

SPAIN

RECOGNITION BY THE UNITED STATES OF THE PROVISIONAL GOVERNMENT OF SPAIN

852.00/1848

The Spanish Embassy to the Department of State

[Translation]

No. 22/87

NOTE VERBALE

The Embassy of Spain at Washington has the honor to advise the Department of State of the United States that it has received a cablegram from the Minister of State to the provisional Government of Spain, stating that the Republic has been proclaimed throughout the country with delirious enthusiasm, the said Government being constituted as follows:

Presidency:	Mr. Aniceto Alcalá Zamora.
Gobernación:	Mr. Miguel Maura,
Treasury:	Mr. Indalecio Prieto,
Fomento:	Mr. Alvaro de Albornoz,
Grace and Justice:	Mr. Fernando de los Ríos,
Labor:	Mr. Francisco Largo Caballero,
Marine:	Mr. Casares Quiroga,
Public Instruction:	Mr. Marcelino Domingo,
Army:	Mr. Manuel Azaña,
State:	Mr. Alejandro Lerroux.

The said cablegram states, further, that perfect order prevails throughout the nation, and gives instructions to inform the Government of the United States of the foregoing.

WASHINGTON, April 16, 1931.

852.00/1818 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

[Paraphrase]

MADRID, April 16, 1931—11 a. m.

[Received 12:40 p. m.]

21. The majority which the Republicans unexpectedly received in the usually unimportant municipal elections was apparently the cause for the events of this week. Since the gain was only in the larger

cities the effect is unwarranted. For the entire country, the total number returned is, however, monarchical.

Surprised fright was the initial reaction of the Royal Government and the advisers and attendants of the King. The latter was insistently urged by the entire Cabinet, with one exception, to leave the country. The King finally concluded that by remaining a condition of civil war would be brought about. Consequently his sense of duty to his people obliged him to go. The King was surrounded by incompetent, selfish, and ignorant political personages and an obscurantist aristocracy. He and the Spanish people are the victims of this accumulation of evils.

There are elements of the gravest nature in the resulting conditions. Communistic falsities have captivated the seventeenth century-minded Spanish people. All at once they see a promised land which does not exist. Ultimately they will be disillusioned. Then they will grasp at anything within their reach. Should the weak restraints of this newborn regime collapse, they will easily be captured by the widespread Bolshevistic influences.

I do not believe immediate recognition of this regime is advisable. Nevertheless, unless the Department regularly accredits me to it, some sort of *modus vivendi* will be necessary in order to deal with it.

LAUGHLIN

852.00/1819 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

[Paraphrase]

MADRID, April 16, 1931—5 p. m.
[Received April 16—3:15 p. m.]

22. In a document which he gave to Count Romanones,¹ the King defined his position. The paper was to be published after the Monarch had quit Spain. I have a copy of this important statement.

Press correspondents have informed me that the document has been published in the United States. Consequently, unless otherwise instructed, I shall not telegraph it but send it by the next pouch. It is clear from the King's definition of his position that he has not "abdicated". The Provisional Government obviously desires to suppress it here. The Spanish press makes no mention of it but, on the contrary, makes repeated references to the King's "abdication".

LAUGHLIN

¹ Conde de Romanones (Alvaro Figueroa y Torres), Minister of Foreign Affairs in the last Cabinet under King Alfonso XIII.

852.01/17 : Telegram

The Secretary of State to the Ambassador in Spain (Laughlin)

[Paraphrase]

WASHINGTON, April 16, 1931—7 p. m.

10. Embassy's 20 of April 15, 7 p. m.² Information and comment on the points listed below are desired. The data and remarks will facilitate the Department's decision on whether or not recognition should be extended to the Provisional Government.

1. From newspaper sources we learn that the King has not abdicated but has merely left Spain, thereby "suspending the exercise of the Royal Powers." Consequently, we are concerned with the question of the legal status of the monarchy and of the Provisional Government.

2. Moreover, we are interested in the responsible character and apparent stability of the Provisional Government.

3. The Department would like to know, too, the policy which the several European Governments, especially those of Germany, Great Britain, Italy and France, intend to pursue with regard to the recognition of the Provisional Government.

In our opinion, recognition of the Provisional Government by the United States ought not to precede the extension of such by the chief powers of Europe with which Spain has much closer relations.

Your handling of this current business should be governed, I believe, by the attitude which the representatives of the aforementioned Governments take.

Following that there are two alternatives.

1. You might see the Provisional President and tell him that, although you have received no instructions with regard to recognition of his regime, it is your hope that the amicable relations between Spain and the United States will not be interrupted; that you are ready to continue to deal informally with the Foreign Office.

2. You might proceed as heretofore in relations with the Foreign Office on current business matters.

STIMSON

852.01/24 : Telegram

*The Secretary of State to the Ambassador in France (Edge)*³

[Paraphrase]

WASHINGTON, April 17, 1931—5 p. m.

145. Embassy's 173, 17th of April, 1 p. m.² We would be pleased to have you continue your observations on local reaction toward the sit-

² Not printed.

³ Substantially the same message was sent as a circular telegram to the Embassies in Germany, Great Britain, and Italy.

uation in Spain. By discreet inquiry, determine and let me know, if possible in advance, what decision the Government to which you are accredited has taken with respect to recognition of the Provisional Government.

STIMSON

852.01/19 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

[Paraphrase]

MADRID, April 17, 1931—5 p. m.

[Received 5:22 p. m.]

24. Department's No. 10, 16th of April, 7 p. m. I believe that the first point to which you refer was included in the Embassy's telegram No. 22 of April 16th, 5 p. m.

Your instructions as to procedure have been carefully noted. After having consulted with my ambassadorial colleagues here I shall reply to your second and third points.

