<sup>41</sup>

Altogether, Britain was probably not the best and more reliable associate. The anti-French feeling among the military and in the Spanish opinion was generally combined with a growing anti-British resentment, especially among monarchist politicians and members of the Royal court, in spite of the English ancestry of Victoria Eugenia, the Queen of Spain<sup>42</sup>. Besides, the constant sluggishness of the *Constructora Naval* in the ship manufacturing was more and more criticized in

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<sup>40</sup> See Stanley Payne, *Politics and the Military in Modern Spain* (Stanford, 1967), Shlomo Ben Ami, *Fascism from above. The dictatorship of Primo de Rivera in Spain*, (Oxford: Clarendon Press, 1983) and Susana Sueiro Seoane, *España en el Mediterráneo. Primo de Rivera y la “Cuestión Marroquí”* (Madrid: UNED, 1992).

<sup>41</sup> SHAT (Service Historique de l’Armée de Terre), 7N2754, *Rapport n°7998 de P. de Cuverville au Ministre de la Guerre*, February 17, 1922.

<sup>42</sup> A significant part of the Spanish press was influenced by the German propaganda, but the public opinion was above all sympathetic to the distress of the German population in the post-war as a consequence of the Versailles treaty and therefore critical about the Allied attitude, especially after the collapse of Lloyd George government. The French military attaché observes that: “the pro-German press regrets deeply the departure of Lloyd George ‘with whom vanishes the most fervent and most tenacious advocate for a conciliation in Europe’... With a Germany ‘ruined par the stubbornness of a few victors, Europe will then but only hardly recover its spiritual serenity and economic stability.’ (El Sol)”. SHAT, 7N2754, *Rapport n°2797 de P. de Cuverville au Ministre de la Guerre*, October 27, 1922. Besides, the Anglo-Spanish trade suffered a deep crisis at the beginning of the 1920’s because of the Spanish balance of trade surplus and protectionism. See Jean-François Berdah, *La République espagnole entre l’Allemagne et le Royaume-Uni. De l’intégration européenne à l’isolement international*, vol. 1, Ph.D. dissertation, Université Paris XII, 1996, 117-136.

the Navy and the government, owing to its worrying and even disastrous consequences on the *Armada's* capacity to face a modern war in the near future. Spain's technical and military backwardness - compared with the great powers - would indeed remain unchanged until the late 1920's after the delivery to the Navy of the first Spanish submarines, B1 to B6, from 1922 to 1926 and the "new" cruisers in 1927 and 1928. Last but not least, Primo de Rivera showed a growing interest for Mussolini's Italy, not only because its political and social system was praised as an example to be imitated, but also because the *Duce* was destined for a brilliant future in Europe<sup>43</sup>. In these circumstances, it is not surprising that the military and the Dictator considered more beneficial to look for a new industrial partnership.

The choice of Germany was quite logical for many reasons other than the mere pro-German feeling among the military and the sympathy expressed by the Spanish population after the First World War that we mentioned previously. In truth, this was the consequence of two combined elements connected with Berlin's foreign policy, namely the *Kulturpolitik* or *Kulturpropaganda* developed towards Spain and South America with the purpose of recovering its former economic positions and gain control over the public opinion<sup>44</sup>, and the clandestine rearmament of the *Reichsherr*. We will limit here our analysis to the second point, by far the most important for this study, observing that this topic has inspired many historical investigations, especially in the case of German-Soviet cooperation, consequently to the Rapallo Treaty signed by the Weimar Republic and the Soviet Union on April 16, 1922<sup>45</sup>. It is nevertheless true that very little has been written on German-Spanish military collaboration in recent times apart from succinct mentions<sup>46</sup>. Yet, the part that Germany would play in the development of the Spanish warfare industry was quite substantial and is therefore worth to be taken into account.

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<sup>43</sup> See Gustavo Palomares Lerma, *Mussolini y Primo de Rivera. Política exterior de dos dictadores*, (Madrid: Eudema, 1989) and Berdah, 154-160, 176-183.

<sup>44</sup> A German industrialist who supervised a personal information service during the war observes in 1918 that: "Spain is the only country in the world that provided so beneficial life conditions to the Central Powers residents during the war in spite of the lack of direct connection with the home lands [*Heimatländer*], and Spain will become after the war, owing to its geographical position and dynamic relations with Central and South America, a vast and beneficial activity ground in itself and as a springboard towards the Spanish-speaking countries for the Central Powers industrial and trade circles vitality that has been chained for such a long time". August H. Hofer, *Der Deutsche Nachrichtendienst für Spanien in Barcelona. Geschichte einer Gründung und seiner Entwicklung bis zur Übergabe an die Kaiserlich Deutsche Botschaft in Madrid (1914-1918)*, Manuscript, Barcelona, 1918, 68. On this topic see Berdah, 89-99.

<sup>45</sup> See for example Georges Castellan, *Le réarmement clandestin du Reich 1930-1935. Vu par le 2ème Bureau de l'État-major Français*, (Paris: Librairie Plon, 1954); Gaines Post (Jr.), *The Civil Military Fabric of Weimar Foreign Policy* (Princeton: Princeton University Press, 1973) and more recently Manfred Zeidler, *Reichswehr und Rote Armee, 1920-1933: Wege und Stationen einer ungewöhnlichen Zusammenarbeit*, (München: R. Oldenbourg, 1993).

<sup>46</sup> See for example Jacques Benoist-Méchin, *Histoire de l'armée allemande*, vol. 1, 2<sup>nd</sup> edition (Paris: Robert Laffont, Bouquins, 1984), 577. There are two exceptions to which we will refer several times, that is Rudibert Kunz and Rolf-Dieter Müller, *Giftgas gegen Abd El Krim. Deutschland, Spanien und der Gaskrieg in Spanisch-Marokko 1922-1927* (Freiburg on Brisgau: Verlag Rombach, Einzelschriften zur Militärgeschichte, 1990) and Ángel Viñas, *La Alemania nazi y el 18 de julio* (Madrid: Alianza Universidad, 1974, 1977).

