

Message Text

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ACTION NODS-00

INFO OCT-01 ADS-00 /001 W
-----097562 081544Z /42
P 081504Z MAY 79
FM AMEMBASSY MADRID
TO SECSTATE WASHDC PRIORITY 9588

S E C R E T SECTION 01 OF 05 MADRID 06274

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E.O. 12065: RDS-1 -- 05/08/09 -- TODMAN, T.A., OR-M
TAGS: PEPR, SP, US, OVIP (MUSKIE, EDMUND S.)
SUBJECT: MEETING OF SENATOR MUSKIE WITH KING JUAN CARLOS

1. (S - ENTIRE TEXT.)

2. BEGIN SUMMARY: DURING A WIDE-RANGING CONVERSATION WITH SENATOR MUSKIE ON APRIL 30, KING JUAN CARLOS SET FORTH HIS VIEWS ON SPANISH INTERNAL PROBLEMS (AUTONOMY AND THE BASQUE ISSUE, TERRORISM, THE SOCIALIST-COMMUNIST ALLIANCE, LACK OF LEADERSHIP ON THE MODERATE RIGHT AND ECONOMIC DIFFICILTIES) AND FOREIGN AFFAIRS MATTERS (LATIN AMERICA, NATO, GIBRALTAR, MIDDLE EAST, NORTH AFRICA, CUBA). WITH HIS USUAL CANDOR THE KING ALSO DESCRIBED HIS OWN ROLE IN SPAIN AS BEING ABOVE POLITICS BUT PERSONALLY INVOLVED IN INTERNATIONAL AFFAIRS. THIS MESSAGE WAS SENT TO SENATOR MUSKIE IN DRAFT, AND NO COMMENTS OR REQUESTS FOR CHANGE HAVE BEEN RECEIVED. END SUMMARY.

3. KING JUAN CARLOS RECEIVED SENATOR MUSKIE ACCOMPANIED BY AMBASSADOR TODMAN FOR ABOUT AN HOUR AND FORTY MINUTES LATE MONDAY AFTERNOON, APRIL 30. THE KING WAS VERY RELAXED AND EXPANSIVE THROUGHOUT THE CONVERSATION. HE MADE CLEAR REPEATEDLY THAT HE WOULD SPEAK FRANKLY AND OPENLY FIRST, BECAUSE HE IS THAT KIND OF A PERSON AND,

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SECOND, BECAUSE HE ANTED TO SHARE HIS VIEWS FULLY WITH THE SENATOR AND, THROUGH HIM WITH PRESIDENT CARTER. TO UNDERSCORE THE IMPORTANCE HE ATTACHED TO THE VISIT, THE KING PERMITTED PHOTOGRAPHS AND TELEVISION SHOTS TO BE TAKEN BOTH BEFORE AND AFTER THE CONVERSATION.

4. THE SENATOR BEGAN THE CONVERSATION BY PRESENTING

THE LETTER FROM PRESIDENT CARTER AND CONVEYING THE PRESIDENT'S PERSONAL GREETINGS AND HIS COMPLIMENTS UPON SPAIN'S ACHIEVEMENT, UNDER THE LEADERSHIP OF HIS MAJESTY, OF SUCH TREMENDOUS STRIDES IN THE TRANSITION FROM AUTHORITARIAN RULE TO DEMOCRACY. HE ALSO CONVEYED THE PRESIDENT'S VERY GREAT INTEREST IN SPAIN AND IN OUR BILATERAL RELATIONSHIPS WITH THIS COUNTRY. TO THIS THE SENATOR ADDED HIS OWN PERSONAL COMPLIMENTS AND EXPRESSION OF INTEREST. HE ENDED BY ASKING THE KING WHAT DANGERS OR RISKS TO SPANISH DEMOCRACY HE SAW AHEAD.

5. THE KING THEN BEGAN A WIDE-REACHING RESPONSE WHICH CONTINUED FOR MOST OF THE REST OF THE TIME WITH ONLY AN OCCASIONAL QUESTION OR REMARK FROM THE SENATOR TO SEEK CLARIFICATION OR EXPANSION ON A PARTICULAR SUBJECT. FOLLOWING ARE THE PRINCIPAL SUBJECTS COVERED BY THE KING.

6. INTERNAL. THE KING SAID THE BIGGEST CONCERNS PRESENTLY ARE OVER THE BASQUE PROBLEM, INCLUDING AUTONOMY AND TERRORISM, THE NEW SOCIALIST ALLIANCE WITH THE COMMUNISTS AND THE ABSENCE OF MAJOR POLITICAL LEADERS, ESPECIALLY ON THE MODERATE RIGHT.

