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Franco's Ford

By Victor Mallet

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No one could have accused motor manufacturer Eduardo Barreiros of a short-term approach to business. This extraordinarily energetic child of Galician smallholders left school at 12, worked as a rural bus conductor and mechanic and ultimately became "the Spanish Henry Ford". He was obsessed with the quality of his crankshafts and cylinder heads, not his finances. He was also personally interested in his employees' welfare, generous in ways that would appal a 21st-century finance director. For years, this approach certainly elicited profits.

Yet the name Barreiros is little remembered outside Spain: his once powerful company was taken over by (short-termist) Chrysler and sold on to Peugeot in 1978; and he neither emerged from nor fathered a prominent dynasty. The other names that populate Hugh Thomas's illuminating biography, by contrast, are still active in Spain today: Cebrián, Cabanillas, Garrigues, Cremades and Botín.

As Thomas recounts, Barreiros became one of Spain's leading industrialists. By the end of the 1950s, he was "an international entrepreneur of the first importance", who succeeded in the most unpropitious circumstances.

He had served with distinction on the winning side of dictator Franco, a fellow Galician, in the disastrous 1936-39 Spanish Civil War. He rarely spoke of the horrors of battle, but had time to consider the strengths of the Russian ZIS truck - the Cyrillic script appeared to Spaniards as 3HC so it was nicknamed *los tres hermanos comunistas* , "the three Communist brothers". His early commercial success involved converting many of them from petrol to more economic diesel power.

But in the early years of the Franco regime, the ambitious entrepreneur had to cope with stifling central control and economic autarchy. As Barreiros moved to Madrid and expanded, he faced the implacable opposition of ministers and state-controlled companies. Permission had to be sought for each increase of production. As in Ceausescu's Romania, essential parts - in Barreiros's case, fuel injection pumps from Portugal or the UK - were smuggled in so that factories could assemble and export their products.

Barreiros made friends where he could: his office was adorned with a crucifix and a portrait of Franco; he enjoyed hunting parties with the dictator; one of Franco's cousins joined the board.

Yet Thomas finds no sign that Barreiros was a fascist or a socialite, or, indeed interested in anything other than business. Motors were his first and last love - when he fell out with the culturally alien American executives of Chrysler, he embarked on a project in Communist Cuba, where he died - but he also invested vigorously in civil engineering, cattle farming and the manufacture of tin cans.

Thomas analyses the disastrous Chrysler investment that started in 1963, the largest investment made by a foreign company in Spain at the time. It's a revealing tale of poor strategy and incompatible business methods.

Barreiros was a technical and managerial innovator who overcame obstacles with a mixture of charm and sheer hard work. Such things were almost unknown in Spain, when he introduced hire purchase schemes for vehicle buyers, suggestion boxes and in-house medical care for workers. He treated employees - even when there were thousands - as family members.

The biography provides more detail on engine types and share sales than most readers will care to absorb, and not enough on what appear to have been Barreiros's rather haphazard production methods.

This, nevertheless, is a valuable addition to European business literature and answers the question: did Barreiros thrive because of the isolated fascist regime or despite it? Thomas makes plain he had such "astonishing mechanical intuition" and business ambition that he would have succeeded anywhere in the age of the internal combustion engine.

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