SPANISH CIVILIAN LABOUR FOR GERMANY DURING THE SECOND WORLD WAR?*

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ABSTRACT

For political reasons, the Spanish dictator Francisco Franco limited the number of civilian Spanish workers sent to Germany during the Second World War. Despite agreeing to send 100,000, the number of workers never exceeded 9,550. Their impact on the German war economy was small. This paper demonstrates that, in limiting worker transfers, Franco went against his own economic incentives, considering that the Spanish government was taking a commission from the workers' remittances. By limiting the number of workers sent, Franco satisfied the Allies' pressure to minimise cooperation with Germany. In support of this argument, this article offers updated estimates for the number of workers, their skill levels and remittances. It also provides the first estimates of Spanish costs and income from the programme.

Keywords: Spain, Germany, labour transfers, exchange control, world war II

JEL Classification: N14, N34, N44, N54

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RESUMEN

Durante la Segunda Guerra Mundial, el dictador español Francisco Franco limitó, por razones políticas, el número de trabajadores civiles españoles enviados a Alemania. Aunque se pactó el envío de 100.000 trabajadores a Alemania, el número actual nunca superó los 9.550. Consecuentemente, el impacto de trabajadores españoles en la economía de guerra alemana fue bajo. Este artículo muestra que, limitando las transferencias de trabajadores a Alemania, Francisco Franco estaba actuando en contra a sus propios incentivos económicos, ya que el Gobierno de España recibía una comisión de las remesas. Al limitar el número de trabajadores, Franco cedió a la presión aliada, que estimulaba minimizar la cooperación con Alemania. Para dar soporte a este argumento, éste artículo ofrece estimaciones actualizadas del número de trabajadores, sus calificaciones y sus remesas. El artículo también brinda las primeras estimaciones del coste y beneficio de este programa para el Gobierno español.

Palabras clave: España, alemania, transferencias del trabajo, control de cambios, la segunda guerra mundial

1. INTRODUCTION

Throughout much of the first half of the Second World War in Europe, Hitler attempted to bring Spanish dictator Francisco Franco into the Axis alliance (Preston 1990, chapter 4). The programmes organised during this period include Spanish military and labour contributions to the German war effort. On August 22, 1941, representatives of Germany and Spain signed the *Acuerdo hispano-alemán para el empleo de trabajadores españoles en Alemania* (Spanish-German Accord for the Employment of Spanish Workers in Germany) at the Spanish Foreign Ministry in Madrid¹. This established a system of government-organized labour transfers, the second from a neutral nation to a belligerent one, following an Italian-German programme established in September 1939 (Deutsche Arbeitsfront 1941, p. 194ff). The Germans wanted Spain to provide 400,000 workers, of whom 100,000 were expected to be dispatched by Spain over the first 6 months². For many, it represented a step towards Spanish co-belligerency (see Hernández Sandoica and Moradiellos 2002; Bowen 2000, pp. 77-102); however, despite considerable pressure, the

 $^{^{\}rm 1}$ Archives of the Ministerio de Asunto Exteriores y de Cooperación (AMAEC), R2225/7, Agreement dated August 22, 1941.

² National Archives and Records Administration (NARA), Record Group (RG) 242/T-77/243/ 987071-72, German memo marked «Vermerk für Chef», dated November 10, 1941.

Spanish government provided at most only 9,550 workers. With a maximum of 36,529 million workers in Germany in May 1943, Spain was a minor contributor to the German war effort³. Given its negligible effect on the war, the conflicting logic of promising to aid the Axis war effort without providing the promised resources raises the question of what the Spanish government intended to accomplish with this programme.

Works by Rafael García Pérez and José Luis Rodríguez Jiménez argue that the programme was born of a political commitment by the Spanish Foreign Minister, Serrano Suñer, to provide *«voluntarios para el frente, voluntarios para las fábricas»* (volunteers for the front, volunteers for the factories)⁴. Reichsmark credits from the programme, as with many others, were to be used for the payment of Spanish debts to Germany. In this context, this becomes nothing more than one of several Spanish-German programmes established at the time, including the *Division Azul* (Blue Division), an 18,104-man contingent which fought on the Eastern Front (Kleinfeld and Tambs 1979, p. 355).

It is also one of the many labour programmes set up in Europe as part of the German hunt for labour. Among the neutrals, Switzerland provided a maximum of some 1,800 workers through a free trade and transit area known as the Grenzgebiet; although these numbers declined to less than half this figure by late 1943 (Golson 2012, chapter 7). Other German-occupied and -oriented countries supplied workers, initially under similar voluntary programmes and eventually via conscription. The closest comparison is with the Italian programme, which began to transfer labourers to Germany in September 1939 (Homze 1967). Over time, the proportion of foreigners in the German labour force grew from about 1 per cent in 1939 to more than 8 per cent in 1941 and eventually more than 20 per cent in 1944 (Klemann and Kudryashov 2012, p. 120). However, the Spanish programme marked the pinnacle of close political relations between the two countries. Spanish government insistence on its workers having similar treatment to that of workers from other Axis countries led to poor diplomatic relations and fraught negotiations. Germany's political and economic weaknesses eroded the reasons for political cooperation and the repayment of Spanish debts. The desired number of Spaniards never arrived and the official programme, suspended several times, officially ended in 1943 (Bowen 2000, pp. 127-142).

Spanish workers were treated poorly, but conditions were not so bad as to prevent many from going to Germany outside the programme. These Spaniards suffered inferior work conditions, a lack of access to German social welfare programmes, shorter rations and harsher workplace penalties (Bowen 2006, pp. 119-120). In response to the complaints regarding bad conditions, the

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³ Approximately 1/5000th of the German wartime workforce (Homze 1967, p. 232).

⁴ García Pérez (1988, pp. 1031-1065). Subsequently partially republished in García Pérez (1992), Rodríguez Jiménez (2002, p. 186).

Spanish government intermittently suspended the official programme over the course of the first year. The traditional diplomatic view has been that the flow of workers to Germany was interrupted because of conditions there (García Pérez 1988, pp. 1049-1054). However, new employment statistics presented in this paper suggest that workers continued to go to Germany in 1942/1943, despite these poor conditions and even without the Spanish state sponsorship that covered transportation and equipage costs (see Table 1). Thus, while conditions did reduce the incentives for workers to make the journey, many continued to do so.

In closing the worker programme, the Spanish government was going against its own economic interests. This paper updates the existing literature to reveal that the Spanish government's monetary transfer department was profiting from the programme. It was earning a previously unnoticed transfer fee on the funds remitted, enough to exceed its costs; this was in addition to the use of the reichsmark earnings to bring down the debt to Germany. The 1941 Agreement called for the Spanish and German governments to remit the exact worker payment at the official rate⁵. However, the Spanish government's transfer bureau did not remit the full transferred funds to the Comisión interministerial para el envio de trabajadores a Alemania (Inter-ministerial Commission for Workers in Germany - CIPETA) but took an illicit commission from the transfers before they reached the workers. This reduced workers' earnings, changed incentives and made it appear that the CIPETA programme was losing money. From an overall perspective and taking these details into account, the resulting «profit» per 1 peseta remitted amounted to 0.27 pesetas, taking all costs into account (see Tables 2 and 4). This explains why the Spanish government was content to allow the monetary transfer facility to continue until December 1945, after the end of the war, ensuring that it could still collect commissions and pay off its debt to Germany.