The first stage of this new collaboration started with the chemical German industry and more precisely with a Hamburg based company, the *Chemische Fabrik Stoltzenberg*, as a result of a secret negotiation in Madrid between Dr. Hugo Stoltzenberg, his collaborators and representatives of the Spanish government in November 1921. The reason for such an interest was undoubtedly linked to the tragedy in Annual and to the influence that the Soviets were supposed to have in the supply of arms to Abd el Krim. Finally, both parties came to an agreement, which foresaw the building of a complete chemical plan for an estimated price of 10 million pesetas in favour of the Spanish army with the intention to produce poison gas <sup>47</sup>. This was not indeed the first mark of interest for this forbidden arm, nor the first occasion on which Spain demonstrated its desire to experiment it on the battleground. According to a secret German report, the military trained the Spanish air force for ground attack and bombing in several occasions, the very first time in December 1913, as German bombs especially manufactured for this purpose were thrown over a small Riffan village, and possessed in Melilla, i.e. in Morocco, a filling station for poison gas grenades as soon as Summer 1921 <sup>48</sup>. But the most significant part in the prelude of this new cooperation was played by King Alfonso who was deeply interested in this new kind of warfare, when he commissioned the military attaché in Berlin to get access to German chemical plants, i.e. *IG Farben* subsidiary company *Griesheim Elektron*, and military exercises immediately before the end of the war in 1918 <sup>49</sup>. Alfonso XIII, a complex and quite authoritarian character, was intimately convinced that the Riffan rebellion represented a dire threatening for the European civilization, both as an anticolonialist and revolutionary phenomenon. In a private conversation with the French military attaché in June 17, 1925, the King would not dare to express himself in the following terms:

“In His [Majesty’s] opinion, He believes that two measures are absolutely needed in order to avoid an absolute cataclysm. 1°. To reduce ABD-EL-KRIM by the most violent means, without worrying about vain humanitarian considerations. ‘Spain and France – did He explain to me – cannot ‘allow them the luxury to consume thousands of men in Morocco again and to spend billions. What is more, the public opinion would not tolerate it. We must then find a more economical and at the same time more effective solution.’ This solution would reside for His Majesty in the cooperation between the Spanish and the French air forces carrying out an intensive and continuous bombing of the tribes living in the very heart of the Riff ‘with the most toxic gas’. [...] ‘This aerial action should be completed – the King told me – by a severe blockade of the Riff on sea and land in order to starve literally the Riffans’. It is - he believes - the extermination of the Beni-Urriaguels and the tribes directly attached to ABD-EL-KRIM, like harmful

<sup>47</sup> Kunz and Müller, 66. The peseta’s value was then more or less equal to the German goldmark.

<sup>48</sup> The bombs in question were manufactured by the German company Carbonit. They were shrapnel bombs filled with explosive and bullets of steel. Kunz and Müller, 45-47, 59.

<sup>49</sup> Ibid., 60-61.

beasts, that it is necessary to engage in.’ [...] 2°. To fight the communism energetically: ‘These military measures will remain inoperative - added His Majesty – if they are not completed by ruthless war against the Communists. As long as their criminal propaganda prevails, the Riffan war will last and even in the end spread to all Northern Africa’ [...]”<sup>50</sup>.

Although French industrialists were obviously the main providers of the Spanish army for chemical stuff, and also eager to protect their economic interests<sup>51</sup>, they could not challenge their German competitors for two reasons. Firstly, because there was a widespread feeling among the military that the French would not be willing to communicate their technical know-how and equip the Spanish army with the most effective weapons; secondly, because Stoltzenberg was inclined to accept a considerable discount in the negotiations to sign such an important contract with the Madrid government. A few months later, on June 10, 1922, after a last inspection of the central factory in Breloh, Germany, both parties came to a final agreement according to which a chemical plant would be established in Spain, near Madrid, with a daily production capacity estimated to 1 ton of *Lost* (yperit), 1,5 ton of *Phosgen*, one more gas poison with terrible effects on lungs, and 1,25 ton of *Dick*, a different kind of poison that badly damaged the skin<sup>52</sup>. Given that the *Fabrica Nacional de Productos Químicos de Alfonso XIII*, commonly named after its location, just about 35 km southeast from the capital - *La Marañosa* – would not be able to supply the military in Morocco before 1925, they also decided the construction of a filling station in Melilla equipped with the German technology. It is still difficult to say how many tons of chemical products were sent from Hamburg to Melilla to be transformed into yperit, but the German secret report mentioned above refers to a daily production of 710 kg yperit, and suggests therefore that hundreds of tons were delivered to Melilla between 1920 and 1925.

It is not the place here to describe in detail the complete account of this almost forgotten and dreadful relationship, nor to estimate the real significance of the chemical weapon in strategic and military terms, but to draw attention to the fact that the German-Spanish cooperation opened the path to the brutalisation of the Riffan war, what Sebastian Balfour calls a “deadly embrace” in his recent book on the Spanish Morocco<sup>53</sup>. Besides, it is more than probable that the French army, as

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<sup>50</sup> SHAT, *Rapport n°3809 de P. de Cuverville au Ministre de la Guerre*, June 17, 1925.

<sup>51</sup> We have not found so far any evidence of the French military support to Spain as a chemical products and weapons supplier. The French historiography on this delicate question is rather modest in France with the recent exception of Olivier Lepick, *La Grande guerre chimique 1914-1918* (Paris: PUF, 1998).

<sup>52</sup> Kunz and Müller, 66-69.

<sup>53</sup> Sebastian Balfour, *Deadly Embrace. Morocco and the Road to the Spanish Civil War* (Oxford: Oxford University Press, 2002). Since the publication of Kunz and Müller in 1990, the reality of this untold and forgotten history has come slowly to the surface. To our great surprise, no Spanish book or publication mentioned these proceedings in the following years, not even the recent and extensive investigation on Primo de Rivera’s Moroccan policy published in 1996 (See above Sueiro Seoane). It remains an open question since the Moroccan people slowly recovers its past,

Abd el Krim attacked the protectorate and threatened the Taza-Fez defence line in April-July 1925, followed the Spanish example, using poison gas bombs and projectiles<sup>54</sup>. The French possessions were actually so endangered by the Riffan attack that Marshal Lyautey, General Resident in Rabat, decided to call on urgently the Minister President and minister of War, Paul Painlevé, on May, 1<sup>st</sup>, 1925, to ship as fast as possible 20 000 gas shells for the artillery and 5 000 bombs for the air force<sup>55</sup>. In spite of the minister's carefulness and initial refusal to make use of non conventional weapons, it is quite clear that the French army took advantage of its technical superiority in order to challenge the Riffans, who were more numerous and in some cases better equipped than the colonial troops. Again in June 1925, Lyautey would point out the advantage that might result in the use of poison gas n°20 type shells, emphasizing that this request came from the troops themselves:

“I am referring to my telegram n°106 dated the 6<sup>th</sup> of June. During my visit to the Freydenberg group this morning all have keenly insisted on the use of n°20 shell, which absolute necessity I have recognized. The Riffans are visibly superior in numbers for the infantry; they protect themselves better and better from the artillery and even the air force. They make use of artillery more and more. They are determined to a fiercely and merciless war, and don't hesitate to exert any act of savagery. It is for our troops a question of humanity to relieve them and reduce their losses with the help of this material, as well towards the population that we have to protect. I request again with the utmost insistence and with all the responsibility for the interests I have to safeguard its application as fast as possible. LYAUTEY”<sup>56</sup>

“... General Daugan cables me that according to reliable information the Riffans are preparing bombings on Tafrant and the Ouergha front with special shells, and urges me to send him with the utmost urgency [gas] masks and disinfection material. I repeat earnestly request sending n°20 shells with the utmost urgency. I know the objections. [...] Facing the Riffans abuse of savagery, one and all require from the beginning this material, probably exaggerating its efficiency [...] It is the first request that has been submitted to the Parliamentary Mission by our soldiers and injured men. I am convinced that we cannot delay any longer to ship here the supplying ready to get down to the job. You can be assured that I will keep the most absolute secrecy about it and let use of it only in the most special and appropriate cases of legitimate self-defence”<sup>57</sup>.