7. AUTONOMY. THE BASQUE PROBLEM IS THE MOST SERIOUS AND DIFFICULT ISSUE FACING THE COUNTRY. THE KING FELT
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IT WOULD HAVE HELPED TO SETTLE THE QUESTION OF AUTONOMY FOR CATALUNYA FIRST, BECAUSE THE CATALANS WERE EASIER TO DEAL WITH AND ONCE THEIR AUTONOMY STATUTE WAS ESTABLISHED, THE GOVERNMENT COULD EXPLAIN TO THE BASQUES THE IMPOSSIBILITY OF GIVING THEM MORE THAN HAD BEEN ACCORDED TO THE CATALANS. HE HAD WORKED OUT WITH PRIME MINISTER SUAREZ AN ARRANGEMENT TO ADJOURN THE LEGISLATURE IN DECEMBER 1978 PRIOR TO THE NEW ELECTIONS AND BEFORE THE DRAFT AUTONOMY STATUTES COULD BE PRESENTED. HOWEVER, WORD OF THE PLANS LEAKED AND THE BASQUES AND CATALANS BOTH RUSHED IN THEIR PROPOSED STATUTES WITH THE BASQUES ARRIVING AN HOUR AHEAD OF THE CATALANS AND THUS GAINING PRIORITY FOR CONSIDERATION. ALTHOUGH THERE IS NOW A NEW LEGISLATURE, THE "EXPERTS" HAD CONCLUDED THAT THE EARLIER ESTABLISHED PRIORITY SHOULD STAND. IN THE CIRCUMSTANCES GOVERNMENT WOULD HAVE TO BE VERY GENEROUS WITH THE BASQUES IN THE HOPE THAT THEY MIGHT IN TURN BE REASONABLE, LEADING TO A POSSIBLE SOLUTION OF THE PROBLEM IN ABOUT TEN YEARS. DESPITE THE RISKS OF A REJECTION AND THE ABSENCE OF ANY PRESSING NEED OR REQUIREMENT, THE KING HAD DECIDED TO INVITE THE BASQUE CONGRESSMEN OF THE EXTREMIST HERRI BATASUNA FACTION

TO THE PALACE FOR CONSULTATIONS ON THE SELECTION OF A PRIME MINISTER, BECAUSE HE WANTED TO SHOW HIS OWN OPENNESS AND PLACE THE BURDEN ON HERRI BATASUNA. HE REGRETTED THAT THEY DECLINED THE INVITATION, BUT HE INTENDED TO KEEP A POSITIVE POSTURE.

8. TERRORISM. BASQUE TERRORISM CARRIED OUT BY THE ETA IS EVEN MORE DIFFICULT TO DEAL WITH. THE KING HAD LEARNED RECENTLY THAT MEMBERS OF THE RED BRIGADE HAD BEEN IN SPAIN AND HAD TIES WITH ETA AND THE GRAPO TERRORIST GROUPS. HE UNDERSTOOD THAT THEY WERE NOW AIMING ALSO AT CREATING PROBLEMS FOR NATO IN BRUSSELS.

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HE HAD HEARD AND HE SENSES, THAT THE BALEARIC AND CANARY ISLANDS ARE USED FOR CONTACTS AMONG INTERNATIONAL TERRORISTS GROUPS AND HE WOULD LIKE TO BE ABLE TO CHECK THAT OUT FULLY. HE HAD DISCUSSED ETA TERRORISM PERSONALLY WITH FRENCH PRESIDENT GISCARD AND HAD GOTTEN A FAVORABLE RESPONSE. HE HAD BEEN INFORMED THAT THE FRENCH OFFICIALS, ON THE TECHNICAL OR OPERATING LEVEL, WERE ALSO WILLING TO BE COOPERATIVE, BUT THE FRENCH MINISTERS WERE NOT. FRANCE WAS HELPING MORE THAN BEFORE BUT NOT ENOUGH TO DEAL EFFECTIVELY WITH THE PROBLEM. REPORTEDLY THE SOVIET UNION IS ALSO ASSISTING ETA. HE HAD BEEN TOLD THAT ONE WAY IN WHICH THE SOVIETS HELPED TO FINANCE ETA IS THROUGH THEIR DIAMOND DEALINGS WITH LEGITIMATE SPANISH FIRMS WHICH MIGHT BE TOTALLY UNAWARE OF THE SOVIET/ETA CONNECTION BEING FACILITATED. HE WILL ALSO HAVE THIS CHECKED INTO. DEFEATING THE TERRORISTS WILL TAKE THE COMBINED EFFORT OF ALL AND HE WOULD APPRECIATE ANY HELP THE US COULD GIVE. THANKS TO EFFECTIVE U.S. ASSISTANCE, THE SPANISH GOVERNMENT

IS ABLE TO MONITOR ANY DISRUPTIVE SOVIET ACTIVITIES IN SPAIN, AND HAS ALREADY THROWN OUT FIVE SOVIET DIPLOMATS. THIS MAY LEAD THE SOVIETS TO PROCEED WITH CAUTION.