I considered it advisable to follow the first of the alternative instructions with which you concluded your telegram. I spoke with the Provisional President along this line at 1 o'clock today with the intention of preparing him for postponement in the Department's action. In this manner, I thought the only available protection against chaos would be strengthened. I was received most cordially by President Zamora, who agreed at once to what I made appear a personal suggestion without any reference to the Department's instructions in the matter.

In my opinion, Zamora is very confident, perhaps too much so, that his Government is strong enough to handle whatever danger the future may have in store for it.

LAUGHLIN

852.01/26 : Telegram

The Ambassador in France (Edge) to the Secretary of State

PARIS, April 18, 1931—10 a. m.

[Received April 18—9:40 a. m.]

180. Department's 145, April 17, 5 p. m. A communiqué was issued by the Foreign Office last night at 8 o'clock to the effect that the French Government had recognized the Spanish Republic.

I have confirmed this this morning from the Foreign Office which states that the formal written reply to the note from the Spanish Chargé d'Affaires here (see my telegram number 173, April 17, 1 p. m.⁵) in which the latter had announced the establishment of the

⁵ Not printed.

Provisional Government of the Republic in Spain, took note of this fact and added that the French Government accorded its recognition to the new Spanish Government.

EDGE

852.01/28 : Telegram

The Ambassador in Germany (Sackett) to the Secretary of State

BERLIN, April 18, 1931—noon.

[Received 12:40 p. m.]

50. Reference Department circular April 17, 5 p. m.,⁶ German comment, press and otherwise, has on the whole up to date been somewhat colorless. The overthrow of the Spanish Monarchy is regarded as an inevitable historical development. Good wishes for the new Republic which are widespread extending even throughout conservative circles are tempered by sympathy for the person of the King and gratitude for his friendliness to Germany as well [as] by the hope that the French influence may not now prove permanently paramount in Spain.

There are the to-be-expected insinuations that France had a hand in bringing about present developments and a tendency to characterize them as a French success.

A certain amount of skepticism is shown as to the ability and durability of the present Cabinet and some apprehension is voiced as to the situation soon becoming further out of hand.

[Paraphrase.] The following information for the Department comes from Von Bülow, the Under Secretary of State for Foreign Affairs. He gave it to me in confidence. My colleagues are not to be informed. The German Government is not disposed to rush recognition of the Spanish Provisional Government as the stability of the new regime is questioned here. Should the other powers extend recognition, however, the Germans will consider it advisable to follow suit. In any event, they do not consider it necessary to be in the vanguard. They are hopeful that a delay of several days may be possible. Von Hindenburg has personal aversion to the granting of recognition, as he feels the new regime is the result of the pernicious activities of *émigrés*. However, the President's opposition will be set aside, if, as stated in the foregoing, the Germans consider that they must follow example, should other Governments accord recognition. [End paraphrase.]

SACKETT

⁶ See footnote 3, p. 987.

852.01/31 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

MADRID, April 18, 1931—noon.

[Received 2:10 p. m.]

25. I have just received from the new Minister for Foreign Affairs Lerroux a note dated yesterday addressed to me as Ambassador of which the following is the text in translation.

“By a spontaneous act of respect for the people’s will the sovereign power represented in Spain by Don Alfonso XIII has yielded to national sovereignty, the King ceased to be a sovereign voluntarily abandoning the throne and the country to establish his residence abroad.

The nation which has plainly expressed its state of mind by universal suffrage in the municipal elections held on the twelfth instant on finding itself master of its own destinies and without a government to rule them has proclaimed the Republic.

In representation of the people who exercised their rights as citizens at the polls with insuperable vigor and enthusiasm and have publicly manifested their will with a discipline and unanimity undisturbed by any excess whatsoever and without encountering opposition or resistance, effective possession of authority has been taken over by a government in which the entire national democracy is unitedly represented under the presidency of the illustrious patrician Don Aniceto Alcalá Zamora.

The fundamental principles which will inspire the policy of the new regime under the government which it is initiating are stated in the informal note given out for publication and of which a copy is attached.

In informing Your Excellency of these well known facts which constitute an unexampled event in the political evolutions of nations I am discharging a duty imposed upon me by official courtesy together with the regard with which our respective countries have maintained their traditional relations of cordial confraternity as is appropriate for the two nations and which have jointly contributed to the prosperity of its representatives and the peace of the world. With the ardent desire that in these relations there should arise no other interruption than is necessitated by the execution of these reciprocal obligations I earnestly address to Your Excellency the fervent request that in transmitting this communication to the Honorable Government you represent you will find it appropriate to recommend the desirability of recognizing with the greatest urgency this new form of government as applied by the Spanish nation in the exercise of its sovereignty, exalting, in an exemplary manner as a demonstration to the entire world of its eminent capacity, the procedure most in accord with the moral and juridic progress of civilized nations.”

LAUGHLIN

852.01/25 : Telegram

The Ambassador in Great Britain (Dawes) to the Secretary of State

[Paraphrase]

LONDON, April 18, 1931—1 p. m.

[Received April 18—9:20 a. m.]

113. Department's circular of April 17th, 5 p. m.⁷ The British Ambassador in France notified the Foreign Office last night that, during the night, the "Provisional Government of Spain" would be recognized by the French. According to the morning press reports France has extended this recognition. Although the Foreign Office has received no confirmation as yet, official word is expected at any time. I have learned from the Foreign Office that the intention of the British Government to extend recognition has been cabled to the Dominion Governments; that confirmation from the Dominions has been requested. It is improbable that all replies will be received before Monday. By that date at the latest, the Foreign Office states that the Provisional Government of Spain will be recognized by the British. The use of the term "Provisional Government of Spain" is considered important. Following the French form, the British note of recognition will contain that designation. The suggestion of Vansittart is that Laughlin in Spain might conveniently consult with his British colleague there as to the form we intend to use. He agreed with me, however, that it would not be wise to allow any appearance of concurrent action. With reference to Vansittart's suggestion, I asked him whether he had made it because of the importance he gave to the order in which his Government and that of the United States notified the Spanish Provisional Government of their recognition. The time when other Governments communicated their notification of recognition was now a matter of indifference to his Government, he replied, since the French had already been the first to do so. If, in your opinion immediate action is desirable, you need not delay because of anything here.