The interesting thing is that the Parliamentary Commission did not make any public mention of this secret and forbidden weaponry in the official report published in July 1925 in relation to the military operations in Morocco. The reason was obvious given that the French intervention in

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searching for answers. See for example the article published in *Maroc Hebdo International*, n°421, June 2-8, 2000, 16, titled: “Le passé chimique rattrapera-t-il l’Espagne?”.

<sup>54</sup> See the military reports, for example on the situation in the Spanish protectorate and in Taza in SHAT, 3H1556 and 1557, *Opérations militaires. Campagne du Rif. Territoire de Taza, 1914-1925*.

<sup>55</sup> SHAT, 3H217, *Telegram n°88 (Secret) from Lyautey to the Minister of War, May 1<sup>st</sup>, 1925*.

<sup>56</sup> SHAT, 3H217, *Telegram n°132 (secret) from Lyautey to the Minister President and minister of War, June 8, 1925*.

<sup>57</sup> SHAT, 3H217, *Telegram n°142 (secret) from Lyautey to the Minister President and minister of War, June 18, 1925*.



Morocco was fiercely opposed by the parties of the left, particularly the Communist party, and jeopardize the government's majority in the parliament <sup>58</sup>. But there was also another explanation, i.e. the fact that the Herriot government had signed the Geneva Convention on June 17, 1925, an international agreement suggested by the French government itself that banished utterly any use of chemical weapons and toxic gas in case of war <sup>59</sup>. Again, everything points out to a probable bombing of the Rifian *harkas* or armed militia and villages by the French airplanes during the summer 1925, even if the French historiography on Morocco and military warfare remains up till now particularly silent on these events, the same as the Spanish historians <sup>60</sup>. It is true that the air force mission reports never mention the nature of the bombs <sup>61</sup>, but the massive use of this modern weapon as shown by the Parliamentary Mission <sup>62</sup> in addition to the testimony of contemporary witnesses regarding poison gas bombing <sup>63</sup> give cause for suspicion until we find evidence of the contrary.

These events and the logical victory of the French-Spanish troops over Abd el Krim after the successful landing at Alhucemas on September 10, 1925 did not affect apparently the Anglo-Spanish relations. In spite of the media and a public opinion, generally critical if not hostile to the colonial 'pacification', the British government was directly interested in a Spanish success and showed eventually its satisfaction that the Moroccan question did not conclude in an international conflict <sup>64</sup>. However, the encouragement and the efficiency of the German support all along the war impressed positively both the King and the Dictator, and convinced them that the German-Spanish cooperation could favourably replace the traditional, but in many regards so disappointing, relationship with Britain. In addition, the German interest in developing new weapons in opposition to the Treaty of Versailles, especially in naval warfare, could only benefit from the positive result of the previous experience and its geographical potential. Besides, neutral Spain was the perfect

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<sup>58</sup> Édouard Bonnefous, *Histoire politique de la Troisième République. T.4. Cartel des gauches et union nationale (1924-1929)* (Paris: P.U.F., 1973), 83-89.

<sup>59</sup> SHAT, 3H602, *Rapport fait au nom de la Mission parlementaire envoyée au Maroc par la Commission de l'Armée, par M. Guy de Montjou, MP*, July 1925; Castellan, 106.

<sup>60</sup> See note n°53. Germain Ayache, *La guerre du Rif* (Paris: L'Harmattan, 1996); Guy Pedroncini, ed., *Histoire militaire de la France. 3. De 1871 à 1940* (Paris: P.U.F., 1992); Jean Doise and Maurice Vaïsse, *Diplomatie et outil militaire, 1871-1991. Politique étrangère de la France* (Paris: Imprimerie Nationale, 1987); Xavier Huetz de Lempis, "La collaboration franco-espagnole pendant la guerre du Rif (1925-1927). Un mariage d'amour ou de raison?", *Hesperis Tamuda*, Vol. 29, Fasc. 1, 1991, 85-111.

<sup>61</sup> See SHAT, 3H611, *Opérations aéronautiques. Guerre du Rif, 1924-1926*.

<sup>62</sup> According to a monthly report from group captain Armengaud, almost 150 tons of projectiles were thrown on the North front during the 1 219 bombing missions that took place in the month of July only. SHAT, 3H602, *Rapport fait au nom de la Mission parlementaire*, op. cit.

<sup>63</sup> See for example Walter Burton Harris, *France, Spain and the Rif* (London: Arnold, 1927), one of the first testimonies about it.

<sup>64</sup> See Juan Carlos Pereira Castañares, "Las relaciones entre España y Gran Bretaña durante el reinado de Alfonso XIII (1919-1931)", Volume III, Ph.D. Dissertation, Universidad Complutense, Madrid, 1986, 1525-1527. This dissertation makes however no mention of the poison gas bombings to which the British press referred at least in 1924-1926.

location to improve technical skills and knowledge with no fear for international scrutiny, something that determined the navy headquarters to consider without delay the possibilities of a secret project on the spot.

The origins of the German rearmament in Spain can be dated as soon as 1924 due to a combination of circumstances linked to the enterprise of two individuals: Walter Lohmann and Wilhelm Canaris. The first one, deeply affected by the military defeat in 1918, was captain and had apparently only one ambition in mind, that is “to free the fatherland from the Treaty of Versailles clauses and bring back a new force to the Navy”; the second one, a good expert of Spain since the beginning of the First World War, was lieutenant commander and enjoyed excellent contacts among the highest circles of the Spanish society. Canaris, whose name would be attached with the German counter-espionage service, the *Abwehr*, in the Nazi era, was working for the navy intelligence since November 1915 at the German embassy in Madrid. His mission was to supervise the secret activities under diplomatic cover and organize the German submarines supply off the Spanish coast<sup>65</sup>. After the war, Canaris played a key role in the German counter-revolution, first against the Spartakisten and the fleet insurgence in 1918-1919, then against the Weimar Republic with the financing of right-wing secret groups and a personal commitment in the Kapp putsch in 1920-1923<sup>66</sup>. His cleverness and talent were rewarded by rear admiral von Gagern, who saved him from mental depression making him one of his right-hand men for the secret naval rearmament. His past experience as secret agent and submarine specialist in Spain met exactly the Naval authorities requisites, since the general idea of the project, together with the support of the major German shipbuilding companies, was to “offer the saved construction plans of the last tested submarine before war ending to foreign navies, and secure with it the chance to construct submarines with German workers. Only this way, that was the key idea, could Germany preserve its required know how in submarine manufacturing”<sup>67</sup>. Besides, nothing nor even the international disarmament commissions could impede German naval officers or civilian shipbuilders to travel abroad and eventually proceed with their secret plans.