The size, activities, composition and profitability of the programme support two findings; one domestic and one with regard to foreign policy. On the domestic front, this monetary arrangement allowed the programme to satisfy Spain's internal political balance, enabling the programme to persist for a period. From a foreign policy perspective, the end of official state-sponsored worker recruitment must be attributed to Allied pressure and the changing Spanish attitude towards Germany, starting as early as 1942 (Bowen 2000, p. 157ff).

Different Spanish government departments and interest groups (such as the *Falange*) were given incentives to support Franco's authorised limited military, economic and political collaboration with Germany. Paul Preston and Wayne Bowen suggest that there were significant tensions within the Spanish government which Franco placated (Bowen 2000, chapter 4). Bowen portrays Franco as holding together a fractious coalition, which

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⁵ Archives of the Ministerio de Asunto Exteriores y de Cooperación (AMAEC), R2225/7, Agreement dated August 22, 1941.

TABLE 1

SPANISH WORKERS EMPLOYED IN GERMANY SHOWN BY QUARTER, SEPTEMBER 1941 TO JUNE 1945: SPANISH FOREIGN MINISTRY (MAE), GARCÍA PÉREZ AND GOLSON ESTIMATES

Month year	MAE estimates	García Pérez estimates	Golson estimates		
December 1941	4,000		5,300		
March 1942			6,300		
June 1942			7,850		
October 1942	8,242	6,253	9,542		
December 1942		4,263	7,553		
March 1943	4,674	4,674	5,974		
June 1943		5,700	6,637		
September 1943	6,300	7,700	7,300		
December 1943		6,300	6,900		
March 1944			4,012		
June 1944		2,800	2,241		
September 1944			1,109		
December 1944		1,000	978		
March 1945			656		
June 1945			11		

Notes: For October 1942, García Pérez acknowledges the 8,242 figure from the Ministerio de Asuntos Exteriores (MAE), but discounts 1,989 workers who were being repatriated by the Germans for various reasons. Golson's estimates use the higher figure since the workers were still in Germany. See García Pérez (1988, p. 1047); AMAEC R2225/1, memo dated February 5, 1942.

Sources: García Pérez (1988, p. 1057). AMAEC R2225/7, letter from Larcocino Corride to MAE, dated October 25, 1943; AMAEC R2225/7, memo, «CIPETA: Estado de las remesas de ahorros de salarios enviados por los productores a sus familias»; AMAEC R2225/2, memo, «Negociado de Transferencias»; AMAEC R2225/7, memo, «Negociado de Transferencias»; AMAEC R2225/2, memo, «Negociado de Transferencias»; AMAEC R2225/2, memo, «Negociado de Transferencias»; AMAEC R2225/2, memo, «Negociado de Transferencias»; AMAEC R2225/1, elter to Embasador von Stobrer in Madrid, January 9, 1942; AMAEC R2225/1, CIPETA Memo, dated March 12, 1943; NARA RG242/T-77/243/986879-986880, Wehrwirtschafts- und Rüstungs-Amt (Wi Rü Amt), report marked «VO/Wi Rü Amt und Dienstab Ost bei OKH/Gen Ou», dated March 13, 1942; NARA RG242/T-77/243/986882, memo entitled «Stand der Anwerbung ausl. Arbeitskräfte», marked Rue IVd, dated January 19, 1942; NARA RG242/T-77/243/986880, memo entitled «Arbeitseinsatz von Auslandern im Reichsgebiet», dated March 13, 1942.

included a government composed of the *Falange* (31.6 per cent of government positions), representatives of the armed forces (25.1 per cent), Alfonsine monarchists (21.6 per cent), Catholic activists (14.4 per cent) and Carlist monarchists (6.6 per cent) (Bowen 2006). The *Falange* and other Nazi-allied

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domestic political organisations were trying to bring Spain into the war, while the resistance of the others effectively threatened another civil war (Bowen 2000, pp. 77-80). In 1941, Franco probably saw this aid as the most that Spain could offer Germany without angering the Allies. The *Falange* and similar organisations, on the other hand, deemed these programmes the absolute minimum permissible for a close ally (Bowen 2000, p. 103). Publicly accepting such a programme mollified the *Falange* interests, while providing the *Instituto Espanol de Moneda Extranjera* (IEME) and the Treasury with a small «profit» was enough to ensure their cooperation. Meanwhile, administratively limiting the programme ensured that Spain would not be dragged closer to Germany.

Allied pressure and the changing Spanish attitude towards Germany starting in mid-1943 resulted in the closure of the programme. Allied-Spanish relations during this programme can be divided into two stages with the period from June 1940 to December 1941 in which this agreement was concluded representing the apex of the Spanish-German relationship. During this period, Germany promised Spain considerable quantities of goods and benefits in exchange for Spanish entry into the war. In the later stage, between January 1942 and August 1944, Anglo-American economic activity, both sanctions and pre-emptive purchasing, caused a shift in the position of the Spanish government enabling it to maintain a rivalry between the two belligerents. Meanwhile, Germany weakened considerably as the war was transformed slowly by the Soviet advantage on the Eastern Front and Germany's loss of North Africa and much of Italy. Although officially caused by conditions in Germany, the stoppages coincided with an increasing shift towards the Allies, including their two fuel blockades and a decree in March 1942 which opened the wolfram market to purchasing competition. The end of the official programme came in summer 1943, after the fall of Mussolini in July 1943, coinciding with the withdrawal of the Blue Division from the Eastern Front and Spain's shift from non-belligerency to neutrality (Golson 2012, pp. 128-147). Despite the fact that it was profitable in economic terms, in its creation and termination the programme was essentially a political matter. In addition to offering these two conclusions, this paper adds to the existing literature by updating estimates for the number of workers, their skill levels and remittances; it also provides the first estimates of the Spanish costs incurred.

Before proceeding, it should be made clear that substantial shortcomings beset any attempt to outline the Spanish-German civilian labour programme accurately. The information from Spain provides some clues to the origins, systems, expected profitability and long-term political intentions of the programme, but it provides no insight into Franco's thinking. Unfortunately, some programme records were burnt in August 1943 when the Spanish Embassy in Berlin was bombed (García Pérez 1988, p. 1052). Subsequent records were apparently lost in the invasion of Berlin when the Embassy was abandoned. This problem has been partially mitigated by the surviving

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American and German records of the programme, but these records do not provide the full picture. Most notably, the estimates of the number of workers from 1943 to 1945 in this paper depend on the continuity in frequency of workers' transfers. It assumes that workers continued to remit their earnings 7.73 times per year as they had done in 1942. Using this method to project the figures for these years leaves open the possibility of specific bias effects. An increase in the frequency of workers' remittances during this period could lower the number of workers; this increase could have resulted, for instance, from black market activities in Germany.