DAWES

852.01/27 : Telegram

The Ambassador in Italy (Garrett) to the Secretary of State

[Paraphrase]

ROME, April 18, 1931—1 p. m.

[Received April 18—9:25 a. m.]

58. Your circular telegram of April 17th, 5 p. m.⁷ The Italian press has reported the Spanish situation in great detail. No conclusions

⁷ See footnote 3, p. 987.

are drawn in the various accompanying editorials which have merely emphasized the uncertainty of the situation. Several days ago *Le Journal* of Paris attributed anti-Italian statements to Indalecio Prieto, the new Spanish Minister of the Treasury. Some feeling was precipitated here by the alleged declarations. However, what might have been an incident was definitely closed, according to press of this morning, by a denial from Prieto, and reassurances from Lerroux, the Minister of State. Up to the present time, there have been no announcements in the press relative to Italy's recognition of the new Spanish Government. Insofar as I am able to determine the Italian Foreign Office has not yet arrived at a decision.

GARRETT

852.01/30 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

[Paraphrase]

MADRID, April 18, 1931—6 p. m.

[Received 6:40 p. m.]

26. Embassy's 24, 17th of April, 5 p. m., and the Department's No. 10, April 16th, 7 p. m. The Spanish Provisional Government has been recognized by France, Czechoslovakia, Mexico, Uruguay, and Chile. I am assured by the Italian and German Ambassadors that their Governments have not yet informed them in the matter. According to the British Ambassador his Government will make its reply after hearing from the Dominions.

On the surface, the Provisional Government appears to be stable. As yet, however, the state of affairs in Catalonia has presented no difficulties; at this moment, the authorities in Madrid appear to be successful in their management of that situation. In general, surprisingly good order prevails. To my knowledge there are, at present, no active disturbing elements, but such forces are certainly latent. The ability of the Provisional Government to resist such elements would undoubtedly be strengthened by recognition from the great powers. Not enough time to make a fair evaluation of the Government has elapsed since it came into power. During its brief existence, the regime has created a good impression. The men composing it, however, are not credited with distinctive ability.

LAUGHLIN

852.01/30 : Telegram

The Secretary of State to the Ambassador in Spain (Laughlin)

[Paraphrase]

WASHINGTON, April 19, 1931—2 p. m.

11. Embassy's No. 25, 18th of April, noon, and No. 26, April 18, 6 p. m. I understand that, with the exception of Catalonia, the Provisional Government is by popular consent in complete control of Spain; that with regard to Catalonia there is an agreement upon the ultimate relationship.

1. Is this understanding of mine correct?

2. In your opinion, is public order now being maintained by the Provisional Government, and does the latter have the strength to preserve it?

3. Have the financial and other obligations of Spain been recognized by the Provisional Government?

4. If you recommend immediate recognition, on what day and upon what terms should it be extended?

We have no desire to be participants in a recognition race. After the other great powers have extended recognition, however, we have no desire to be conspicuous by our withholding it. In my opinion, the situation in Spain is primarily the concern of the several European Governments. Therefore, I feel that our motive for extending or withholding recognition would not necessarily correspond to theirs. We would be pleased to have your opinion of the situation.

STIMSON

852.01/33 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

[Paraphrase]

MADRID, April 20, 1931—6 p. m.

[Received 9 p. m.]

27. Department's No. 11, 19th of April, 2 p. m. Your questions are answered *seriatim*.

1. Affirmative.

2. The third, fourth, and fifth sentences in paragraph 2 of the Embassy's telegram 26, 18th of April, 6 p.m., contain all the information which I can possibly give at present.

3. Prieto, the Finance Minister positively avers that the financial obligations incurred by the Monarchy will be respected by the present regime. That this will be done is the opinion which prevails among

American interests concerned, and with whom I have consulted, especially the International Telephone and Telegraph Company. Furthermore, in one of the decrees just pronounced, there is a provision which continues the guarantee by law of private property.

4. Yes, because a further shift to the extreme left can best be halted and effectively so by immediate recognition and also, because, with good argument to support my opinion, I believe it is what not only the Provisional Government wish but the Monarchists as well. Your reference to a recognition race is fully understandable to me. Since recognition has been extended by so many powers, however, including France, that is a matter no longer to be considered. Cuba and Argentina, I learned today, have recognized the new regime. I deferentially suggest that the Department now give me authorization to extend recognition immediately upon my learning of such extension by Italy, Germany, or England. The statement of recognition should refer to "the Provisional Government of the Spanish Republic." I have consulted with all of my colleagues. In their opinion, early recognition in the interest of world order is highly important.

LAUGHLIN

852.01/33 : Telegram

The Secretary of State to the Ambassador in Spain (Laughlin)

WASHINGTON, April 21, 1931—4 p. m.

12. Your telegram No. 27, April 20, 6 p. m. As soon as you have ascertained that your British colleague has taken action, you should deliver a note to the Minister for Foreign Affairs (acknowledging his communication of April 17, quoted in your telegram No. 25, April 18, noon) and stating that "the Government of the United States of America takes pleasure in according recognition to the Provisional Government of Spain."