Walter Lohmann was already involved in the creation of German firms in Spain on behalf of the Navy minister with a 10-12 million mark secret budget, when he was contacted by Canaris in 1924 to establish a new company destined to submarine manufacturing<sup>68</sup>. The most important submarine builders before the war – *Germania-Werft* and *Vulcan-Werft*, in Kiel and Hamburg – had

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<sup>65</sup> Heinz Höhne, *Canaris. Patriot im Zwielicht* (Munich:C. Bertelsmann, 1976), 46-53, 97-98.

<sup>66</sup> Höhne, 56-89.

<sup>67</sup> Testimony of captain Schüssler, “Der Kampf der Marine gegen Versailles, 1919 bis 1935”, *Der Prozess gegen die Hauptkriegsverbrecher vor dem Internationalen Militärgerichtshof*, volume 34, document 156-C, Nuremberg, 1949, 566. Quoted in Höhne, 93.

<sup>68</sup> Höhne, 97-100; Ángel Viñas, *La Alemania nazi y el 18 de julio*, 2<sup>nd</sup> ed. (Madrid: Alianza, 1977), 26-27.

previously sold several construction plans to Japanese shipbuilders, i.e. *Kawasaki Sb. Co.* in Tanagawa/Osaka, in 1920, and decided two years later the foundation of an umbrella company in Netherlands together with the *Weser-Werft* whose paper would be of great importance in the future, the *Ingenieurskantoor voor Scheepsbouw (IvS)*<sup>69</sup>. Lohmann was rapidly convinced by Canaris that the *IvS* was of vital importance for the German rearmament, and invested one million mark in the company, while a second company, the *Mentor-Bilanz GmbH*, was created in Hamburg with a capital of 20 000 mark so as to maintain a permanent connection with the Dutch firm<sup>70</sup>.

Beyond the sympathy that many military and members of the court manifested to the German cause during the war, there was probably no best occasion for Canaris to take up with the Spanish authorities again. Spain was involved in an inextricable conflict, facing soldiers casualties by thousands, and deeply needed any kind of foreign support, what the gas poison supplying convincingly showed. It is not known if Canaris was aware of this secret transaction, but he was certain that Primo de Rivera, the new country's ruler, would be "interested in Germany's money and military knowledge"<sup>71</sup>. Consequently, he decided to revitalize the old relationship he had during the war with official and unofficial circles close to the King, as well as industrialists, like the Basque entrepreneur, Horacio Echevarrieta, in January-February 1925. The latter was extremely influent in Bilbao where he concentrated the greater part of his activities as an important shipbuilder, but it was also the case in Madrid or Barcelona. He was indeed one of the "hundred most important [Spanish] industrialists" – he actually ranked the 27<sup>th</sup> position and belonged to ten different boards of directors, from the *Banco de Bilbao* to the *Carbones Asturianos*<sup>72</sup>.

Even with the technical support of the *IvS* and influential contacts at high level, it was not an easy task to achieve the projected plans. Three obstacles opposed them indeed. The first one was the existence in Spain of a competing company, the *Unión Naval de Levante (UNL)* founded in 1924 in association between the *IvS*, *Krupp* and several Spanish firms. The *IvS* participation could have negative consequences for Canaris undertaking, but the *UNL* poor economic activity and catastrophic financial situation allowed him nevertheless to settle a breach of contract between both societies. Besides, Echevarrieta appeared as an ideal economic partner as to take in charge the technical construction of the first prototype<sup>73</sup>. The second difficulty was to convince the Spanish authorities that a German collaboration was of great interest to them. It is true that "the victories achieved by German submarines in the Mediterranean during the First World War" were still fresh

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<sup>69</sup> Höhne, 94; Viñas, 27-28.

<sup>70</sup> Viñas, 35-36.

<sup>71</sup> Höhne, 100.

<sup>72</sup> Santiago Roldan and José Luis García Delgado, *La formación de la sociedad capitalista en España 1914-1920*, vol. 2 (Madrid : Condeferación Española de Cajas de Ahorro, 1973), 383, 393.

<sup>73</sup> Viñas, 1<sup>st</sup> ed., 38.

in many Spanish officers minds, and also that they were very critical about the real performance of the British submarines manufactured by the *Constructora Naval*; but the most important thing consisted in “interesting Echevarrieta in the German submarine plans and at the same time to catch the attention of the Spanish high-command on the Canaris-Echevarrieta duet”<sup>74</sup>. Yet, the weight of the British capital was so central that all the rival projects, those of the UNL in particular, were invariably frustrated:

“...The [British] submarines possess no satisfying diving capacity and are therefore harmless. The torpedo tubes are made of hoja lata (tin); the warships possess antiquated guns. The Churruca built recently are most certainly fast, but they lack any modern transmission regarding fighting fire command. The opposition of the officials to the introduction of similar German equipment – that has just been accepted by the Germans (very secret) – is public knowledge [...] The Navy ministry is described here as an English colony” (sic)<sup>75</sup>.

Despite the official statistics given by the companies in terms of capital assets<sup>76</sup>, the Germans had no doubts about the real weight of the British influence in the Spanish shipbuilding industry, as well as in other manufacturing sectors. As a matter of fact, by discretion or to avoid anti-British marks of hostility, the commonly accepted and widespread English tradition consisted in calling on straw men in order to control the business reality and dominate vital markets. In the case of the *Constructora Naval*, it was estimated that the effective *Vickers* participation was not 20,8, but 49 % of the authorised capital, while the remaining 51% were “in the hands of individuals intimate with the Vickers society, that is to say who are devoted to it”<sup>77</sup>. The frequent visits that Canaris paid to the Spanish officials made nevertheless the expected impression. Admiral Magaz, who was in charge of the government as interim president while Primo de Rivera was supervising the military operations in Morocco, seemed apparently very impressed par the German-Spanish “duet” projects, and deeply interested in the introduction of German designed submarines in the Spanish navy, following the example of captain Mateo García y los Reyes, commander-in-chief of

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<sup>74</sup> Höhne, 103.

<sup>75</sup> PAAA (Politisches Archiv des Auswärtigen Amtes), R 71854, *Report (Aufzeichnung) from Wegemann to Dr. Köpke (Ministerialdirektor der Abteilung II)*, March 23, 1926.