2. EMPLOYMENT OVERVIEW

This section revises the employment figures from September 1941 to June 1945. Aiming at comprehensiveness, it includes all the Spaniards working in Germany, both those formally recruited under the programme and those who travelled as individuals, as all could use the remittance facilities and were eligible for state-paid repatriation⁶. This study, in line with others, excludes Spanish Republicans and Communists living in France (García Pérez 1988; Bowen 2000; Rodríguez Jiménez 2002, p. 119). Republicans put to work in Germany, under the various German-French worker recruitment programmes, were typically taken forcibly from French refugee camps and had no access to the Spanish government facilities (Vilanova 1969; Lindquist 1984).

Germany expected much of the Spanish worker programme. In April 1941, German government reports noted that Spain had as many as 500,000 unemployed⁷; ~100,000 civilians were expected to leave Spain for Germany by mid-1942 and the Germans believed that 300,000-400,000 Spaniards would finally relocate⁸. However, notwithstanding the German expectations, only 8,250 Spaniards ever worked in Germany on this programme. If 1,300 Spaniards are added, those estimated to have worked independently in Germany, the total is ~9,550 at any one time. An approximate total of 25,000 Spaniards were involved. In May 1943, when there were 36.5 million workers in Germany, the highest total since 1939, the highest Spanish contribution represented <0.02 per cent of the German workforce (Homze 1967, p. 232); this equals ~0.1 per cent of the Spanish workforce⁹.

Workers in the programme were recruited in Spain by combined teams of Spanish and German officials. Workers were sent to the Spanish-French border town of Irún to be kitted out before departing for Germany via France.

⁶ AMAEC R2225/1, undated pamphlet; AMAEC R2225/6; AMAEC R2225/1, letter dated November 7, 1944, telegram dated January 8, 1945 and telegram dated March 26, 1945.

⁷ AMAEC R2225/1, undated pamphlet, p. 99; largely consistent with unemployment figures reported in Mitchell, (1992 pp. 153 and 164).

⁸ NARA RG242/T-77/243/987071-72.

⁹ Catalán Vidal, La economía española, p. 54.

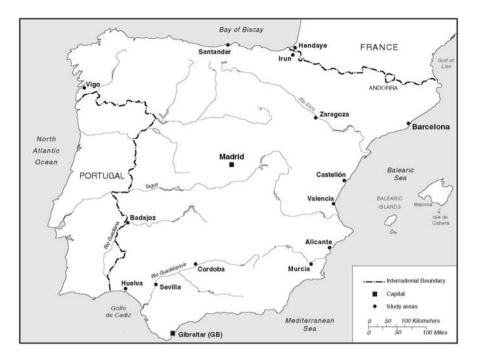


FIGURE 1 MAP OF SPAIN (INDICATING THE CITIES FROM WHICH THE LABOUR VOLUN-TEERS ORIGINATED)

Their cities of origin are shown in Figure 1. Their largely urban origins suggest they would have had higher skill levels than average, as discussed below. Although planned to be continuous, the supply of workers was recruited and transported in three main phases: from October to December 1941, from spring to November 1942 and from June to July 1943. The smaller number who bypassed the state system had begun to work in Germany, using the transfer system to remit their earnings to Spain.

This study offers the first quarterly figures for Spanish workers in Germany, significantly expanding the limited number of post-December 1943 estimates in García Pérez's study. As seen in Table 1, apart from a period in 1942 when there was a number of independent Spanish workers in Germany, the number of workers does not significantly differ from that of García Pérez's original study (within 20 per cent). Figures from November 1941 to September 1943 are based on information held by the Spanish and German authorities; in Table 1, the data, which are taken directly from Spanish government sources administering the programme, are labelled «MAE Estimates»; estimates by García Pérez are listed in the second column from

the left. The right-hand column contains the results of the present study; these estimates are typically higher than others as they include all the Spaniards temporarily working in Germany, as described above.

Worker statistics from the end of 1943 through December 1945 are reconstructed using monthly wage remittance statistics from Spanish authorities. These statistics assume that workers continued to return money to Spain as regularly throughout the remainder of the war as they had in 1943. This represents an average of 7.73 transfers per annum for each worker. Average wages varied during the war and cannot be used as a benchmark. There seems to be no better method of estimating the number of workers than to assume that they continued to transfer funds back to Spain with the same frequency¹⁰.

The first phase of recruitment began in September 1941, but did not go as smoothly as the negotiators had hoped. The Germans sought to recruit 24,000 workers immediately, including a relatively high proportion of skilled labourers, but the Spanish total was only 5,000¹¹. Barcelona, Madrid and Huelva opened recruitment centres; further offices of the CIPETA were later established in Barcelona, Seville, Valencia and other cities throughout Spain. Thousands reportedly queued at these three offices in the first days of recruiting¹².

Five thousand workers left between mid-November 1941 and January 1942, after which shipments were halted amid reports of poor working conditions in Germany¹³. The complaints singled out poor housing, long hours and pay rates below the German wages for equivalent work; there were also unresolved financial issues between Spain and Germany, including cost reimbursements and provision for pensions, sick leave and other benefits¹⁴. These complaints were put to the German authorities and recruiting halted in late December 1941¹⁵. Various outstanding items concerning conditions and pay were resolved by spring 1942, when Spain resumed the programme; by September 12 as many as 8,242 Spaniards were in Germany. However, it must be admitted that of these about 1989 were awaiting return to Spain, leaving only 6,253 by October 1942¹⁶. The number declined by ~1,000 when the agricultural labourers returned to Spain and was then further reduced at the turn of the year.

¹⁰ See sources for Table 1. Note results are consistent with other authors' findings.

¹¹ AMAEC R2225/1, note dated August 29, 1941; memo dated September 22, 1941.

¹² AMAEC R2225/1, reports dated October 9-10, 1941.

¹³ AMAEC R2225/1, reports dated October 9-10, 1941; NARA RG242/T-77/243/986882 memo entitled «Stand der Anwerbung ausl. Arbeitskräfte», marked Rue IVd, dated January 19, 1942; NARA RG242/T-77/243/986880, memo entitled «Arbeitseinsatz von Auslandern im Reichsgebiet», dated March 13, 1942.

¹⁴ AMAEC R2225/6 and R2225/1, correspondence dated between November 3, 1941 and April 9, 1943.

 ¹⁵ Archives of the General de la Administración (AGA), T16256, memo dated February 24, 1942.
 ¹⁶ AMAEC R2225/1, dated February 5, 1943.

The total declined precipitously in late 1942. The Germans complained about both the low numbers and poor quality of the Spanish workers received to date¹⁷. In what was interpreted by the Spanish authorities as retaliation for the lack of new workers in the autumn of 1942, the Germans suspended the Spaniards' next Christmas vacation. This postponed the workers' annual holiday until after January 15, 1943. Over 40 per cent of the workers (~650) who then returned to Spain refused to go back to Germany, no doubt as a result of the poor conditions. The Spanish government refused to enforce their contracts and did not forcibly return them¹⁸; it also suspended its recruitment efforts. The loss of ~650 workers resulted in a decline to 4,700 workers by February 1943. This figure stands as the base number of non-seasonal Spanish labourers in Germany until October/November 1943¹⁹.