[Paraphrase.] In view of the fact that there may be some question regarding the status of the King, your employment of the term "Spanish Republic" would be contrary to our desire. This Government does not wish to give the appearance of prejudging events. Apparently the status of the new regime is awaiting settlement, possibly by the electorate. [End paraphrase.]

If possible inform the Department as soon as possible in advance of the hour at which you will deliver your note, in order that the news may be released to the press here.

STIMSON

852.01/36 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

MADRID, April 22, 1931—1 p. m.
 [Received April 22—11:30 a. m.]

28. Your number 12, April 21, 4 p. m. British colleague took action 12:30 today. Minister of Foreign Affairs will receive me at 4:30 this afternoon for delivery of note authorized by you.

LAUGHLIN

852.01/41 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

MADRID, April 22, 1931—5 p. m.
 [Received April 22—4:55 p. m.]

30. Have just come from interview with Ministry of State where I carried out exactly instructions in your telegram No. 12, April 21, 4 p. m. He asked me to convey deeply appreciative thanks.

LAUGHLIN

**EFFORTS TO REMOVE SPANISH TARIFF DISCRIMINATIONS
 HANDICAPPING AMERICAN TRADE**

651.5231/57 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

MADRID, November 10, 1931—8 p. m.
 [Received 8:50 p. m.]

92. Reference my No. 89, October 24, 2 p. m.,⁹ Franco-Spanish commercial agreement¹⁰ went into effect today. Article 5 declares a reduction in the tariff rates established last July with regard to certain articles. Government decided at noon today that reduction in rates accorded France by the agreement in respect of automobiles, tires, and tubes, films, motorcycles and artificial silk, et cetera, are not to be applied to the United States basing this stand on the provisions of the Royal Order of May 25, 1927,¹¹ which, while continuing in force, they contend does not give these privileges to us because of the subsequent abolition of the consolidated rates then existing. Calderon, chief of the Commercial Bureau of the Foreign Office in charge of this matter, states quite frankly that his Government is willing to reconsider plac-

⁹ Not printed.¹⁰ Text printed in *Journal Officiel de la République Française* (Lois et Décrets), November 10, 1931, p. 11672.¹¹ i. e., Royal Decree No. 958, *Foreign Relations*, 1927, vol. III, p. 729.

ing us in most-favored-nation position if we give them something in return. He said that they did not expect tariff reductions from us but a simplification of the administrative regulations affecting entrance of the preserves, grapes and oranges, short firearms and garlic. He also mentioned in strict confidence that not all countries would benefit by the tariff reductions accorded France and that a bargaining proposition had been offered Italy which she must accept tonight in order to enjoy them.

Pending your considered instructions I intend to see Lerroux himself tomorrow in an attempt to modify the Spanish stand.

LAUGHLIN

611.5231/603 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

MADRID, November 11, 1931—6 p. m.
[Received November 11—5:14 p. m.]

93. My telegram No. 92, November 10, 8 p. m., regarding Franco-Spanish commercial arrangement. I saw Lerroux this morning to urge reconsideration of Spanish decision not to give us reduction of rates accorded France by new arrangement. In the course of the conversation he reflected Calderon's attitude about "concessions" on our part and the staggering balance of trade against Spain in the United States which he said they must find some means to correct.

When it became clear to me that the Spanish Government is bent on bargaining I asked for a suspension of their decision to give you time to consider my reports and possibly make concrete propositions. I think some concessions in the administrative regulations mentioned in my No. 92 would go a long way toward a satisfactory settlement. I urged that the delay I asked for would be in the interests of Spain as much as ourselves since it would leave you free from any outcry of exporters which might force your hand and oblige the President to use his retaliatory powers. I made it quite clear that such retaliation was possible.

Lerroux seemed impressed by my argument especially when I stated that the Minister of National Economy had promised the Commercial Attaché that the new rates would automatically become applicable to us. In the end he said he could not give me an immediate answer to my request for delay since he would have to take advice on that point; but he promised to send me his answer this afternoon. Since it has not reached me up to this hour I despatched this telegram without waiting longer and shall include it in a later message.

LAUGHLIN

611.5231/606 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

[Paraphrase]

MADRID, November 13, 1931—noon.

[Received 3:55 p. m.]

94. Embassy's 93, 11th of November, 6 p. m. Lerroux leaves tonight for a meeting of the League of Nations in Paris. I have learned from him, however, that the Spanish Government cannot give us the postponement which we requested. His argument was based on the points already presented by himself and Calderon. Within the past 24 hours, he added, his Government had opened negotiations with other Governments with the object of granting them the same tariff reductions as France. He went on to say that if these countries expected to receive the advantages accorded France they must offer something in return. The United States was not to be excepted from this rule.

Upon reviewing this matter you may conclude that we cannot make any concessions. In that case you may be ready to resort to the extreme of retaliatory measures. If not, my opinion is that any protest by the United States would only result in a protracted exchange of notes over the legal features of the problem.

I have Calderon's promise that he will let me know today just what his Government wants from the United States. This information I shall include in a later communication.

LAUGHLIN

611.5231/605

Memorandum by the Under Secretary of State

[WASHINGTON,] November 13, 1931.

The Spanish Chargé d'Affaires came in to see me with a memorandum as to the attitude of his Government toward the commercial *modus vivendi* with this country¹² in its relation to the newly signed commercial agreement with France. He said that his Government showed its generosity and friendly feeling toward the United States in offering to give us the benefit of the second column of tariffs and to give us the benefit of the French figures on condition that we made certain administrative arrangements which, as I suspected, was to admit arms and grapes. I told him that I could not see either any generosity or particular friendliness on the part of Spain in refusing to live up to the *modus vivendi* under which the two nations gave each

¹² For previous correspondence concerning the commercial *modus vivendi*, see *Foreign Relations*, 1927, vol. III, pp. 729 ff.

other most-favored-nation treatment, and to give us the benefit of the second column was obviously not in accord with the signed agreement.