<sup>76</sup> “...The authorised capital of the Sociedad Española is 60 millions pesetas, of which has been issued 55 millions pesetas, divided into 83,084 White Shares of 500 pesetas each, and 26,916 Red Shares of 500 pesetas each, the White Shares being held by Spanish Nationals, and the Red Shares by the English Companies. In accordance with the Articles of Association of the Sociedad Naval White Shares cannot be held by foreigners. Of the Red Shares, Vickers-Armstrongs Limited hold 22,916 Shares, equivalent to 20,83% of the issued capital, and John Brown & Co. Limited hold 4,000 Shares equivalent to 3,64%...”. PRO (Public Record Office), F0371/18605, W 5080, *Memorandum from the Vickers-Armstrong Limited to Sir Robert Vansittart*, May 25, 1934.

<sup>77</sup> PAAA, R 71854, op. cit. It is hard to say if the Germans were well informed or, as it was the case in other circumstances, they proved to be inclined to accept as accurate any kind of information, whatever the quality of the agent might be. According to the British documentation, a huge part of the capital could not be possessed by foreigners, which does not mean that the British influence should not prevail through Spanish friends or straw men.

the naval base in Cartagena, who was a decided supporter of a very fast and long-range 1 000 tons prototype <sup>78</sup>.

There was a third and last obstacle on Canaris path, namely the opposition to any attempt of rearmament from the ministry of Foreign Affairs, in spite of the discreet support of the Navy and the *Reichswehr*. The tensions between the military and the diplomats were nothing new, insofar as the reinforcement of the German military power promoted by the *Reichswehr* since 1921 has failed many times because of the resolute hostility displayed by the *Wilhelmstrasse*, principally after the French occupation of the Ruhr in January 1923 <sup>79</sup>. The ministry of Foreign Affairs was effectively convinced since October 1924 that the German lack of willingness to accept a complete disarmament and a strict international control over the industrial equipment could seriously harm the advantageous results attained by Stresemann's foreign policy the Locarno Pact in October 1925. The recent experience showed quite clearly that any kind of pretext would be used by France to adjourn its commitment to withdraw their military from the German territory according to the timetable established in Versailles <sup>80</sup>. Besides, the reality of the German-French cooperation at diplomatic and economic level strengthened the possibilities for Germany to restore its position among the great powers, especially in Geneva where a seat in the Council of the League of Nations was at stake <sup>81</sup>. To sum up, one will easily understand why a secret rearmament project, within or even out of the national territory, could hardly please the *Wilhelmstrasse* and only increase the existing suspicion among the international Control Commission about the illegal proceedings <sup>82</sup>.

In the Spanish case, the invoked reasons by the secretary of State, Carl von Schubert, were closely connected to the above-mentioned elements, but referred also directly to the Anglo-German political and economic relations. What would eventually happen if the German projects in Spain were to be discovered by British intelligence? For the Berlin diplomats, the answer was quite clear:

“... England has hold until now a monopoly position in the Spanish armament industry and has therefore the deepest interest to preserve this monopoly untouched. If Germany tried to break this monopoly, a particularly sensitive area for the British men would then be affected [...] It is to fear therefore, if Germany accepted Echevarrieta's proposal, that the irritated challenging British industry would exert pressure on the English government and consequently force the latter to demand vigorously the approval of a

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<sup>78</sup> Höhne, 103; Viñas, 29-30.

<sup>79</sup> See Peter Krüger, “Struktur, Organisation und aussenpolitische Wirkungsmöglichkeiten der leitenden Beamten des Auswärtigen Dienstes, 1921-1933”, *Das diplomatische Korps, 1871-1945* (Boppard am Rhein: Harald Boldt Verlag, 1985), 139-158 and Post, 249-255 on the conflict with the Navy.

<sup>80</sup> Peter Krüger, *Die Aussenpolitik der Republik von Weimar* (Darmstadt: Wissenschaftliche Buchgesellschaft, 1985), 259-266.

<sup>81</sup> *Ibid.*, 324-335.

<sup>82</sup> About the obstacles created to the Control Commission by the Reichswehr and the German disarmament violations see J.H. Morgan, *Assize of Arms. Being the Story of the Disarmament of Germany and her Rearmament (1919-1939)*, 2 Vol. (London: Methuen & Co. Ltd., 1945).

decree banning the export of machine tool for war material manufacturing. Moreover, the conclusion of some agreement with Echevarrieta could have very unpleasant consequences at political level. We are yesterday like today under Britain's command at a high degree, and if we are not careful, the outcome that might result of it could be extremely frustrating in spite of some advantage for the Navy and the economy. We must take into account the fact in particular that we speak about submarine construction [...], that is to say about a very sensible point for Englishmen. We should as a result, and for the time being, avoid any action that might hurt their feelings"<sup>83</sup>.

The Navy ministry was nonetheless so persuasive concerning the potential possibilities of a German-Spanish cooperation at technical and political level that the *Wilhelmstrasse* and the ministry of Finance accepted after some time to change their view. According to the Navy officials, the torpedo and submarine manufacture in Spain, as well as the supplying of modern fire-control gear to the Spanish fleet, would not be beneficial in terms of know-how and trade only; they would also induce an improvement of the foreign relations between Madrid and Berlin. The moment was particularly welcome, because of the diplomatic dispute that arose one year before about the granting of a permanent seat in the Council of the League of Nations<sup>84</sup>. For the German officials, time had come to encourage Canaris endeavour and try to patch things up with Spain<sup>85</sup>.

The German-Spanish cooperation was launched at once with the personal blessing of the King, a convinced supporter of the Canaris-Lohmann 'duet'<sup>86</sup>, opening up the way to a full strength activity. The benevolence displayed by the Weimar Republic in this occasion has something almost extraordinary in the sense that any kind of project sketched by Echevarrieta in relation to the Spanish requirements seems to enjoy the official and invisible backing of the Navy head office: submarines, torpedoes, tankers, fire-control gear, fleet reconnaissance aircrafts, speed patrol boats, etc., the list of the Spanish requests was apparently limited to the German capacities to provide bigheartedly Primo de Rivera's government with the latest construction schemes or models<sup>87</sup>. The logical consequence, as foreseen in a French secret report dated as early as February 1924, was a growing "interference of Germany in Spain" and the active involvement of powerful industrial

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<sup>83</sup> PAAA, R 30484, *Protokoll über eine Sitzung im Reichswirtschaftsministerium vom 13. April 1926 betr. Echevarrieta*, April 13, 1926.

<sup>84</sup> Spain was granted a semi-permanent seat in the Council of the League of Nations from the beginning, but her final objective was to become a permanent member next to the Britain and France. In her opinion, the Spanish case had to be discussed previous to any debate about the entry of Germany in the League of Nations as a Council member. In addition, an old trade dispute remained unsettled. A bilateral compromise will be adopted eventually in 1926. See Berdah, 118-136, 168-175, and Hans Erich Volkmann, "Politik und ökonomische Interesse in den Beziehungen der Weimarer Republik zum Königreich Spaniens", *Aspekte deutscher Außenpolitik im 20. Jahrhundert* (Stuttgart: DVA, 1976), 41-67.