After trying to recruit workers through their Embassies and Consulates in Spain, the Germans finally pressured the Spanish government to reauthorize the recruitment programme from June 1943 (planning began in February 1943)²⁰. The third wave of recruitment saw far fewer volunteers (Bowen 2000, pp. 187-188). Approximately 2,500 recruits left Spain for Germany between March and June 1943 and the number in Germany in 1943 peaked at ~7,200 between August and September of that year. By this point, the political changes were clearly a factor; the number of CIPETA recruiting officers had notably decreased, anticipating a smaller yield²¹. Competition for labour within Spain is also a possible cause as the Spanish economy was improving substantially. The number of recruits was commensurate with previous yields and remained below expectations (Catalán Vidal 1995, p. 111ff).

Late summer 1943 marks a turning-point in Spanish-German relations. Allied pressure on Franco to withdraw his support for Germany then reached its height. Losses in Spain's military contingent, the Blue Division, mounted as the German war on the Eastern Front became increasingly bleak (Kleinfeld and Tambs 1979, pp. 324-339). In August 1943, the President of CIPETA informally decided to repatriate as many Spanish civilian workers as possible, purportedly due to poor conditions in Germany²². Two months later, in October 1943, to satisfy Allied demands, Franco re-declared Spanish neutrality and ordered the withdrawal of Spanish support for Germany. Spain continued to allow monetary transfers from workers still in Germany²³.

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¹⁷ AMAEC R2225/1, letter to dated January 9, 1942; AMAEC R2225/1, memo dated February 5, 1943.

¹⁸ AMAEC R2225/1, memo dated February 5, 1943.

¹⁹ AMAEC R2225/1, memo dated February 5, 1943 and Table 1.

²⁰ AMAEC R2225/1, memos dated between May and July 1943; AMAEC R2225/1, memo dated February 5, 1943.

²¹ AMAEC R2225/7, accounts of «CIPETA Oficinas en España [Spanish CIPETA Offices] Servició de Intervención y Contabilidad [Service of Transfer and Accounting]».

² AMAEC R2225/1, memo dated October 26, 1943.

 $^{^{23}}$ For summary of relations at this point, see NARA RG107/160/921, memo dated March 24, 1944.

In the short term, the Spanish government's policy changes led to increased numbers of workers. In the repatriation of the Blue Division from the Eastern Front, \sim 1,000 of its 18,400 members decided to stay in Germany for a time while the division was returned to Spain²⁴. In the last quarter of 1943, this temporarily increased the number of workers to about 6,900.

After October 1943, Spanish authorities no longer recorded the number of workers in Germany²⁵. The only basis for assessment is the number of monetary transfers made by each worker; wage rates themselves are believed to have varied. Figures for the number of workers from late 1943 to May 1945 have been re-created on the assumption that workers continued to remit their earnings with the same average frequency (7.73 times per annum)as they had on average during 1943. These figures are adjusted to compensate for the one-third who reportedly did not use the transfer system, and smoothed using a 3-month moving average, to account for the large swings in transfers as a result of communication breakdowns. After December 1943, the new methodology used in this study suggests that \sim 4,000 workers were still in Germany in March 1944, declining to 2,240 by June 1944; the figure halved again by September, with only 1,100 workers left in Germany. Problems in transporting workers from Germany to Spain after the Allied invasion of southern France no doubt hindered repatriation and slowed this decline; it resulted in \sim 980 workers remaining in December 1944 and 650 by March 1945, based on the above figure of 7.73 transfers per annum per worker.

As this section has demonstrated, the number of civilian Spanish workers never reached the figures desired by the German government. Although the Germans had wanted 400,000 workers, they received no more than about 9,550. A significant number of workers also travelled outside the official programme. This is the first study to corroborate the 9,000 Spanish workers reported by Germany in 1943, a figure which lies between the maxima reported by García Pérez and Rodríguez Jiménez of 8,250 and 10,569, respectively²⁶.

3. WORKER PROFILES

The Spaniards employed in Germany represented some of the most productive elements of the Spanish labour force. There were three principal groups of Spanish workers: full-year unskilled, full-year skilled and seasonal

²⁴ NARA RG242/T-77/885/634561; NARA RG242/T-77/885/564575-564606; NARA RG242/T-77/ 885/563485-563486 (Vadillo 1984). Estimates are based on changes in remittances; for discussion on the repatriation of the *Blue Division*, see Kleinfeld and Tambs (1979, pp. 329-345).

²⁵ AMAEC R2225/1; AMAEC R2225/7.

²⁶ Imperial War Museum, Duxford (IWM-D) Foreign Documents (FD) 847/46, graph entitled *«Der Arbeitseinsatz ziviler Ausländer nach der Staatsangehörigkeit* [Civilian Foreign Worker Statistics by Citizenship];» Rodríguez Jiménez 2002, p. 186; see also Table 2.

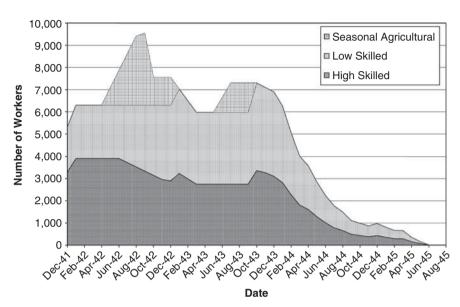


FIGURE 2 SPANISH WORKERS IN GERMANY BY SKILL LEVEL, SEPTEMBER 1941 TO JUNE 1945

agricultural workers. As part of their October 1941 effort, the Germans sought to recruit a largely skilled group of workers from Spain: about 13,000 for construction, 6,000 for mining, 4,000 for metallurgical and 1,000 for agricultural work²⁷. Excluding temporary workers, Spanish labour consistently included an above-average proportion of highly skilled workers (Homze 1967, p. 235). As Figure 2 shows, the number of such workers in Germany dwindled slowly over time; from correspondence by the British Ambassador, holiday returns data and arrest records, the percentage of Spanish labourers in Germany classified as skilled declined from 62 per cent of the full-year workers from the start in December 1941 to 44 per cent by the end of the war²⁸. In comparison, it is believed that less than a quarter of domestic Spanish workers were skilled. Unskilled/agricultural workers

Sources: AMAEC R2225/1, letter from the British Ambassador, Arthur Tencken to Pelayo Garcia Olay, MAE, dated January 9, 1942; NARA RG242/T-84/466/182-189, memo entitled «An das Sondergericht bei dem Landgericht Berlin, 6PJs 1770/44 und 193 KLs 31/45»; AMAEC R2225/7, letter from Larcocino Corride to MAE, dated October 25, 1943; NARA RG242/T-84/466/190-192, memo entitled «Stafsache, Sond. IV, 6 P.K.Ls. 541.44 (3194.44).»