9. SOCIALIST/COMMUNIST ALLIANCE. ANOTHER MAJOR
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CAUSE FOR CONCERN IS THE SOCIALIST ALLIANCE WITH THE COMMUNISTS WHO WERE ALREADY BIG GAINERS SINCE THE LAST ELECTION. THIS ALLIANCE ALREADY GIVES THE LEFT CONTROL OF MUNICIPALITIES WITH ABOUT 70 PERCENT OF THE SPANISH POPULATION. THE KING'S FEAR IS THAT GIVEN THE GREATER DISCIPLINE AND BETTER ORGANIZING ABILITY OF THE COMMUNISTS, THEY WILL SOON "EAT UP" THE SOCIALISTS. WEST GERMAN PRESIDENT SCHEEL HAD TOLD HIM PRIVATELY THAT CHANCELLOR SCHMIDT IS NOW BECOMING CONCERNED ABOUT SOCIALIST FELIPE GONZALEZ AND HIS ALLIANCE WITH THE COMMUNISTS. THE LABOR WINGS OF THE SOCIALIST AND COMMUNIST PARTIES WERE ALREADY COOPERATING. IN CONVERSATIONS IN THE UNITED STATES THE KING HAD WARNED AFL-CIO PRESIDENT MEANY ABOUT THIS POSSIBILITY WHEN HE LEARNED THAT THE AFL-CIO WAS HELPING NICOLAS REDONDO OF THE SOCIALIST UNION. HE HAD GIVEN THE SAME WARNING TO MICHAEL BOGGS WHO LOOKS AFTER THE EUROPEAN ACTIVITIES OF THE AFL-CIO.

10. LACK OF LEADERS. ANOTHER CAUSE FOR CONCERN WAS THE ABSENCE OF LEADERS ON THE MODERATE RIGHT. HE WAS VERY PLEASED WITH PRIME MINISTER SUAREZ BUT REGRETTED THAT THERE WERE NO OTHER MAJOR POLITICAL FIGURES ON THE SCENE AROUND WHOM THE PEOPLE COULD RALLY. HE HOPED THAT THE PRESENT CONGRESS WOULD PRODUCE SOME NEW LEADERS. IN THE MUNICIPAL ELECTIONS THE LARGE MAJORITY OF MUNICIPAL COUNCILLORS ELECTED NATION WIDE WERE FROM THE RIGHT INCLUDING THE UCD AND INDEPENDENTS WITH THE UCD HAVING A PLURALITY IN MOST MUNICIPALITIES. THIS GROUP SHOULD BE ORGANIZED INTO A MEANINGFUL FORCE. HE WAS WORRIED ABOUT THE GRADUAL DISAPPEARANCE OF THE PARTY OF THE MODERATE RIGHT FOLLOWING THE LAST
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GENERAL ELECTIONS. HE FELT THAT THERE SHOULD BE A MEANINGFUL POLITICAL PARTY TO THE RIGHT OF THE UCD. OTHER SPANISH LEADERS BELIEVED THAT THE RIGHTIST GROUP

ASSOCIATED WITH MANUEL FRAGA WOULD EVENTUALLY MELD INTO THE UCD BUT HE WAS WORRIED THAT THEY WOULD REMAIN STRAGGLERS OR WOULD MOVE TO THE EXTREME RIGHT. HE HOPED THAT TORCUATO FERNANDEZ MIRANDA, FORMER PRESIDENT OF THE LEGISLATURE AND A VERY TRUSTED ADVISER WHO HAD HELPED HIM GREATLY IN THE EARLY YEARS OF THE TRANSITION AND WHO WAS EVEN RESPONSIBLE FOR BRINGING SUAREZ TO HIS ATTENTION, MIGHT NOW DECIDE TO TRY TO PULL THE RESPONSIBLE RIGHTIST FORCES TOGETHER. HE REALIZED THAT TORCUATO MIGHT HESITATE TO DO THIS FOR FEAR OF BEING SEEN AS WORKING FOR THE KING, BUT HE HOPED TORCUATO WOULD PROCEED IN ANY EVENT.