I told him also that it was very unusual to demand such so-called administrative changes as a reason why Spain should live up to its agreement. I said, further, that the whole matter was being carefully studied by the experts, and sent him to the Western European Division.

W[ILLIAM] R. C[ASTLE, JR.]

611.5231/601 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

MADRID, November 13, 1931—3 p. m.

[Received 4:09 p. m.]

95. My No. 94, November 13, noon. I telegraph for your assistance in considering this question, translation [of] a memorandum handed me at the Foreign Office.

"By the commercial arrangement of August 1, 1906,¹³ there was conceded to the United States the enjoyment of the customs tariffs then established in our second column.

By the exchange of notes of December 20, 1906,¹⁴ this treatment was explained in the sense that reductions which might be conceded to a third power would be applied also to the United States.

By the exchange of notes of October 6 and 21 [22], 1923,¹⁵ there was conceded to the United States treatment provided by the agreement of August 1, 1906; but not the benefits which Spain in the future should grant to a third power, thus modifying in this sense the agreement of August 1, 1906 and the exchange of notes of December 20, 1906.

By the Royal Decree of May 25, 1927 the Government of Spain conceded (a unilateral measure) to the United States the treatment of greatest favor resulting from the application of the commercial treaties which at that time embodied consolidated tariffs and as long as those consolidations should prevail. This treatment was granted for a maximum period of 6 months.

By an order of the Ministry of State dated November 7, 1927¹⁶ the Royal Decree of May 25, 1927 was extended provisionally.

SUMMARY. Consequently as far as Spain is concerned the Royal Decree of May 25, 1927 continues in force. Should the decree of May 25, 1927 be annulled the commercial regime of both countries would again become that which was agreed upon by both parties in the exchange of notes of October 6 and 22, 1923."

The summary should be read with the fact in mind that the consolidations were abolished by decree of December 30 [28], 1928.¹⁷

LAUGHLIN

¹³ *Foreign Relations*, 1906, pt. 2, p. 1342.

¹⁴ Malloy, *Treaties, Conventions, etc.*, 1776-1909, vol. II, p. 1719.

¹⁵ *Foreign Relations*, 1923, vol. II, p. 873.

¹⁶ *Ibid.*, 1927, vol. III, p. 733.

¹⁷ *Gaceta de Madrid*, vol. IV, p. 2073.

652.113 Auto/35 : Telegram

The Secretary of State to the Ambassador in Spain (Laughlin)

WASHINGTON, November 14, 1931—noon.

63. Your telegrams 92 to 95 inclusive. The Spanish Chargé d'Affaires called Friday to leave a memorandum¹⁸ stating in substance that the tariff concessions granted to France do not contravene the *modus vivendi*, as contained in Royal Decree No. 958 and the note from the Spanish Minister of State of November 7, 1927,¹⁹ and offering to bargain for the extension to us of the French rates, on the basis outlined in the last sentence of paragraph 1 of your telegram No. 92.

The Department expressed no opinion on the relation of the Spanish action to the *modus vivendi*, but informed the Chargé d'Affaires that you were reporting on the entire situation and that any negotiations would continue to be handled between you and the Spanish Foreign Office.

The Department is gratified by your comprehensive reports and approves of your representations to date. In view of Spain's definite refusal at present to grant us the reduced rates, as stated in your telegram No. 94, I agree that there would appear to be no current advantage in your presenting a formal protest; certainly not before we have come to a decision as to whether or not there has been a contravention of the *modus vivendi*. The matter is being carefully studied and you will receive specific instructions as soon as possible.

Please comment as to your opinion of the validity of the Spanish contention that their action does not contravene the *modus vivendi*, and inform me when the Department may expect to receive the text of the Franco-Spanish Agreement. Unless very lengthy I think it would also be desirable to cable a translation of the provisions of the agreement granting the preferential rates (but not the tables of rates themselves).

The Department will be pleased to receive and will sympathetically consider any statement of Spanish desires which the Government may wish to submit (reference, last paragraph of your telegram No. 94). I do not believe, however, that discussions on your part with the Foreign Office regarding the "simplification of American administrative regulations" should give the impression of being on instructions from your Government, for the reason that any modifications would appear extremely remote if not out of the question. The following is for your information only: With respect to Almeria grapes and oranges, the Department of Agriculture states that it cannot reconsider its deci-

¹⁸ Not printed.

¹⁹ *Foreign Relations*, 1927, vol. III, p. 732.

sion of last year continuing the embargo.²⁰ Regarding preserves, I understand that there are no special requirements governing entry from Spain other than compliance with the general pure food laws and regulations which are applicable alike to domestic and foreign products. Regarding garlic, the Department of Agriculture informs me that a permit must be obtained for importation (this also applies to onions), but that the permit is available to anyone, on application. The Department has no record of correspondence regarding revolvers since 1928 [1929], and understands from the Tariff Commission and the Treasury Department that Spanish firearms are freely admitted provided that they do not simulate patented American models.

The press has been informed, in response to inquiries, merely of the available known facts concerning the Franco-Spanish agreement, of the Spanish refusal to grant us the reduced rates, and of the fact of the receipt by the Department of a protest from the National Automobile Chamber of Commerce.

STIMSON

652.113 Auto/36 : Telegram

The Ambassador in Spain (Laughlin) to the Secretary of State

[Paraphrase]

MADRID, November 17, 1931—9 a.m.

[Received 11:55 a.m.]

