1. Félix VÉJARANO, representing the Confederación de Derechas Monárquicas, visited President Jose Antonio de AGUIRRE of the Basque Government-in-Exile on 2 December 1948 to "exchange impressions on matters of common interest" and to learn the Basque position regarding the Monarchist-Socialist rapprochement so that he could report it formally to Don Juan and his Political Council. He planned to go to Lisbon the following week. The two-hour interview represented the first approach that a Monarchist, admittedly acting with authority, had made to the official representation of the Basque opposition.

2. AGUIRRE said that before stating the position of the Basque Government he would like to hear certain tangible statements on the extent of the compromise between Monarchists and Socialists, especially regarding the provisional period.

3. VÉJARANO denied that Luis VILLALONGA, speaking in Biarritz shortly prior to this interview, had Monarchist authorization to make positive statements concerning an interim regency in the nature of a triumvirate composed of the Duke of ALBA, the Infante Alfonso de ORLEANS and Bishop PILDAIN, which would designate a provisional government. VÉJARANO said that the agreement with the Socialists specified no provisional government, but referred to an interim period, the means of government to be determined by the circumstances prevailing. (Washington Comment. PILDAIN is Bishop of the Canary Islands.)

4. AGUIRRE replied that these statements contradicted point 8 of the Monarchist-Socialist pact. VÉJARANO said that what actually existed between the Monarchists and the Socialists was an agreement on the methods which must govern the interim period.

5. AGUIRRE answered that popular opinion would deplore this indecision, and warned that a disposition to restore the Monarchy without a prior election would be dangerous for its effects on the future. VÉJARANO stated that the election was the core of the Monarchist-Socialist accord, and that while circumstances of its conduct were not determinable, it certainly would be conducted in complete freedom.
8. AGUIRRE asked for an explanation of the interview between Don Juan and General Franco. Velañano replied that while the Pretender approved the Monarchist-Socialist contacts, he had not participated in any agreement and therefore was free to talk with Franco, at the request of the Caudillo. Don Juan granted the interview upon the suggestion by Army officers that before establishing contacts with the democratic elements the Pretender should make an effort to arrive at an agreement with Franco. By this procedure he had put himself in a position later to say to the Army that he had done his part to induce Franco to turn over the power. Velañano added that there were two elements that could accelerate the fall of Franco: first, the continued isolation of the regime from the UN, and second, the abandonment by the military men of hope for outside (financial) aid as long as Franco remained, and their consequent turning to Don Juan.

7. AGUIRRE replied that Velañano’s remarks were very far from the spirit which had been attributed to the agreement with the Socialists, because they constituted simply a plan to install the Monarchy. He suggested that it would be well to analyse the Monarchist position as to other evolutionary solutions: for example, a military directorate which might take the power from Franco. Velañano rejected the idea of a military directorate, although he conceded that with civilian elements it might constitute an acceptable government to normalize the interim situation.

8. Velañano said that the Monarchists wanted the collaboration of all the democratic anti-Communist political, social and regional groups, in spite of strong objections from conservative monarchist circles.

9. AGUIRRE explained that the Basque Government-in-Exile, which he said represents the last free expression of the Basques, will not give up its mandate until the people, in a free election, ratify or change it. From this it follows that the Basque Government cannot make a pact nor commit itself to anyone before the people have shown their will. However, the Government leaves the political parties which compose it free to make whatever commitments they desire, arriving at whatever agreements may be necessary for the ultimate objective of opening ways for the free expression of the popular will. All the parties would favor autonomy in an election. If in order to achieve a free election they believe it opportune to make a pact with the Monarchists, they may do so. AGUIRRE emphasized the Basque position that autonomy was not a gift obtained during the Civil War to ward Basque resistance, but that it was the result of a long process of negotiation, beginning in 1931 and terminating with the approval of the Statute of Autonomy by the Parliamentary Commission of Madrid, prior to the Civil War. AGUIRRE said that the Basque people felt toward the Monarchy an *infinite suspicion* (sic), and therefore would be inclined toward a republic. He himself, he said, favored the republican system, believing that the future was going in that direction rather than toward the restoration of monarchies. Velañano asked what AGUIRRE’s reaction would be if the Monarchy recognized the aspirations of the Basques.

AGUIRRE replied that it was his belief that any formula which accepted the results of the free expression of the Basque people’s will would have a good reception. He warned that it would be useless to speak of purely administrative autonomy, such as administration of roads, sanitation and other like matters. Autonomy would have to be political. Velañano seemed willing, insisting that Basque demands could be fully satisfied.

10. Velañano said that the liaison committee shortly to be formed was the most important part of the agreement with the Socialists. He named the persons who so far had been designated to form the committee. [Redacted]. The same persons were mentioned as have previously been reported in [Redacted] except that Trifon Gomez, representing Indalecio Prieto, was cited instead of Fiallo, whose health is very poor. Also Velañano did not specifically...
citie ANSALDO) AGUIRRE asked why the Duke of ALBA or similar personalities were not members of the committee, if they were in favor of the accord with the Socialists. VEJARANO answered that the Duke of ALBA, General KINDELAN and General ARANDA, among other persons, had definitely supported the accord; that the Duke of ALBA was unable to obtain a passport to leave Spain, but that it was possible that both he and KINDELAN would come to France if they succeeded in obtaining passports. General ARANDA's interest was demonstrated by the fact that he had delivered to the Embassies in Madrid a document in which Don Juan (sic) committed himself to respect the terms of the accord, if the Monarchy were restored. Comment.

Reported that delivery of such a Monarchist note to the US, British and French Embassies in Madrid had been made on 15 November 1948.)

11. AGUIRRE inquired as to the Monarchists' progress in penetration of the Army. VEJARANO replied that it was slow, but satisfactory. Military support he said, would come on an ad hoc basis along with the adherence of the leaders who still are hesitating. Among them he cited Generals Juan YAGÜÉ Blanco, Miguel PORTE y Manso, and José SOLCHAGA Zala. Dismissing the pro-FRANCO Monarchists as being no obstacle to a transfer of power, VEJARANO said that in his judgment the most important task for the Monarchists was a rapprochement with the democratic opposition elements.

12. Returning to the liaison committee, VEJARANO said that even if there were another interview between Don Juan and FRANCO - a distinct possibility, he thought - and an agreement reached for the transfer of power, nothing would be done without the Liaison Committee's knowing its terms and conditions. The Liaison Committee, he assured AGUIRRE, would have the opportunity to accept or reject the arrangements.