<sup>85</sup> The ministry's consent was nevertheless of poor importance in view of the Army's proceedings, which were developed for the most part without any knowing from the *Wilhelmstrasse*. See Viñas, 34-36, 41-42, 47-48.

<sup>86</sup> See Viñas, 37.

<sup>87</sup> PAAA, R 30484, *Report without number (Aufzeichnung) from Suodicani to the Auswärtiges Amt (von Bülow)*, "Zusammenstellung der in Spanien bearbeiteten Marine-Interessen", June 21, 1928.

German groups in several manufacturing activities, as the poison gas transaction had shown, with the sale of ‘Whale’ type Dornier seaplanes since 1922 and Junkers transport airplanes in order to equip the future Spanish national airlines.

For France and Britain, but also for the United States and Italy, “this German penetration” entailed the risk “to put in danger [*porter atteinte*] other foreign interests that are also at stake”. This was patent for Britain, particularly in the shipbuilding case, since “the Englishmen who, until now, ensure to their own benefit the monopoly of naval manufacturing are not without concern in face of the German firms wish to challenge them on this ground [Spain]”<sup>88</sup>. In addition, the “large orders” put in by “the Spanish government upon La Sociedad during the years at the end of, and after, the First World War, meant that La Sociedad paid dividends from 1917-27 which were worth to Vickers £ 8,000 at their lowest, and £ 23,000 at their highest”<sup>89</sup>. In such circumstances, Vickers addressed directly to the Foreign Office to avert any further German interference, and decided to act on his own, trying to join Echevarrieta’s business with an 8,000,000 pesetas participation. In response, the German urged for a rapid ending of the negotiations between Berlin and Madrid, offering a ten years contract as a new sign of willingness, and eventually signed a bilateral agreement in May 1926<sup>90</sup>.

In spite of the apparent official satisfaction and the royal eagerness for Canaris projects, the situation was not totally discouraging in the eyes of the British authorities. No doubt that a main part of the Spanish naval circles was in favour of Germany, as the personal encounter organized between King Alfonso, Lohmann and the Navy head office in August 1926 would later confirm; but the Navy minister, Admiral Cornejo, and many influential naval officers were still resolute supporters of the *Constructora Naval* and keen friends of their British counterparts. In a private report reviewing Canaris dealings with the minister, Lohmann writes:

“Canaris had a discussion at the first place there [Madrid] with the Navy minister Cornejo and made contact with the affected shipyards in order to get information about our opponents possibilities, that is to say the *Constructora Naval* English shipyard, with reference to the fire-control gear and the submarine projects. The present minister Cornejo is totally on the British side [...] and does his best to confer to the *Constructora Naval* all the orders. He is supported in his endeavour by a whole string of naval officers, who see an advantage in the great practical experience of such a shipyard in terms of delivery, unlike what is happening in the Spanish shipyards, which, until now, have produced no submarines and no artillery equipment”<sup>91</sup>.

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<sup>88</sup> SHAT, 7N2754, *Rapport (secret) n°3339 de P. de Cuverville au Ministre de la Guerre*, February 21, 1924.

<sup>89</sup> Scott, 147.

<sup>90</sup> Viñas, 36-37.

<sup>91</sup> Quoted in *ibid.*, 38.

The British reaction produced paradoxically a reinforcement of the German activity in Spain. Nothing could be more encouraging for the German Navy minister than to challenge Britain's capacity and skills on the same ground; especially when the German-Spanish cooperation offered to the *Reichsmarine* substantial technical benefits and brought to Spain new perspectives in relation to the balance of powers in the Mediterranean<sup>92</sup>. According to one of the most committed supporters of the German 'genius', Araoz, the King's chamberlain, considered that the German-Spanish collaboration might presumably modify the power struggle in the Mediterranean and produce a calling into question of the British supremacy. The German-Spanish cooperation not only continued until the end of the year, but experienced also a further intensification until August 1927 in new directions, including the aircraft production and the manufacture of fishing boats, i.e. in fields, which were clearly out of the Berlin naval head office competency<sup>93</sup>.

The ministry of Foreign Affairs was quite suspicious about this strange situation and Echevarrieta's proceedings, but the Navy ministry did not demonstrate the same circumspection, and acknowledged the convenience to proceed to new financial negotiations through the *Deutsch Bank* and the *Reichs-Kredit-Gesellschaft* for a total amount of 5,000,000 marks. However, rumours and confidential information filtered through the German media about the secret operations carried out by the *Reichsmarine*, questioning each and every corporation founded by Lohmann, including a movie production company called *Phoebus*, a very suggestive name. In due course, the media investigation would conclude in the most important political and military scandal since the failed *coup d'État* in 1920, with the dismissal of both the Navy minister, Gessler, and Admiral Zenker, a major element in the German-Spanish cooperation<sup>94</sup>.

Ironically, the severe crisis experienced by the German Navy, which would end in the liquidation of all Lohmann possessions, i.e. 30 different societies in Germany, had no troublesome consequence for the development of secret activities in Spain. On the contrary, one could say that 1927 was marked by a strengthening of bilateral connections, being the source of new concrete results, like the *Deutsche Lufthansa* implication in the creation of a Spanish airline company, the *Aero Lloyd Español* with the backing of two powerful industrial groups, *Siemens Schuckert* and *AEG*, a first stage to the foundation of *Iberia, Compañía Aérea de Transportes* on March 28, 1927 with again Echevarrieta as middleman<sup>95</sup>. In the same year, Canaris discussed also the question of

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<sup>92</sup> PAAA, R 30487, *Report (Secret) from Schrieter to the Auswärtige Amt*, January 24, 1927.

<sup>93</sup> ADAP, Band IV, doc. n°132, *Aufzeichnung des Legationssekretärs Wagenmann*, February 11, 1927, 289-291.

<sup>94</sup> See Höhne, 111-115 and Karl Dietrich Bracher, *Die Auflösung der Weimarer Republik*, 5<sup>th</sup> ed. (Düsseldorf : Droste Verlag, 1984), 225-226.

<sup>95</sup> On the German implication in the airline activity in Spain see ADAP, Band X, doc. n°75, October 19, 1928, 195-197, and also Viñas, 42-52.



the oil monopoly with Primo de Rivera in relation to the construction of 10,000 tons tankers by the *Weser-Werft*, stating confidently that:

“Finally, it is for us of great importance, independently from the actual strengthening of the German influence in Spain, that the Echevarrieta corporation, so close to us, manages to get out fortified from the confrontation with the other group March-Urquijo, subject to other influences (Juan March is Catalan and is rather inclined towards France; Urquijo works with English capital in hands of the Jesuits apart from being linked to *Vickers*)”<sup>96</sup>.