²⁷ AMAEC R2225/1, note dated August 29, 1941 and memo dated September 22, 1941.

²⁸ AMAEC R2225/1, memos dated January 9, 1942 and February 5, 1943; NARA RG242/T-84/ 466/190-192.

suffered disproportionally from unemployment and should have been the Spanish government's logical targets for this programme²⁹. The Spaniards also contained a higher proportion of skilled workers than was typical of foreign groups in Germany during the war, when 38.33 per cent of the workers were skilled³⁰. This section details the changes in the skilled, unskilled and agricultural labour groups from Spain in Germany.

Many Spanish seasonal agricultural workers were recruited. Approximately 3,200 Spaniards went to Germany as temporary seasonal agricultural workers from June to October 1942 and 2.600 from June to October 1943. In both years, the number of workers increased dramatically in April and peaked in September/October, when Germany's farming season ended. These swings can be attributed only to agricultural workers, because outflows of long-term workers from Germany were strictly limited to the vacations set in their contracts³¹. In 1942, the approximate trough to peak employment difference was 3,200 workers or about 39 per cent of the peak workforce; in 1943, it was 2,600 workers or about 36 per cent of the total workforce. Note that, as Figure 2 shows, in October/November 1943, ~1,000 members of the Blue Division replaced the temporary agricultural workers who left then; these members chose to stay in Germany when their division disbanded³². Removing the temporary agricultural labour force establishes a base figure of 4,700 full-year workers, both skilled and unskilled, from January 1942 to February 1944.

Of the full-year contract workers, three separate tests find that between 2,000 and 2,900 (44 per cent to 62 per cent) were working in skilled industrial jobs, with the remainder fulfilling less skilled or full-year agricultural roles. The first source for the number of skilled workers is a memo from the British Ambassador to the head of the CIPETA, Pelavo García Olay, concerning the recruitment of skilled industrial workers from British mines owned by Rio Tinto³³: it covers the skill distribution of recruits at the end of 1941. In November 1941, CIPETA recruited 216 men from Rio Tinto's mines, Of these, the Ambassador asserts that no fewer than 133 were regarded as highly skilled and impossible to replace. This group contains a large cross-section of mine workers, including drillers, transport operators of various kinds, boilermen, furnace loaders, welders, electricians, pump operators and crane drivers. The unskilled group includes telephone operators, apprentices, labourers, carpenters, storekeepers and assistants of various kinds. The Ambassador's figures would probably have been biased so as to make his

²⁹ See AMAEC R2225/1, correspondence from late 1941 on the employment situation in Spain. There are no definitive statistics on skilled vs. unskilled labour in Spain during this period, in particular regarding unemployment.

 ³⁰ Homze (1967, p. 69); IWM-D FD847/46, chart.
 ³¹ AMAEC R2225/1, undated pamphlet.

³² See previous section on the disbandment of the Blue Division.

³³ AMAEC R2225/1, letter dated January 9, 1942.

point that highly skilled workers from British mines were being recruited for the German war effort; but his figures suggest that \sim 62 per cent of those recruited to German industries were highly skilled. Applying this figure to the 4,700 permanent labourers in Germany between late 1941 and early 1942 would indicate \sim 2,900 as highly skilled and 1,800 with lower skills in January 1942 (see footnote 33).

The second source of relevant data refers to the 1942/1943 holiday period. As previously noted, skilled industrial workers (but not unskilled agricultural workers) employed in Germany were allowed vacations in Spain under the Spanish-German agreement. After their first year's work, they received 21 days' vacation on full pay, excluding travel days³⁴. Over the 1942/1943 holiday season, when Germany delayed their leave, records were kept of those who eventually left for Spain; many chose not to return. According to the Spanish figures, 2,191 workers, the highly skilled industrial workers who alone were entitled to these holidays, left Germany in January 1943. This figure indicates that about 46 per cent of the 4,700 full-year workers were involved; ~2,500, or 54 per cent, low- or non-skilled labour remained³⁵.

The percentage of skilled workers declined yet further. Despite a steep decline after mid-1944, ~1,000 were still in Germany in December 1944. A fragmented set of German diplomatic correspondence regarding Spaniards arrested in Berlin in late 1944 to early 1945 provides some insight into the composition of those Spaniards who remained. The November 1944 record of Spaniards prosecuted for crimes includes complete profiles for nine Spaniards. Of the nine, six are skilled labourers and three are listed merely as Arbeiter (labourers): the six skilled workers comprise two electricians, two mechanics, one welder and one mechanical fitter³⁶. The January 1945 arrest record includes a further nine subjects, only seven of whom, one skilled labourer and six unskilled, were Spaniards who featured as part of this programme³⁷. The skilled man was a mechanic while the remainder comprised 3-day labourers, two waiters and one busboy³⁸. Sixteen is hardly an ideal sample size for the \sim 1,000 workers in Germany at this time; however, these are the only relevant statistics available. Of the sixteen, seven were skilled and nine unskilled; this suggests \sim 44 per cent skilled and 56 per cent unskilled. When these figures are applied to the \sim 1,000 Spanish workers still in Germany around the end of December 1944, they indicate ~440 skilled workers and 560 unskilled. Note that this late figure for skilled

³⁴ AMAEC R2225/1, undated pamphlet, pp. 99-101.

³⁵ AMAEC R2225/1, memo dated February 5, 1943.

³⁶ NARA RG242/T-84/466/190-192; NARA RG242/T-84/466/182-189.

³⁷ Two are excluded: one is Portuguese and the other a Spanish Republican (*Rotspanier*) who had been living in France before working in Germany. The remaining seven had lived in Spain before working in Germany.

³⁸ NARA RG242/T-84/466/182-189.

workers is still above the maximum 38.33 per cent of German skilled workers during the war³⁹.

As the results suggest, the Germans were increasingly forced to accept fewer skilled and more unskilled Spanish workers in order to maintain recruitment figures. Given the rapidly improving Spanish economy and the gradually worsening situation in Germany, it is only logical that those with most to gain in Spain (i.e. the skilled workers) returned there before others with poorer job prospects.

The gender profile of the workers suggests an overwhelming male majority. German political ideology generally frowned on women in the workplace, resulting in a disproportionate recruitment of Spanish men over women (Koonz 1987; Elling 1978, pp. 11-22). The number of Spanish women working in Germany at the outset of the programme was low and declined steadily⁴⁰. Of the 1,300 Spanish workers in Germany before the formal programme began in December 1941, 16 per cent were female and 84 per cent male⁴¹. As the German labour recruitment programme was specifically geared to younger males, it is reasonable to assume that no women left for Germany between October 1941 and January 1944. As a result, at the September 1943 peak, only 3 per cent of the total Spanish labour contingent in Germany is estimated to be female. The skill and gender statistics are important for determining the wages to be expected, since in Germany females were paid substantially less than males.

