

**Christian Leitz.** *Economic Relations Between Nazi Germany and Franco's Spain, 1936-1945.* Oxford: Oxford University Press, 1996. xiv + 255 pp. \$75.00, cloth, ISBN 978-0-19-820645-3.



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For decades, historians of Hispano-German relations during the Nazi era have labored without the benefit of a sound English-language study of financial arrangements between the Franco regime and the Third Reich. Glenn Harper's *German Economic Policy in Spain during the Spanish Civil War* (The Hague: Mouton, 1967) was too brief and narrow a survey to serve as much of a guide, and had the additional burden of being written with almost no primary Spanish sources, while Rafael Garcia Perez's fine study *Franquismo y Tercer Reich: Las relaciones economicas hispano-alemanas durante la segunda guerra mundial* (Madrid: Instituto de Estudios Constitucionales, 1994), unavailable thus far in an English edition, does not pay sufficient attention to the economic impact of the Spanish Civil War, and also does not have the benefit of certain Spanish documents declassified since 1994.

*Economic Relations Between Nazi Germany and Franco's Spain, 1936-1945* thankfully fills this gap. Based on published and unpublished German, British, Spanish and U.S. sources, this work resolves many of the questions which have inter-

ested historians of modern Spain and its relations with Germany. How dependent was Spain on trade with Germany? To what extent did Franco act in response to Spain's national economic interests, as opposed to Nazi demands for raw materials and market control? What was the impact of the wolfram (tungsten ore) dispute in Spanish relations with the belligerent powers? What did the two nations hope to gain from each other, and to what extent were these goals mutually exclusive? Finally, how integrated was Spain into the Nazi New Order, militarily, financially and politically? Leitz answers these questions, as well as others, in this well-written and engaging book, making a clear contribution to the fields of modern Spanish and German history.

In Chapters One and Two, Leitz underscores the early emphasis Nazi leaders, particularly Hermann Goering, placed on the economic importance of the Spanish Civil War. As the author notes elsewhere, the Germans hoped to use the Civil War as an opportunity to convert Spain into an informal colony of the Third Reich, dependent on Berlin and subject to its economic imperatives.

Goering and his agents in Spain, principally Johannes Bernhardt, made this effort through the creation of the Hisma and Rowak companies, and trade arrangements forced Franco's rebels to import military equipment and other critical necessities exclusively through Hisma-Rowak, which Goering established as the official "representative of Germany's economic interests in Nationalist Spain" (pp. 27, 52). Leitz also outlines the extent of Anglo-German rivalry for access to Spanish raw materials and markets during the Civil War, as well as the mechanisms created by the Nationalists to fund their war effort.

Chapter Three, "From Civil War to European War," is a discussion of the development of Hispano-German economic relations from Franco's victory over the Spanish Republic to the defeat of France in June 1940. Despite ambitious Nazi plans "to turn Spain into an 'economic colony' which would supply Germany with certain raw materials in exchange for manufactured products," the beginning of the Second World War provided the Franco regime with an opportunity to renew its economic relations with Britain and France, two nations eager to blunt Nazi penetration of Spain (p. 99). Whatever his Naziphile political instincts, "Franco proved to be an economic Realpolitiker," on questions of Spanish independence, unwilling to subordinate the interests of his nation to either belligerent side (p. 125).

Chapters Four and Five focus on two vital issues in Hispano-German relations during the Second World War: German military transfers to Spain and Spanish shipments of wolfram to Germany. The development of economic arrangements in these two areas proved to be disappointing to both sides, as the Third Reich, increasingly pressed on all fronts after 1941, demonstrated its inability and unwillingness to equip the Spanish military with even minimal levels of modern equipment. While Spanish sales to Germany of wolfram continued into mid-1944, the Allies' ability to outbid the Germans for this commodity

drove the Nazis to distraction, particularly as the British and Americans had no need to purchase Spanish or Portuguese wolfram while the Germans saw these two sources as their only supply of the crucial mineral. It does seem that Madrid would have preferred to be more accommodating to Berlin, had the Germans been more willing to deal with Spaniards as equal trading partners rather than as subordinates, but the imperious behavior and dwindling resources of the Nazi state made this approach improbable.

The final chapter, "German-Spanish Trade from the Allied Invasion of France to the End of the Second World War," outlines the terminal phase of economic relations between the Franco regime and the Third Reich. While the severance of rail and road links between the two nations in the summer of 1944 had an immediate and negative impact on trade relations, some commerce continued, especially involving compact and high value products conveyed via a remaining Lufthansa air connection. Spanish government and business elements also assisted in the resupply of Nazi redoubts and submarine bases on the Atlantic coast of France. While these two trade avenues remained partially open until the collapse of Nazi Germany in late April 1945, they constituted a tiny percentage of the total economic picture for both nations, whatever their significance for particular commodities.

Leitz's final assessment is that, despite the great ambitions each side held for their commercial and financial dealings with the other, the relationship was one of disappointment for Spain and Germany, especially for the latter. Indeed, Leitz makes a strong case that there was in fact a stunning "reversal of fortunes," which transformed the Third Reich into the dependent member of the arrangement, heavily reliant on Spanish goodwill for access to critical raw materials and unable to provide products desired by the Franco regime (p. 226). Faced with the demands of a world war, Germany was forced to yield to

Spanish demands to such a point that "only a total German victory in Europe would have brought National Socialist plans for an economic colonization of Spain back on course" (p. 227). Despite the isolation Spain would endure after the end of the war due to somewhat justified accusations of having supported Axis war aims, Leitz clearly demonstrates that the history of the Hispano-German economic relationship was not one of Spanish subservience to Nazi interests. At the end of the story, arrangements seemed to have gone quite the other way.

Although this is an excellent book, it does have a few minor problems. Absent is a discussion of the thousands of Spaniards sent to work in German factories beginning in 1941, and the impact their remittances, as well as those of the soldiers of the Spanish Blue Division, had on the Hispano-German foreign exchange balance. Similarly lacking is an examination of the Spanish colony in Germany, which contained, until the arrival of large numbers of Spanish workers in early 1942, a high percentage of businessmen engaged in import of goods from Spain. Perhaps with a bit more extensive use of primary Spanish sources, particularly those of the Spanish Foreign Ministry and Military Historical Service, Leitz could have reversed this lack of coverage.

Additionally, Leitz's use of a thematic structure, while indispensable for highlighting the changing nature of Hispano-German economic relations, also pushes some key elements into the periphery of the narrative. For example, Chapter Five, which focuses on Nazi efforts to secure wolfram from Spain and Spain's attempts to promote a bidding war over the commodity between the Germans and the Allies, covers this one topic so exclusively that Leitz does not have time to outline more general economic developments between Spain and Germany. These relatively minor points aside, this work makes a much-needed contribution to our understanding of the foreign economic policies of the Nazi state, as well as the re-

action of one nation targeted for subordination to the interests of the Third Reich. Leitz's book should find its ways onto the reading lists and libraries of historians, economists and others interested in the economics of the New Order and the nature of Hispano-German relations from the Spanish Civil War to the end of the Second World War, as well as the economic decision-making processes of the regimes of Franco and Hitler.

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