At the heart of the unfortunate situation engendered by the *Phoebus* crisis, “the [German] government had no interest in exposing the complete system of the secret naval rearmament”, in spite of the discrepancy expressed within the ministry about the appropriateness of a policy quite burdensome for the public resources to the detriment of other perhaps more sensible activities. It was admitted indeed that the ‘Lohmann case’ generated heavy losses for the German taxmen to a global amount of 26 million marks<sup>97</sup>. In the face of the events, the Social Democrats, in charge of the government, considered nevertheless that a close and confident cooperation between civilian and military officials could be fostered, and that the ending of the Control Commission proceedings in Germany opened up the way to new possibilities, that is to a new rearmament program<sup>98</sup>.

Not all the projects developed by Echevarrieta since 1926 had the chance to flourish in the following years. But two of them at least would be successful and at the same time interfere in the Anglo-Spanish relations until the advent of the Second Republic in April 1931. One is the construction of an experimental submarine; the other is the manufacturing of a fire-control gear system. In the first case, the prototype was designed and finalized by the Dutch firm *IvS* according to the Spanish navy specifications. The new submarine had an initial weight of 650 tons, surpassing in terms of propulsion and armament “all the [submarine] types constructed so far”<sup>99</sup>. The Council of Defence (*Consejo de Defensa*) decision to assign Echevarrieta the submarine production had a logical consequence, that is to exclude the *Constructora Naval* from this business, as the financial and technical German assistance did not suffer the slightest rivalry in a domain that involved an absolute secrecy. The agreement signed between Echevarrieta and the German government stipulated moreover that Spain would put no submarine order to the British controlled company until the prototype completion. The technical expectations resulting from the *IvS* plans eventually convinced the Spanish authorities in 1928 of the German superiority in the submarine conception

<sup>96</sup> PAAA, R 30484, *Report (Secret) from Canaris to the Auswärtige Amt*, July 27, 1927.

<sup>97</sup> Höhne, 115.

<sup>98</sup> Wilhelm Deist, Manfred Messerschmidt, Hans-Erich Volkmann and Wolfram Wette, *Ursachen und Voraussetzungen des Zweiten Weltkrieges*, 2<sup>nd</sup> ed. (Frankfurt: Fischer Taschenbuchverlag, 1989), 447-452.

<sup>99</sup> PAAA, R 30484, June 21, 1928, op. cit.

and manufacture, leading to more ambitious endeavours, like a projected 1,000 tons submarine and the firm order of 12 units in case of official approval <sup>100</sup>.

The British company *Vickers*, now *Vickers-Armstrong* since the amalgamation between both societies in October 31, 1927, was greatly concerned by the German-Spanish cooperation, not only because “Spain had always been the country in which Vickers had the biggest stake”, but also because “the benefits which the company was deriving from its holdings in foreign companies” - including Spain, of course – “were declining” <sup>101</sup>, a situation that would not improve during the years 1928-1934, until the government’s decision to rearm Britain <sup>102</sup>. What’s more, the amalgamation transferred the cost of secondary firms and their debts to the Vickers holding, something particularly sensible in the *Constructora* case: “As la Sociedad’s debt to Vickers and now grown to be a large once, the total amount of money involved was very considerable”. By 1930, the financial situation of the *Constructora Naval* suffered an additional misfortune because of a very low exchange rate of the peseta that increased the company’s debt to just under a quarter of million pounds; a situation, which was becoming really worrying for the Board of Vickers-Armstrong <sup>103</sup>.

Once again, the Vickers holding turned to the Foreign Office for help, while the E1 prototype was supposed to be virtually finalized. The German-Spanish cooperation in the shipbuilding manufacturing was in fact not so critical for the British interests, as the *Constructora Naval* was full of activity, due to the completion of six submarines ordered by the Spanish government in 1922 – the C type series. For the record, the C type submarines were supposed to be launched respectively in 1927 and 1929 <sup>104</sup>. But the British presence in Spain was so old and important that any possible move to question the German opposition was to be done. The official report of Sir George Grahame, dated the 14<sup>th</sup> of January 1931, is very clear to this respect:

“... Germany. (...) 46. In the spring and early summer determined efforts were made by German armament interests, domiciled in Holland, with the assistance of the German Embassy in Madrid, to exploit the belief entertained by certain Spanish naval officers that German technical appliances for naval purposes were superior to those obtainable from the Spanish Sociedad Española de Construcción Naval. This latter undertaking is associated with Messrs. Vickers, who execute on their behalf a proportion of orders placed for the Spanish navy. In particular, an attempt was made to divert to these German interests an order for fire-control gear for the two new 10 000 ton Spanish cruisers, which had already been placed with the Sociedad Española but not confirmed.

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<sup>100</sup> Viñas, 56-58.

<sup>101</sup> Scott, 163-168, 190.

<sup>102</sup> See among others Brian Bond, *British Military Policy between the Two World Wars* (Oxford: Clarendon Press, 1980) and N.H. Gibbs, *Rearmament Policy* (London: HMSO, 1976).

<sup>103</sup> Scott, 190.

<sup>104</sup> Manuel Rubio Cabeza, *Diccionario de la guerra civil española*, Vol. 1 (Barcelona: Planeta, 1987), 144-145.

Acting on instructions, I made semi-official representations to the Duke of Alba, urging the undesirability of permitting interference with the existing Anglo-Spanish channels of supply. I was able to point out that a Spanish naval mission in England had recently been allowed unique and most confidential opportunities in inspecting fire-control installation in the Royal Navy. That these representations were not without their effect appeared in the autumn, when I was informed by the Sociedad Española that the order for Vickers material in the main fire-control stations of the two Spanish cruisers had been confirmed...”<sup>105</sup>

Despite some financial difficulties, the E1 prototype was launched in due time in 1931, fulfilling all the technical specifications requested by the Spanish navy, to the utmost general satisfaction, but things turned quite differently for the second project, i.e. the fire-control gear system. As mentioned in the report quoted above, the British alertness was in this case much more prompt. The *Constructora Naval* was informed of Echevarrieta’s projects at the beginning of 1930 and used consequently all the available means to put pressure on the Spanish government to interfere with the Navy minister purposes. All these representations, private and semi-official, proved to be very efficient. To respect the terms of the previous agreement signed with the *Constructora Naval* and ensure complete neutrality in the German-British struggle, the ministry appointed a special commission with the aim to evaluate both competitors. But the commission was mainly composed of pro-British elements on purpose, and the British interests prevailed.