4. TRANSFERS

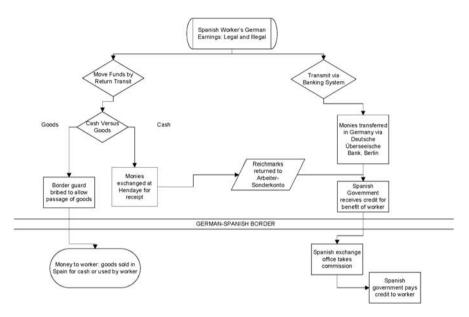
One of the most important aspects of the August 1941 Spanish-German agreement was the currency exchange system known as the *«Arbeiter Son-derkonto»* (The Workers' Special Account). This clearing system enabled workers to send funds home from Germany despite the currency embargoes, allowing Spaniards working in Germany to remit their reichsmark earnings in Spanish pesetas to Spain. Without this transfer system the programme would have been unable to recruit many workers, since only Spaniards who were willing to accept payment in blocked reichsmarks would have worked in Germany. The official rates agreed in August 1941 were particularly generous to the workers and penalised the government (for this particular programme), due to the overvaluation of the peseta against the reichsmark (a value which persisted because of Spain's net debtor position)⁴². However, available statistics indicate that the Spanish exchange commission, the

³⁹ Homze (1967, p. 69). IWM-D FD847/46, chart.

⁴⁰ This excludes Spanish nurses and other hospital personnel working in Germany as part of the *Division Azul*.

⁴¹ NARA RG242/T-77/243/985921-22.

⁴² NARA RG242/T-77/556869, memo dated June 10, 1944; (Leitz 1996, pp. 133-134).





Sources: Deutsche Arbeitsfront (Amt für Arbeitseinsatz) (1941): Sammlung der Bestimmungen über den Einsatz ausländischer Arbeiter in Deutschland, p. 99. AMAEC R2225/1, letter dated October 25, 1941.

IEME, took a commission from these transfers before passing the funds on to CIPETA for payment to the workers, improving its own position in this respect. This commission was in violation of the August 1941 agreement, which called for remittances to be paid at the official rate⁴³.

The mechanics of the *Arbeiter Sonderkonto* system were unfavourable to Spanish workers who wanted to send all their earnings, minus expenses incurred in Germany, back to Spain. As Figure 3 indicates, all funds had to be sent to a clearing account in favour of the Spanish government⁴⁴, which received a credit to its clearing account in Germany; the Spanish exchange authority, the IEME, paid a lesser amount to CIPETA, as detailed below. The Spanish Treasury, on behalf of CIPETA, then paid the worker's family an equivalent amount in Spanish pesetas at the official exchange rate from the state budget. When workers returned to Spain, they had to submit any Reichmarks or Rentenmarks held in cash at the French-Spanish border (where German control ended) for exchange, and the marks were remitted

⁴³ AMAEC, R2225/7, Agreement dated August 22, 1941.

⁴⁴ AMAEC R2225/7, pamphlet, pp. 99-101.

Year	IEME transfers (pesetas)	CIPETA payments to workers (pesetas)	Number of transfers		
1941	3,544,074	3,931,343	N/A		
1942	17,597,169	12,687,015	24,202		
1943	58,034,475	44,734,638	38,164		
1944	40,262,184	30,914,362	19,855		
1945	3,291,476	1,841,297	1,656		
Total	122,792,378	90,810,361	N/A		

TABLE 2TRANSFERS FROM GERMANY TO SPAIN, 1941-1945

Notes: The transfers began in September 1941, before the Spanish programme workers actually arrived in Germany; they were made by volunteer, non-programme workers already in Germany. Payments continued through December 1945.

Sources: AMAEC R2225/2, memo, «Negociado de Transferencias»; AMAEC R2225/7, memo, «Negociado de Transferencias: Estadística del Año 1945; Banco de España, IEME, libros 22861, 22862, 22866 and 22868 "Rentas de Trabajo" (reported in Pounds Sterling and converted at the official rate)».

to Spain⁴⁵. The Spanish government charged no commission for these transfers⁴⁶. However, this system did not function entirely as desired. According to Spanish Foreign Ministry information, only about two-thirds of the workers transferred their earnings in cash⁴⁷. Official Spanish surveys suggest the rest remitted their German earnings to Spain as consumer goods, illustrated by the left-hand pathway shown in Figure 3⁴⁸.

As the figures in Table 2 show, between September 1941 and December 1945 about 122.8 million pesetas' worth of earnings were remitted from Germany to Spain through the *Arbeiter Sonderkonto* system. CIPETA received 90.8 million of these pesetas for transfer to the workers; this represents 427 pesetas per workermonth. The funds retained by the government total over 31.9 million pesetas or 25.9 per cent of the total amount remitted from Germany. The net value of the transfers just exceeds an average of 0.17 per cent of the Spanish annual GDP in wartime (Prados De la Escosura 2003, p. 288).

The *Arbeiter Sonderkonto* transfer statistics reveal general trends. Payments to workers in 1942, the programme's first full year, represent about one-seventh of the total; 1943, the peak year of transfers, saw almost exactly half and 1944 about one-third overall. Figure 4 shows the remittances to workers on a monthly basis. As the chart illustrates, total payments steadily increased from December 1941 to December 1942; they then slowed with the return of

⁴⁵ AMAEC R2225/7, pamphlet, pp. 99-101; AMAEC R2225/1, letter dated January 9, 1942.

⁴⁶ AMAEC R2225/7, agreement.

⁴⁷ AMAEC R2225/1, memo dated October 26, 1943.

⁴⁸ AMAEC R2225/7, letter from Larocino Corride to MAE dated October 25, 1943.

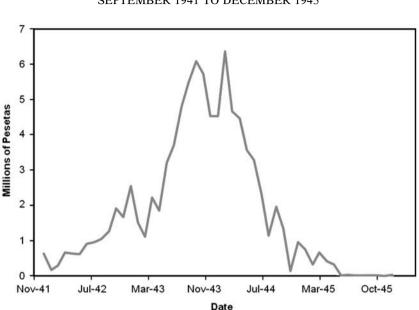


FIGURE 4 MONTHLY PAYMENTS BY CIPETA TO SPANISH WORKERS, SEPTEMBER 1941 TO DECEMBER 1945

Sources: AMAEC R2225/2, memo, «Negociado de Transferencias,» AMAEC R2225/7, memo, «Negociado de Transferencias: Estadistica del Año 1945.»

seasonal labour to Spain and recovered in spring 1943. Remittances reached a peak in January 1944. The holiday period at the end of 1944 interrupts what is otherwise a steady decline in the 3-month moving average of transfers after September 1943.

The extent to which the system actually accounted for all transfers is, however, less than clear. According to the August 1941 agreement, it should have dealt with all funds from Spanish workers, allowing the Spanish government to obtain valuable reichsmark foreign exchange and lower its debts⁴⁹. However, according to a Foreign Ministry memo dated October 26, 1943, only two-thirds of the Spaniards in Germany used the banking system for remittances⁵⁰. The CIPETA figures suggest that a third of Spaniards in Germany either spent all their earnings in Germany or transmitted funds to Spain by methods other than bank transfers⁵¹. Spanish Foreign Ministry

⁴⁹ AMAEC R2225/7, agreement dated August 22, 1941.

