

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

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.

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DECLASSIFIED
 E.O. 12958, SEC. 3.5
 NSC MEMO, 11/11/03, STATE DEPT. GUIDELINES, STATE DEPT. CASE 3/12/04
 BY MA, NARA, DATE 7/26/04



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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.

Areilza: 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.

6/2/76

11:05

11:58

(Good greeting)

FM I just heard your speech on TV. It is being broadcast in Spain right now. The evening was beautiful.

P We had very lucky about the work. We have had to make a change of their indices. US/C England it arrived right at a moment of evening

FM We are very pleased you can come to work tomorrow as busy as you are. But you look very relaxed.

P I am used to it. (Dissect delay other situation)

We are very pleased to have you here us/m.

J We are delighted to be here.

P We have been looking forward to it a long time. We have a treaty not completed but it not sure.

J The FBI told me it very procedural

P And you will get a warm reception on Hill

J I know it can be a bit of a long time + I very agree.

On news, broadcast on this latest issue of Spain in the NLE.

P We would prefer that there be no intervention. But this does seem inevitable, and if it does facilitate a transfer of assets, it might be helpful

* We had no advance notice. But it hasn't look massive and as I say there is no central bank, so any one group can start a party all over again.

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/20/03, STATE DEPT. GUIDELINES, State Rev. on 3/12/04

BY DA, NARA, DATE 7/26/04



FM Burg is there isn't he

K No, Koyzin. In Iraq yesterday + Syria today they would like to bring 2 together.

P It is a terrible tragedy there - over 3000 killed. Anything which can be done to multiply that would be helpful.

I would be very interested in delays to since you came to power.

J All a ^{political} process going on. I don't want any abrupt change so it has gone slowly but smoothly. I think it could have gone a bit faster, but it is moving. We have had some troubled times - last Feb for example. And - press has not been helpful.

P It where is

J We have over 150 minor-political groups. We tell them they must get together. We are having a national election before a merger. That was a mistake my grandfather made in 1931. They will be this fall + merger next spring.

P We have been pleased to see a program you have made. As you know we have taken a strong position that Spain must be reintegrated into Europe. You know my stand last May at NATO. We feel some progress is being made.

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Part 12. → Portugal exact copy - 40 cent entry

full entry with - C.M. but that will take years

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K The FM is OK but FM isn't.

J The Smuchs aren't very friendly - Pabone.

K But they're in EC.

FM What about Ital. Electric.

P We are slightly optimistic but only very cautiously so.

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K It is stranger in Italy than Spain. But about 1/3 of clergy has resigned itself. It is a disaster in Holland, but about 1/3 in Italy.

FM But the Pope's word gets right down to a parish in Italy - it will have a good effect.

P What about a set in Portugal

J We think Eanes will do all right

P Is Curvalho a threat?

J No not really. We still worried about Pat, but we think it will come out all right.

P It should be a good lesson for your people - all the shows over a year ago.

K Are you seeing George Murray

J Yes. That should be very helpful. He is anti-Croat - that is our prob in a crisis.

P How about your economy

J We still have too much inflation.

P (Described our inflation statistics, employment,



to the trade

FBI So your mission was

P Definitely. Unless they do something, we think
we are way to long term stable progress. The
O/E decision was very helpful.

J That was a blessing

K We worked very closely w/c Santos on it. They
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