The collapse of Primo de Rivera’s dictatorship in 1930, followed shortly after by the downfall of the Spanish monarchy in April 1931, marked a new era in Spanish politics, and was the occasion as well to an incredible enthusiasm among the population regarding the country’s future. The Republican victory in the constituent elections led to a complete reappraisal of the foreign policy, and consequently to an ambitious military reform under the aegis of Manuel Azaña, both Prime minister and minister of War. In spite of the Army war office opinion, Azaña considered that time was come for Spain to abandon her colonial and imperialistic ambitions, and to concentrate on her national security, which entailed the reshaping of the Spanish army according to her future necessities. In an extensive discourse dedicated to the military reforms, dated the 10<sup>th</sup> of March 1932, Manuel Azaña explained:

“I believe in two things, gentlemen and deputies: firstly, that Spain cannot remain without defence. Spain is a peaceful country, not only because we said it in the Constitution, but also because we are, which is more valuable than what the Constitution says. But nobody is in control of our peace; even not the League of Nations can offer us a peace guarantee – the experience proved it -, and Spain has to be prepared

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<sup>105</sup> PRO, FO 371/15779, W 1019, *Spain. Annual Report, 1930 (Confidential) from Sir G. Grahame to the Foreign Office*, January 14, 1931.

to such conditions that, in case of conflict, which is not at hand, but possible, she should be able to make her own peace respected... [...] The Republic's dignity and Spain's dignity request that we should be prepared for this occasion: A peaceful policy signifies, while the world is not peaceful or since no way has been found to resolve the conflicts between the powerful [nations] – which is a major danger for the weak [states] -, that we need to be prepared to make us being respected”<sup>106</sup>.

The main idea of the reform plan concentrated on the early retirement of many general officers, which would represent a consistent economy for the ministry of War, and authorize the construction or the purchase of modern weapons, with a priority for artillery and airplanes<sup>107</sup>. The Spanish army was effectively in a very poor condition, as the war in Morocco had proved in the previous years, and the final balance was critical: “Large-calibre guns are very few [...] The air force is a project for the future, preserved with hope and enthusiasm by the pilot units, but they have actually nothing to work with. Hundreds of reconnaissance airplanes have no use anymore. And long-range bombers [...] only one [...] We are just finishing to organize in Spain the two first tank regiments, unknown weapon in our country, for which purpose we have not found yet the required funds to equip them; but there is not other choice than to equip them [...]”<sup>108</sup>.

All this was of greater interest for Britain and Germany, whose ambitions had survived the end of the monarchy. First of all, because the transformation of the Spanish army could induce favourable prospects for their respective industrial activity while the economic crisis was at its high point; and secondly, because the previous German-Spanish cooperation could play an important part in the uninterrupted rearmament process initiated by the Weimar Republic. Although the Republicans had no preference for Britain, since the Anglo-Spanish collaboration had proved to be almost a failure, they had to take into account the important Spanish labour force that worked for the national defence in Spanish owned companies or in foreign firms like the *Constructora Naval*. In a time of increasing unemployment, the government's priority was to preserve the activity of the national or assimilate industry in order to avoid both a loss in terms of occupation and technical know-how. In spite of the cuts in the defence resources, the Azaña government spent 16% of the state budget in 1931, and still 12,5% in 1932 and 1933, with a clear preference for the Spanish military factories once he succeeded to amalgamate them in a national conglomerate<sup>109</sup>. In other words, the chances of the German companies to secure or even to preserve their earlier position

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<sup>106</sup> Manuel Azaña, *Memorias políticas y de guerra. Diario-Discursos 1932* (Madrid: Afrodísio Aguado S.A., 1976), 203-204.

<sup>107</sup> See Michael Alpert, *La reforma militar de Azaña (1931-1933)* (Madrid : Siglo veintiuno, 1982).

<sup>108</sup> This balance is part of the first major discourse pronounced in the Cortes by Azaña. See Manuel Azaña, *Memorias políticas y de guerra. Diario-Discursos 1931* (Madrid: Afrodísio Aguado S.A., 1976), 511-531.

<sup>109</sup> Alpert, 315-321.

towards the Spanish army were quite poor, while the British *Constructora Naval* benefited a more favourable perspective.

Concerning the naval plans developed by Echevarrieta, in particular the submarine prototype and the torpedo manufacturing, the Azaña government showed very little interest, owing to the non-violent foreign policy defended by the Second Republic and his willingness to turn down the production of offensive weapons <sup>110</sup>. The German-Spanish cooperation survived however this new strategic orientation in one domain, the airplane production, so important in the Prime Minister's eyes, with the purchasing of a G 38 type Junkers <sup>111</sup>, but the Spanish response was only symbolic of the government's interest to maintain confident relations with Germany. Echevarrieta found himself caught between two fires: on one hand, the German minister of Navy was eager to preserve its technical advantage and position in the Spanish market, but was reluctant to assume the shipbuilder's financial difficulties; on the other hand, the Spanish government renounced to his preemptive right regarding the E1 submarine prototype, which was eventually sold to the Turkish government passing through Germany in December 1934 <sup>112</sup>. His disarray reached such a high point that he protested against the government's attitude, explaining that "neither the dictatorship, nor the King helped him in the shipyards matter, nor in the submarine business, although it was built by Primo de Rivera's order, and that the State refuses to buy him it" <sup>113</sup>.

Finally, one may assume that the British interests prevailed in the end, owing to Britain's dominating position at diplomatic and economic level in Spain <sup>114</sup>. In fact, the Second Republic remained faithful to the 'old alliance' between London and Madrid for sensible reasons linked to the above mentioned factors, but its sympathy for Germany – at the time, both a Republic – remained untouched until Hitler's nomination as Prime Minister in January 1933. Now, the new centre-right coalition victorious of the general elections in September 1933 would take another way more propitious to the German firms in 1935, as the minister of War, José María Gil Robles, backed up by the newly appointed Joint Chiefs of Staff, Francisco Franco, decided to re-establish secret relations with the German army in order to adapt the Spanish defence to a probable conflict in the Mediterranean and – last, but not least – to prevent a presumed bolshevist *coup d'État* <sup>115</sup>.

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<sup>110</sup> See Jean-François Berdah, *La démocratie assassinée. La République espagnole et les grandes puissances, 1931-1939* (Paris: Berg International, 2000), 19-32, 72-84.

<sup>111</sup> *Ibid.*, 120-122.

<sup>112</sup> PRO, FO 371/19745, W 1071, *Spain. Annual Report, 1934 (Confidential) from Sir G. Grahame to the Foreign Office*, January 21, 1935.

<sup>113</sup> Manuel Azaña, *Obras completas. Vol. IV. Memorias Políticas y de Guerra* (Madrid :Ediciones Giner, 1990), 236, 412.

<sup>114</sup> On the Spanish economic and diplomatic relations see Berdah, Berdah, *La République espagnole entre l'Allemagne et le Royaume-Uni*, 185-744.

<sup>115</sup> See Berdah, *La démocratie assassinée*, 108-126.