⁵⁰ AMAEC R2225/1, memo dated October 26, 1943.

⁵¹ AMAEC R2225/7, letter dated October 25, 1943.

documents suggest that in the early months of the programme some workers, on returning to Spain, were remitting their funds in the form of purchased goods. Because of the difficulty of carrying large quantities of luggage or heavy consumer items on the long train journey, the transported items probably consisted of liquor, cigarettes or other small expensive items obtainable only on the German black market; due to shortages, they could resell these in Spain at cost or even above. Another complicating function is the commission taken by the Spanish government transfer department, the IEME, in the exchange process; but the precise effects of this 25.9 per cent commission are unknown. The actual earnings attributable to work are not available; we have to assume, but without any confirmation, that the transfers reflect work-related earnings⁵².

The statistics may also be affected by black market activities and wage inflation. As the war dragged on, unofficial prices and wages rose quickly in Germany, but remained comparatively low in Spain. According to the written records, many Spanish workers took advantage of black-market activities to sell Spanish commodities to the Germans, using the transfer system to remit their illegal black-market earnings to Spain. When discussing the problem of illicit earnings and remittances, the Spanish Foreign Ministry officials used large and dramatic examples to highlight the potential costs to the Spanish state and to dramatise the level of illegal activities. For example, a Spaniard could carry coffee to Germany, exploiting the wide price difference between the two countries. It was estimated that a worker could carry twenty kilos of coffee from Spain to Germany after a vacation, which at 450 reichsmarks per kilo could net 9,000 reichsmarks on the German black market. At the 1943 exchange rate of 4.24 pesetas per reichsmark, this sale would yield ~37,800 pesetas in income, equivalent to about 7 years of regular earnings in the Spanish labour programme. These illegitimate earnings could have been remitted through the Arbeiter Sonderkonto system, potentially inflating the perceived total of wages earned.

Despite concern, Spain did almost nothing to limit the transfer of illegitimate funds. As Table 3 shows, the Spanish government had blocked only 0.38 per cent of the transfers (by value) at the end of the programme⁵³. Such a low percentage suggests that the government was not sufficiently concerned to take action. There are no statistics to indicate the actual levels of illicit transfers or the effects of the commission system, but, officially at least, the effects are believed to be quite small.

5. A FINAL ACCOUNTING

The final accounts of the Spanish worker programme show that the Spanish government was profiting overall from the labourers it sent to Germany. However, different departments of the Spanish state benefited or lost, perhaps

⁵² AMAEC R2225/7, letter dated October 25, 1943, p. 2.

⁵³ AMAEC R2225/1, memo dated October 26, 1943.

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Status	Number of transfers withheld	Amount (Pesetas)		
Blocked	130	220,401		
Pending additional information	82	129,770		
Total	212	350,171		
As percentage of total transfers	0.25	0.39		

 TABLE 3

 TRANSFERS WITHHELD AND UNDER INVESTIGATION, DECEMBER 31, 1945

Sources: AMAEC R2225/7, memo «Comisión interministerial para el envió de trabajadores españoles a Alemania» dated January 1946; AMAEC R2225/7, table entitled «Negociado de Transferencias: Estadística del Año 1945».

explaining why some were in favour of it and others against. The Spanish Treasury, led in 1941 by Joaquin Benjumea, was hostile towards CIPETA on the basis of his belief that the programme would be a net expense for Spain. In October 1941 he refused to disburse funds for CIPETA until an intervention from the Council of Ministers, which controlled the Spanish government. It was ultimately the IEME and the Treasury, which benefited from this worker programme, through the transfer commissions; although it is not possible to establish a *quid pro quo* for the release of the initial funds and the approval of the commissions system using existing sources. CIPETA and the Foreign Ministry ultimately had to pay its costs, but did not receive the benefits of the transfer commissions. However, in the following analysis, we consider the Spanish government as one for the purposes of this paper.

Income from Germany paid to the IEME totalled 122.8 million pesetas. The IEME transferred 90.8 million pesetas to CIPETA. Against this, there were two tiers of costs: workers' remitted salaries of 90.8 million pesetas, which were subsequently paid from the IEME to CIPETA (an identical amount was credited to the German loan to Spain). This left IEME, and ultimately the Spanish Treasury, with a «profit» of 32.0 million pesetas. Other programme expenses in excess of German government reimbursement were paid directly by CIPETA and came to 7.2 million pesetas, as outlined in Table 4. When combined with the workers' salaries paid from the state budget, the total costs to the Spanish state were 98.0 million pesetas or 0.68 per cent of an average year's wartime spending by Spain (Table 4; Prados De la Escosura 2003, p. 453). Once the 122.8 million pesetas remains; this is equivalent to 0.17 per cent of Spain's annual wartime spending (Table 4; Prados De la Escosura 2003, p. 453).

Expenses. Although recruitment, basic equipment and transportation within Spain and inspections in Germany were meant to be covered by German expense reimbursement, the Spanish government in effect became responsible for most of these expenses and several additional items. To begin

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	1941	1942	1943	1944	1945	Unallocable	Total
Income:							
Credits for equipment returned		551.841	1.747.385	1.336.985	186.937		3.823.147
Credits for unused items held in ware- houses, Hendaye						714.200	714.200
Credits for train tickets refunded		0	8.059	5.136	570		13.765
Reimbursed expenses — credit from Ger- many	332.410						332.410
Reimbursed expenses — other spanish government entities						184.493	184.493
Advance payments		91.835	33.827	5.102	307		131.071
Transfers withheld						350.170	350.170
Totals	332.410	551.841	1.755.444	1.342.121	187.507	898.694	5.549.257
Expenses:							
Personnel in Spain — salaries	115.860	564.818	615.244	555.360	157.495		2.008.778
Personnel in Spain — benefits	35.327	105.658	74.025	18.741	1.812		235.562
Personnel in Germany — salaries	26.983	834.243	946.218	514.579	108.500		2.430.524
Personnel in Germany — benefits	0	36.152	39.972	9.808	1.649		87.582
Materials — purchased in Spain	116.816	95.278	85.437	50.300	15.908		363.740
Materials — purchased in Germany	3.230	137.141	136.740	140.290	1.297		418.698

TABLE 4 FINAL ACCOUNTING OF THE HISPANO-GERMAN CIVILIAN LABOUR PROGRAMME (IN PESETAS)

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TABLE 4	(Cont.)
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		1	1	1			
	1941	1942	1943	1944	1945	Unallocable	Total
Materials — acquisition of equipment for workers	2.475.479	2.208.627	397.444	0	0		5.081.550
Transportation expenses within Spain	399.417	325.349	228.595	4.679	35.951		993.991
Other expenses in Spain (including employee transport)	155.395	1.030	1.825	640	0		158.890
Other expenses in Germany (including transport)	8.315	29.086	43.797	6.497	6.334		94.029
Other — transportation billed by RENFE in 1947						437.174	437.174
Other — Hacienda expenses, billed in 1946						332.190	332.190
Uncategorized expenses						87.667	87.667
Total expenses	3.336.822	4.337.382	2.569.297	1.300.894	328.946	857.031	12.730.373
Total income less expenses	-7.181.117						
Total salaries paid to workers	-90.810.361						
Total costs to Spanish state	-97.991.478						

Sources: Ministerio de Hacienda: Direction General de Aduanas (1941): Estadistica del Comercio Exterior de Espana, 1941. AMAEC R2225/7, memo marked, «Negociado de Transferencias: Recibos Pendientes de Despacho» from Servicien de intervención y contabilidad, CIPETA, dated January 1946. AMAEC R2225/7, memo from Subsecretario, Presidencia del Gobierno, dated November 8, 1947. AMAEC R2225/7, memo from MAE to RENFE dated July 10, 1947. AMAEC R2225/7, «CIPETA Oficinas en el Extranjero», and CIPETA Oficinas en España», Servicio de Intervención y Contabilidad.

