Second Memorandum.

June 15th, 1939.

Before proceeding further in discussing the situation I want to emphasize that, despite reports to the contrary, there is still a good chance that the traditionalist group may win the upper hand, despite the present elan of the Falangists in Spain. The real power in Spain, after all, is Generalissimo Franco and seven of his generals (Davila, Yague, Kinderlan, Queipo deLlano, Millan Astray etc.), further General Jordana, his Foreign Minister. It is true that some of the traditionalists, such as Don Pedro Sainz Rodriguez, were forced out of the Cabinet. But this may be temporary. Nevertheless, one must not minimize the danger arising from the tremendous impetus contained in the Falangist movement.

I cannot help, however, comparing the present situation in Spain with the one in Austria in February 1934, immediately after the shooting down of the Socialists. Dollfuss, and later Schuschnigg, gave a fairly free hand to the Heimwehr of Stahremberg which, like the Falangists in Spain, was under Italian influence and control. Schuschnigg was quite glad of having the Fascist Heimwehr at his disposal in carrying out the campaign of extermination against the Socialists (and later against the Nazis), but when things became quieter, his Monarchist and traditional interests made him turn against the rabidly ferocious Fascists. All this ended in the absorption of the Heimwehr in the Austrian militia.

One must not forget that Franco sent practically all Falangists home from his army, while almost 100,000 Requetes are still under arms. One must not have an illusion about Franco's friendship for the democratic Powers: he is, and will be, grateful to Italy and Germany for the help given in the civil war. But his policy is to grant far-reaching neutrality and control, benevolent neutrality to Italy and Germany, but certainly trying to retain neutrality. This attitude can only be changed by his undoubtedly growing Imperialist policy. The Tangiers question may bring Spain unwillingly, into the rank of the Fascist axis.

When I was in Tangiers, Korrochano, the editor of the Tangiers Spanish paper, España," and his Moroccan editor, Alberto España, told me that Spain is going to raise the Tangiers question before long. Korrochano is probably one of the most influential persons in the regime—he was a great help to Franco in the Moroccan days. It was interesting that in emphasizing the Spanish nature of the Tangiers zone they remarked: "Even the Jews speak Spanish here!"

The Spanish insist that in the secret treaty of 1935 concluded between France and Spain, France promised that the administrator should become a Spaniard. On basis of the international statute of 1933 Tangiers has at present: a Frenchman as general administrator, a Spaniard as administrator of hygiene and welfare, an Englishman to administrate finance and an Italian as administrator of justice. The head of the gendarmerie is a Spanish colonel, the head of the police is a Frenchman.

The legislative assembly which elects the administrator consists of 4 Frenchmen and Spaniards each, three English and Italian respectively and one Belgian, Portuguese and Dutch each.
The Spanish say that the French promised in the secret treaty of 1935 to have a Spaniard elected as administrator. This has not been kept by the French. Yet the French can manoeuvre every election because even if the Portuguese and Italian would vote for the Spanish, the other votes would outnumber them, because the six Arabs and three Jews in the assembly are chosen in such way that five Arabs and two Jews are selected by the French and only the rest by the Spanish.

"And yet the French have only 1300 people here, and we number 30,000!"

How the Spanish count the 30,000, I don't know. Even with the Jews they have only 20,000, Spaniards proper are probably 3000 strong.

The French say that even if a treaty was concluded in 1935 (official France denies the existence of such a treaty) Spain already violated it in 1936. Moreover, the arrangement was made with the Republican government—a government which Franco never recognized as the rightful government of Spain.

For the time being Tangiers is quiet, but the paper Espana, which strangely has a circulation of 150,000 copies in Spain proper (the Spanish read it because it publishes all kind of foreign news, while the Spanish papers, such as the A.B.C., Informaciones, Arriba etc. publish only German and Italian agency reports,) came out the other day with a leading article that Tangiers must be Spanish.

Another important phase of the neo-Spanish Imperialism or Spanish-neo-Imperialism, is the bid which they intend to make in South America. This is the way how Italy and Germany want to increase their influence on the American Continent. The Spanish propaganda, with German Italian help, will be launched very shortly. It is important to pay close attention to this momentous decision of Franco's Spain, undoubtedly dear to Spanish hearts, but engineered by Goebbels and Alfieri.