98. Relative to paragraph 4 of the Department's 63, noon, 14th of November. The Spanish authorities contend that the *modus vivendi* is not contravened by their action. In my opinion, their argument is technically sound. For us the chief value of the *modus vivendi* lies in the fact that it serves to place the United States among the "países-convenios" which by the unrepealed decree of December 30, 1928, are entitled to second-column treatment. Rather than attempt to show a violation of the *modus vivendi*, our interests would be better served by an insistence that we accord the most favored treatment to Spain; therefore, we have the right to anticipate the same treatment from that Government. Without stating so in fact, the Franco-Spanish agreement really establishes a third tariff column which incorporates therein the annexed list (B?). No alteration of the two-column tariff system created by the decree of December 30, 1928, has been declared by Spain. Our argument might follow the line that inasmuch as that decree is still effective, the recent changes in the tariff should not be

²⁰ For previous correspondence concerning the American embargo against Spanish fruits and vegetables affected by the Mediterranean fruit fly, see *Foreign Relations*, 1925, vol. II, pp. 714 ff.; *ibid.*, 1927, vol. III, pp. 733 ff.; *ibid.*, 1930, vol. III, pp. 813 ff.

construed to mean the establishment of another tariff column but the replacement of the present rates by different ones in the second column.

LAUGHLIN

611.5231/610

The Chargé in Spain (Benton) to the Secretary of State

No. 527

MADRID, November 17, 1931.

[Received November 30.]

SIR: In confirmation of the Ambassador's telegraphic despatch No. 94 of November 13th (12 noon), I have the honor to transmit herewith the copy of a Memorandum furnished the Embassy by Señor Calderon, the Chief of the Commercial Section in the Ministry of State, containing a list of what he terms Spain's "trade grievances" against us, which, in the opinion of his Government, must be attended to before we can realize the advantages of the tariff reductions accorded France by the recent Franco-Spanish Commercial Agreement. A translation of the Memorandum is also enclosed.

Respectfully yours,

J. WEBB BENTON

[Enclosure—Translation]

CUSTOMS DUTIES AND RESTRICTIVE MEASURES THAT HAVE SERIOUSLY AFFECTED THE EXPORTATION OF SPANISH PRODUCTS TO THE UNITED STATES

a). *Fresh Fruits.* Of especial interest is the raising of the embargo on the entry of fresh fruits, notably grapes, which might be adjusted by the substitution of certificates issued by Spanish offices of vegetable pathology, to the effect that the shipments are exempt from the pest generally known as the Mediterranean fly, and said certificates to be visaed by the North American Consul should the Washington Government so require.

b). *Cork Manufactures.* Customs duties on these products are so high that Spanish exports of these manufactures decreased by 195,283 metric quintals with a value of 38,770,926 pesetas in the six months of 1930 as compared with the corresponding period of 1929.

c). *Insulation Cork.* This product has also suffered a decided decline since the entry into effect of the present North American tariff.

d). *Stoppers.* One of the most serious impediments that Spanish cork manufacturers encounter on their entry into the United States is the necessity for each cork to be stamped with the words "Made in Spain," the suppression of which with the substitution therefor of a stamp on the package is of great importance.

e). *Mineral Waters*. Annulment of the measures that at present render impossible their entry into the United States.

f). *Canned Goods*. Peppers constituting the principal item of Spanish export of this class of products to the United States. The suppression of the sanitation methods adopted by the North American authorities is of importance, being based on their belonging to the "non-acid" class, whereas it is well-known and scientifically demonstrable that they belong to the "acid" group.

g). Removal of the obstacles imposed to our tinned-fish and reduction of the sanitary measures exclusively to glaring cases proven before the Spanish exporters or technicians appointed by them or before the Spanish Consular representatives.

h). *Firearms*. More favorable treatment for the entry of them and their parts would be desirable.

i). *Garlic*. Suppression of the sanitary measures that consist in determining that the straw of the "string" may contain germs harmful to stock, and when this is replaced by other vegetable fibers, the existence of other germs injurious to stock, is alleged.

j). *Canary Island Potatoes*. Permission for the entry of these tubercles packed in sawdust or cork as is done for fresh tomatoes from the Canaries; special importance being attached to this request.

k). Finally, it would be desirable that guaranty be given for prohibition in the United States of usage, in packing California-grapes and native onions, of such denominations as "Valencia" and "Almeria Grapes" which are freely employed on cards bearing the national Spanish colors and figures, in order that the consumer may believe that the said products come from Spain; against which usage the Spanish Government has repeatedly protested without any result whatsoever.

611.5231/617

The Secretary of State to the Ambassador in Spain (Laughlin)

No. 229

WASHINGTON, December 31, 1931.

SIR: Reference is made to the general question of Spanish tariff discrimination and to your despatch No. 527 of November 17, 1931, under cover of which you transmitted the text of the memorandum of Spanish "trade grievances" given to you on November 13, 1931, by Señor Calderon of the Ministry of State. The Department submitted translations of the memorandum to the various branches of the American Government concerned in administering the regulations, provisions, et cetera, complained of, and on the basis of their replies it has drafted the following memorandum which you should personally hand to the

Minister of State, as promptly as an interview can be arranged and if possible in the presence of Señor Calderon.

"The American Government has made a careful and sympathetic examination of the points set forth in the memorandum submitted to the American Ambassador in Madrid on November 13, 1931, and has instructed the Ambassador to present the following memorandum in reply.

"It is noted that the Spanish communication consisted of eleven points which, for convenience in reference, are grouped in three categories as follows: (The letters are those appearing in the Spanish memorandum)

"Category 1. Administrative application of American sanitary or customs provisions.