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with, it organised and transported the workers to the Spanish border where they were given clothing, footwear, rations for the journey and passports. Spanish workers were, however, not equipped with sufficient heavy winter clothing to survive the long, harsh German winters; from the autumn of 1942, the Germans did not supply these items but left Spain to do so. Food shortages led the Spanish Embassy in Berlin to request additional food for distribution to the Spanish workers in Germany. The clothing, boots and other equipment cost Spain just over half a million pesetas net after crediting for equipment returned to the warehouses during repatriation and at the time of liquidation⁵⁴. Although it eventually made this deficit up with transfer commissions, under the August 1941 agreement, it could only claim reimbursement of up to 42.40 pesetas per worker for reasonable expenses⁵⁵. Apart from the fixed German government reimbursement, there was no additional private or public reimbursement of these CIPETA expenses.

Other expenses included a billing in 1946 for excess transportation costs⁵⁶. Several memos indicate the Germans failed to return Spanish workers to the border station at Irún, but gave them tickets to the German border with France instead; the Spanish state ultimately purchased several thousand pesetas' worth of French, Belgian and Swiss train tickets to repatriate these workers⁵⁷. Transportation cost altogether some 1.4 million pesetas which was billed by the national train operator, RENFE, through 1947⁵⁸.

After credits for the returned equipment and train tickets are recorded against the related expenses, the actual income from withheld payments and reimbursement is small (see Table 4). The income consists mostly of withholdings from the transfer programme and reimbursed expenses. The largest credit comes from transfers withheld and never paid because the recipients could not be traced and/or the funds were blocked as illegitimate earnings; these withholdings totalled 350,000 pesetas⁵⁹. Reimbursements include the sum of 332,000 pesetas, which Germany advanced to Spain in September 1941⁶⁰. Other Spanish departments reimbursed CIPETA for various expenses, totalling some 184,500 pesetas in the course of the programme. Income for the reimbursement for advance payments, of which no description is available, totalled 131,000 pesetas⁶¹. These credits were less than the expenses.

As seen in Table 4, total income (including reimbursements and reclaimed equipment) from the programme came to 5.5 million pesetas and

⁵⁴ AMAEC R2225/7, accounts.

⁵⁵ AMAEC R2225/7, agreement dated August 22, 1941.

⁵⁶ AMAEC R2225/2, letter dated February 13, 1946.

 $^{^{57}\,}$ AMAEC R2225/2, see memos and bills for various expenses dated between July 21, 1942 and July 10, 1947.

⁵⁸ AMAEC R2225/2, memo dated July 10, 1947.

⁵⁹ AMAEC R2225/2, memo dated January 1946.

⁶⁰ AMAEC R2225/7, memo dated November 8, 1947.

⁶¹ AMAEC R2225/7, accounts.

total expenses to 12.7 million pesetas; as a result, the direct programme costs were 7.2 million pesetas or about 0.05 per cent of an average year's state spending in wartime (Prados de la Escosura 2003, p. 453). Combined with employee expenses of 90.8 million, total Spanish state expenditure for the programme reached 98.0 million pesetas.

As the structure of the agreement and these final accounts suggest, by agreeing to organise, equip and monitor the Spanish workers going to Germany, the Spanish state committed itself to spending millions of pesetas. As previously indicated, it could only claim reimbursement for reasonable expenses of up to 42.40 pesetas per worker. As seen in Table 4, actual expenses per worker were substantially higher: during the active periods of recruitment from November 1941 to October 1943, there were ~25,000 individual workers⁶². Total net programme expenditures of 7.8 million pesetas for 25,000 workers imply a net expenditure of ~316 pesetas per worker, far exceeding the 42.40 peseta credit. As a result, the German contribution merely offset, but never fully reimbursed the expenses to CIPETA. Had the programme run to its originally expected size, CIPETA would have spent millions of additional pesetas. This gives an added reason for the early suspension of recruitment by CIPETA while the flow of remittances continued to be permitted.

6. CONCLUSIONS

The Spanish government offered Germany workers and then minimised the numbers, which it allowed to go. This change must be attributed to Allied diplomatic efforts to limit Spanish-German cooperation. The Spanish government's mediocre recruitment efforts, the low number of actual recruits and the withdrawal of the recruiting officers in 1942 reveal clear choices by the Spanish government to limit the size of the programme, despite publicly indicating otherwise. This was despite the «transfer commissions» collected by the Spanish government. The traditional diplomatic view has been that workers were not sent to Germany because of conditions there. However, the new employment statistics presented in this paper suggest that workers continued to go despite these poor conditions and even without Spanish state sponsorship to cover their transportation costs. It was the Spanish state rather than the workers themselves that wanted to stop providing labour to Germany; parallel to this, the Spanish-German government negotiations became more and more tempestuous. The Allies became more assertive in their willingness to impose trade sanctions, on oil in particular. The timeline of Spanish government actions suggests that the Allied diplomatic pressure to end the programme was successful.

In ending its recruitment for the programme, the Spanish government went against its own economic interests. Although the CIPETA organisation

⁶² Figures calculated from periods with net increases in workers from Table 1.

that was responsible for the worker programme was losing money, the Spanish transfer organisation, the IEME, was collecting sizeable commissions. With the losses and costs offset by the transfer commissions, the programme produced a modest overall «profit» of 24.8 million pesetas in favour of the Spanish government. Moreover, the reichsmarks which it earned helped to reduce Spanish debts with Germany. In addition to paving off the reichsmark debts, the small net «profit» meant the Spanish government should have been quite happy to encourage its citizens to work in Germany. Had the programme run to the base figure of 100,000 workers in early 1942, the Spanish IEME and Treasury could have earned about 1 per cent of its annual wartime GDP through transfer commissions alone, assuming that the losses of CIPETA were fully paid out of the commissions (Prados De la Escosura 2003, p. 453). However, the Allied pressure clearly affected Spanish thinking. Therefore, the decisions to suspend and eventually cancel the programme were taken against Spain's best short-term economic interests, but were able to distance Spain from Germany for the post-war period.

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