MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Juan Carlos I, King of Spain
Dr. Henry A. Kissinger, Secretary of State
Jose Maria de Areilza y Martinez-Rodas, Minister of Foreign Affairs
Brent Scowcroft, Assistant to the President for National Security Affairs

DATE AND TIME: Wednesday, June 2, 1976
11:05 - 11:58 a.m.

PLACE: The Oval Office

SUBJECTS: Lebanon; Spain; Italy; Portugal

Areilza: I just heard your speech on television. It is being broadcast in Spain right now. The ceremony was beautiful.

President: We were very lucky about the weather. We have had to move a couple of them indoors. With the Emperor of Japan it rained right up to the moment of the ceremony.

Areilza: We are very pleased you can come to the Embassy tomorrow, as busy as you are. But you look very relaxed.

President: I am used to it. [They discussed the delegate situation.] We are very pleased to have you here with us.

Juan Carlos: We are delighted to be here.
President: We have been looking forward to it for a long time. We are sorry the Treaty is not completed, but it is not for any substantive problem.

Juan Carlos: The Foreign Minister told me it is only procedural.

President: And you will get a warm reception on the Hill.

Juan Carlos: I know it is an honor not given to many and I am very appreciative.

LEBANON

On substance, how do you see this latest move of Syria in the Middle East?

President: We would prefer that there be no intervention. But this does seem limited, and if it does facilitate the transfer of authority, it might be helpful.

Kissinger: We had no advance notice of it. But it doesn't look massive and as the President says, there is no central authority, so any one group can start the fighting all over again.

Areliza: Brezhnev is there, isn't he?

Kissinger: No, Kosygin. He was in Iraq yesterday and in Syria today. They would like to bring the two together.

President: It is a terrible tragedy there -- over 30,000 killed. Anything which can be done to modify that would be helpful.

SPAIN

I would be very interested in hearing about developments in Spain since you came to power.

Juan Carlos: All the political groupings didn't want any abrupt change, so it has gone slowly but smoothly. I think it could have gone a little faster, but it is moving. We have had some troubled times -- last February, for example. And the press has not been helpful.

President: It never is.
Juan Carlos: We have over 150 mini-political groups. We are telling them they must get together. We are having the national elections before the municipalities. That was a mistake my grandfather made in 1931. They will be this fall and the municipalities next spring.

President: We have been pleased to see the progress you have made. As you know, we have taken a strong position that Spain must be reintegrated into Europe. You know the stand I took last May at NATO. We feel some progress is being made.

Areilza: Yes. Secretary-General Luns and General Haig have said they would let some Spanish observers in NATO organizations.

Juan Carlos: And then we are starting talks with the Nine.

Areilza: All the Europeans are interested in the political progress we have made. We hope to begin negotiations for full entry into the Common Market -- but that will take years.

Kissinger: The Dutch will give you problems.

Areilza: They weren't too bad.

Kissinger: The Foreign Minister is okay but the Prime Minister isn't.

Juan Carlos: The Swedes aren't very friendly -- Palme.

Kissinger: But they are not in the Economic Community.

ITALY

Areilza: What about the Italian elections?

President: We are slightly optimistic but only very cautiously so.

Kissinger: It will be difficult whatever the feasible outcome. A new government will be hard to form.

President: It is good to see that the Pope has spoken out. Does that go right down to the parish?
Kissinger: It is stronger in Italy than in Spain. But about one third of the clergy has separated itself. It is a disaster in Holland, but about one third in Italy.

Areilza: But the Pope's word gets right down to the parish in Italy. It will have a good effect.

PORTUGAL

President: What about the situation in Portugal?

Juan Carlos: We think Eanes will do all right.

President: Is Carvalho a threat?

Juan Carlos: No, not really. We are still worried about Portugal, but we think it will come out all right.

President: It should be a good lesson for your people -- all the chaos over a year ago.

SPAIN

Kissinger: Are you seeing George Meany?

Juan Carlos: Yes. That should be very helpful. He is anti-Communist, and that is our problem in the unions.

President: How about your economy?

Juan Carlos: We still have too much inflation.

President: [Described our inflation statistics, employment, sales and trade.]

Areilza: Is your recession over?

President: Definitely. Unless the Congress does something, we think we are on the way to a long-term stable progress. The OPEC decision [not to raise oil prices] was very helpful.

Juan Carlos: That was a blessing.

Kissinger: We worked very closely with the Saudis over it. They told us we could even announce it.
April 2, 1976
11:58

(Good morning)

For I just heard upon the air, it is very
important that Spain should not. The meeting
was beautiful.

We have very much to be happy. We have had
the chance of being together. We English
at social night by the community evening.

For we now feel that you can come to Cuba
tomorrow as long as you are. But you don't
very well.

P: I understand that they are doing all the
operations.

I am very pleased to know you have been in

We are looking forward to it.

We have been looking forward to it a very
long time, we were very happy and excellent
but now it seems.

I: For I told you it very far.

And we will put it where you want.

I: I heard that some are going to win.

And I saw people.

I was looking for you on this list of
names of figures in the ME.

I: We would prefer that there be no
replacement. But the new man should have
the same standards, a transmitter, a kind of
mouth, but it might be improved.

I: I heard one name in the Cuba. But it can
be improved and so do you have a
central office, so any one group can
start it - I. - they can nurse any man.
K. We, Kangaroo. Do you remember a sight that we would like to see together?

P. It is a word, though, that we have never talked about. It seems to me to imply that

we should try our best to do what we can to see it happen.

J. And I am interested in doing as much as I can to see it happen.

P. I would very much like to do what you can to see it happen.

J. Well, I would very much like to do what you can to see it happen as well.

P. If you do, I will do my best to help you.

J. I suppose the main thing is to plan and to do something about it.

P. We have been planning to do a thing that we have not done.

J. Yes, you have thought about it a lot more.

P. I have been thinking about it a lot more.

J. And I have been thinking about it a lot more.

P. And I have been thinking about it a lot more.

J. And I have been thinking about it a lot more.

P. And I have been thinking about it a lot more.
full sanity with - C.M. - but that will take years.

R. The Dutch will give you peace.

F. They cannot toler...

C. The F.N. is K.K. but I do not.

J. The Siames mix very friendly - Phnom.

R. But they riot in C.C.

P. What about Lao, P.C.?

R. We feel strongly against but only very emotionally.

J. I should be long enough to be... causal and... to hand & fame.

P. It is good to see that the Lao has spread out. How

that go right down in peace?

J. It is tougher in Italy than France. But about

Lao, they have spread out. It is a disaster in

Netherlands, but about... in Italy.

P. But the Lao will go right down in peace,

in Italy - it will have a good effect.

P. What about... in Portugal?

J. We think France will do all right.

P. Does Sweden have a chance?

J. We not really. We still worried about Pat but

not much more - it will come all right.

P. It should be good train for your people - all

those over a year ago.

R. One year since George was any

J. Yes. But shall be very helpful. He is

not limited - that is our job in France.

P. How about you, anyway?

J. We think from too much weather

P. (Described one矿物质 Statistics, Investment,
Ms. Smith,

Per your request,

P definitely. Unless Ty can do something we think will help, we may lose 15% which could prove.

If you decide to help,

J

We consulted a local Senate aide. They told us we couldn't renew. We