This category includes items A (Fresh Fruits), E (Mineral Waters), F (Canned Goods other than canned fish), G (canned fish), I (garlic and onions) and J (Canary Island Potatoes), all of which are under the administration of the Department of Agriculture; and items D (Cork Stoppers) and H (Firearms) regarding which the provisions complained of are under the jurisdiction of the Treasury Department.

"As a matter of general comment it may be said that the regulations or restrictions imposed are uniformly applied, without any discrimination whatever. In the case of products subject to the Food and Drugs Act, Department of Agriculture, the requirements in import consignments are in all instances similar to those applied in American domestic commerce. The same is true of the application of quarantine laws (Department of Agriculture), if or whenever there is an outbreak in the United States of the pests or diseases the introduction or spread of which the particular quarantine indicated was designed to prevent. It is felt, however, that a more thorough understanding of these regulations by Spanish exporters, and perhaps a more careful compliance therewith, would materially reduce difficulties and subsequent complaints concerning importation into this country. The Department of State would therefore be glad to propose that the Spanish Government designate a representative of the Spanish Embassy in Washington to confer at the Department of State with appropriate officials of other Departments to the end that the existing regulations may be clarified and thoroughly understood. Any suggestions which the Spanish Government might desire to make could thus be considered directly by the officials of other branches of the American Government technically competent to deal with them.

"Brief summaries are given herewith of the items enumerated above:

A. Fresh Fruits. The Department of Agriculture regrets that, until the Mediterranean Fruit Fly shall have been eradicated from Spain, it would be unable to modify the position taken last year and outlined in detail to the Spanish Government in a note from the Secretary of State to the then Spanish Ambassador, dated June 24, 1930.²¹ The American Government is confident that the Spanish Government cannot fail fully to appreciate the attitude of the American Govern-

²¹ *Foreign Relations*, 1930, vol. III, p. 815.

ment in this matter when it learns that the American Government has already spent over seven million dollars in the control and eradication of this pest in the State of Florida.

E. Mineral Water. The Department of Agriculture states that the principal past difficulty has occurred in connection with one particular brand, certain shipments of which showed evidences of pollution. It added that attention in connection with the spring, and in the bottling operations, would readily render the product acceptable, and that recent shipments had been entirely satisfactory.

F. Canned Goods other than canned fish. The item of principal importance appears to be canned pimientos or peppers, and the Department of Agriculture states that during the last several years the major portion exported from Spain were entirely acceptable and that the recent records of the Department showed very few, if any, detentions. Where entry was restrained, this action was not taken because the product was 'acid' or 'non-acid', but because improper sterilization or partial spoilage had resulted in a non-sterile product, the bacteria in which constituted a potential health menace. In such cases sorting was permitted and the wholesome tins admitted. Precisely the same supervision is extended to all canned goods in the United States, whether of foreign or domestic origin.

G. Canned fish, principally anchovies, tuna (tunny) and sardines. There has been some difficulty in lack of, or improper, declarations as to weight of contents, but entries have usually been permitted after appropriate rebranding by the importer. In regard to tuna, there has been occasional misbranding, generally corrected in the same way, precisely as the Department of Agriculture requires in similar instances having to do with tuna packed in the United States. With reference to anchovies, the Department of Agriculture reports that out of the large amount imported, there have been a very few instances where the fish have shown evidence of spoilage or decomposition, and in such cases the anchovies have had to be reexported or destroyed.

I. Straw used in tying garlic or onions. The Department of Agriculture states that it has had correspondence with importers on this subject, and that straw may be used by Spanish shippers without rendering the product subject to restriction, provided the straw is disinfected prior to use, and that it is so certified. It adds that the pertinent regulations are being complied with by shippers from other countries, and that it believes that Spanish shippers will have no difficulty provided they use properly disinfected and certified straw.

J. Canary Island potatoes. It would appear that the difficulty in this connection does not relate to the use of any particular type of packing, but to the fact that Spain permits the importation into Spain and possessions of potatoes from countries where the potato wart is known to exist. Since 1922 the United States has prohibited the entry of potatoes from such countries, and it also prohibits the entry of potatoes from countries which have not established similar health measures. Should the situation in Spain not be as reported above, the Department of Agriculture would of course be willing to reconsider the matter.

D. Marking of individual cork stoppers. Reference is made to Section 304 of the Tariff Act²² which outlines the circumstances in

²² i. e., Tariff Act of 1922; 42 Stat. 858, 936.

which the marking requirement may be waived. It is understood from the Treasury Department that although representations were made on this subject by the Spanish Embassy in Washington, no data was submitted in accordance with sub-section (a) of Section 304, on which the Treasury Department could act in compliance with the Spanish request. This matter can be reopened by request at any time through the submission of such data.

H. Firearms. It is assumed that the reference is to revolvers, and the Treasury Department refers to Treasury Decision No. 41655 of June 25, 1926, prohibiting the importation of revolvers simulating certain parts and movements of those patented and manufactured in the United States by Smith and Wesson. Provided they do not simulate a patented American product, Spanish revolvers are admitted, and the Treasury Department points out that in any case, admission of Spanish revolvers is on a basis of complete parity with those from other countries.

"Category 2. Protection of Spanish names, et cetera.

K. California Grapes and American Onions. The Department of Agriculture makes reference to previous correspondence between it and the Spanish Embassy, through the Department of State, concerning the use on California grapes of labels suggestive of Spanish origin, and calls attention to its report in April 1928 of the abandonment of this form of labelling as a result of the activities of the Food and Drug Administration. The Department of Agriculture states that prior to the receipt of a copy of the Spanish memorandum of November 13, 1931,²³ it had not previously been aware that Spain was similarly concerned over labels on American onions, and adds that if the Spanish Government will be so good as to furnish specimens or descriptions of the objectionable onion labels, and if they prove comparable to certain of those encountered with grapes, the Department of Agriculture will endeavor to have them abandoned. The Department of State for its part would be glad on request of the Spanish Government to bring any cases, respecting the labelling of either grapes or onions, to the attention of the Federal Trade Commission which deals with alleged unfair trade practices, in addition to that of the Department of Agriculture.

"Category 3. American Tariff Rates.

Items B (Cork Manufactures) and C (Insulation Cork). It is assumed that the Spanish Government is familiar with the flexible provisions of the American Tariff Act, under which it is possible within certain considerable limits, and when investigation by the Tariff Commission has indicated to the President the desirability of so doing, to modify the rates applied to individual products. It is understood that such an investigation has been made in connection with insulation cork, but that no such application for a reduction in duty on cork manufactures has ever been received by the Tariff Commission. Incidentally it may be remarked that there is pending before the Tariff Commission at the present time application for reduction in duties in connection with another item in which Spain is reported to be in-

²³ *Ante*, p. 1001.

terested, namely fresh tomatoes, and that although both the Spanish Embassy and the attorney for the Canary Island tomato producers were present at the recent hearings, the latter did not submit a brief in the premises.

"Should the flexible features of the American tariff, and the provisions under which their application may be invoked, not be sufficiently clear, the Department of State would be willing at any time, on the request of the Spanish Government, to designate an official competent to discuss these matters with a representative of the Spanish Embassy."

In submitting the foregoing memorandum, I do not believe it would be desirable for you to make reference to the second Spanish memorandum referred to in your telegram No. 115²⁵ of December 22, 5 p. m., inasmuch as the text has not yet been received and you have indicated in the first paragraph of your telegram that it appears to contain little more than an amplification of the first. You should, however, orally emphasize the following points and be sure that they are positively understood.

1. Since the United States at present grants most favored nation treatment to Spain, and since its administrative requirements and provisions are applicable to all countries alike, with no discrimination whatever, any discussions such as are suggested variously in the memorandum must necessarily be limited, in cases where the requirements are not susceptible of modification, to better understanding and clarification of procedure, and, in cases where such modification is possible (such as in the flexible provisions of the tariff which would have to do with items B and C of the Spanish complaint for example, or of the marking requirement, complained of under item D), to explaining or clarifying to Spain the proper legal or administrative approach available to the Spanish Government, looking toward such modification.

2. If you believe it would be useful at this time to do so, you may also add that the United States stands ready and willing, as heretofore, to negotiate with Spain a commercial treaty providing for reciprocal unconditional most favored nation treatment, and that the American Government believes, moreover, that such an agreement would be of great benefit to the commerce of the two countries.

It is requested that upon the delivery of the memorandum you inform the Department by telegraph summarizing any statements which may have been made to you, and that you also endeavor to obtain an early reply the substance of which should likewise be telegraphed upon its receipt.

The Department is transmitting to you herewith for your consideration and comment a copy of a proposed note of protest²⁵ against Spanish tariff discrimination. This note should not be delivered except upon specific authorization of the Department of State, the

²⁵ Not printed.

extension of which will depend upon your own comments in regard thereto and developments in connection with the attitude of Spain toward the foregoing memorandum.

Should you be authorized to deliver the note of protest, and should you thereupon be questioned by the Minister of State regarding it, your remarks should be confined to stating that, while obviously you could not predict the course of your Government in the event of the receipt of a negative reply from Spain, you understand that the National Automobile Chamber of Commerce, one of the most important trade bodies in the United States, has recently petitioned the President to cease to extend to Spanish products most favored nation treatment and to apply against them our maximum scale of duties.²⁶ It may be added that you know that your Government is profoundly disturbed over the matter.

Very truly yours,

For the Secretary of State:
JAMES GRAFTON ROGERS

**NEGOTIATIONS BETWEEN THE UNITED STATES AND SPAIN FOR THE
SETTLEMENT OF RECIPROCAL CLAIMS**²⁷

452.11/282

Press Release Issued by the Department of State on April 13, 1931

By an exchange of various notes, an agreement has been concluded with the Government of Spain for the informal consideration by representatives of the United States and Spain of all outstanding diplomatic claims between the two governments. Mr. Luis Calderon, Commercial Counselor of the Spanish Embassy, has been delegated as the Spanish representative. Mr. Raymund T. Yingling, of the legal staff of the Department of State, is the American representative. Informal discussions of the claims will begin in the near future.

In accordance with the terms of the agreement, lists of claims have been exchanged by the two governments. Most of the Spanish claims arise from property damages alleged to have been caused by United States forces in East Florida in 1813. Other Spanish claims arise out of the Mexican War, the Civil War and the events following the Spanish American War. The claims of the United States are not readily classifiable but for the most part they concern alleged personal injuries, embargoes of property and damages to property in Cuba and other Spanish possessions. Most of the American claims are also very old and date from 1844 onward. Both governments

²⁶ Allusion to section 338 ("Discrimination by Foreign Countries") of the Tariff Act of 1930, 46 Stat. 704.

²⁷ For previous correspondence, see *Foreign Relations*, 1929, vol. III, pp. 796 ff.

are now approaching the subject of these claims in a spirit of friendly cooperation with a view to reaching such a general settlement as has for nearly a century proved impossible.

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[The departure of King Alfonso from Spain on April 14, 1931, the establishment of a provisional government, and the subsequent transfer of Luis Calderon, the Spanish representative, to a post in Madrid, interrupted the informal discussions authorized by this agreement. In July 1931, the Spanish Government suggested informally that the negotiations be transferred to Madrid. The request was declined by the United States in September 1931. Since the latter date there has been no diplomatic action toward the settlement of these reciprocal claims.]