11. ECONOMIC PROBLEMS. ECONOMIC PROBLEMS ARE MANAGEABLE ALTHOUGH THERE ARE STILL MANY DIFFICULTIES AHEAD. THE KING WAS PARTICULARLY WORRIED ABOUT THE HIGH UNEMPLOYMENT SITUATION ESPECIALLY IN ANDALUCIA, ALONG THE MEDITERRANEAN COAST. THE SOVIETS WERE AWARE OF THE VULNERABILITY OF THIS AREA AND HAVE BEEN PRESSING TO ESTABLISH A FISHING PORT IN ALGECIRAS. HE DOES NOT WISH TO SEE EVEN A SOVIET FISHING NET IN THAT AREA FOR HE REALIZES THAT THE SOVIETS WOULD ONLY SEEK TO USE THEIR ECONOMIC PRESENCE FOR POLITICAL/MILITARY PURPOSES. HOWEVER, HELP IS NEEDED BECAUSE SPAIN CANNOT TURN DOWN THE SOVIETS CONSISTENTLY UNLESS HE CAN OFFER SOMETHING ELSE TO THE ANDALUCIAN PEOPLE. THIS WAS AN AREA WHERE THE UNITED STATES MIGHT SEE WHAT IT COULD DO.

12. INTERNATIONAL AFFAIRS: THE EEC. SPAIN HAS APPLIED FOR MEMBERSHIP IN THE COMMON MARKET AND INTENDS

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TO PROCEED WITH IT. AT THE SAME TIME HE INTENDS TO

MAINTAIN AND STRENGTHEN TIES WITH LATIN AMERICA. HE IS DISTURBED BY THE RIVALRY AND LACK OF COHESION AMONG THE EUROPEAN STATES. HE IS ESPECIALLY STRUCK BY THE FRENCH DESIRE TO EXERCISE LEADERSHIP. HE ASKED THAT THE PRESIDENT BE TOLD ESPECIALLY OF AN ANECDOTE IN WHICH DURING A PREPARATORY MEETING FOR A TRIP THE SPANISH DEFENSE MINISTER WAS TO MAKE TO GERMANY SOMEONE ASKED WHAT MIGHT BE DONE DURING THAT TRIP TO TWEAK THE FRENCH NOSE. THE KING HAD SUGGESTED THAT THEY MIGHT PLACE WITH GERMANY A SMALL PENDING ORDER FOR HELICOPTERS. WITHIN 24 HOURS AFTER THAT MEETING THE KING HAD RECEIVED A PERSONAL TELEPHONE CALL FROM GISCARD PROTESTING THE SPANISH DECISION. THE KING WAS ANNOYED AND HAD RESPONDED ACCORDINGLY. THE FRENCH DESIRE FOR LEADERSHIP WAS ALSO EVIDENT IN ITS ATTEMPT TO GET KING HASSAN TO DEAL WITH SPAIN THROUGH FRANCE. THE KING HAD INSISTED ON HAVING A DIRECT RELATIONSHIP WITH HASSAN, BRINGING IT UP TO HASSAN TO ESTABLISH WHATEVER SEPARATE RELATIONSHIP HE WISHES TO HAVE WITH FRANCE.

13. LATIN AMERICA. BECAUSE OF HIS INTEREST IN STRENGTHENING TIES WITH LATIN AMERICA THE KING HAD INSISTED ON MAKING HIS LATEST TRIP AND IN GOING TO ARGENTINA DESPITE THE PROTESTS OF THE SOCIALISTS WHO
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HAD NOT OBJECTED WHEN HE DECIDED TO VISIT CHINA. THE GOVERNMENT HAD PREPARED SOME VERY STRONG STATEMENTS FOR HIS PUBLIC REMARKS IN ARGENTINA WHICH SURELY WOULD HAVE RULED OUT THE POSSIBILITY OF A DIALOGUE. ON ARRIVAL HE HAD SHOWN PRESIDENT VIDELA THE TEXTS OF THE PROPOSED SPEECHES AND HAD ACCEPTED A FEW MINOR REVISIONS MADE BY VIDELA. AS A RESULT THE SPEECHES WERE ACCEPTED AND THERE WAS A USEFUL DIALOGUE.

14. NATO. THE KING FAVORS SPANISH ENTRY INTO NATO AND THE SOONER THE BETTER. HE WONDERED, HOWEVER, WHETHER, WITH ALL THE PRESSING DOMESTIC PROBLEMS THE GOVERNMENT WOULD BE ABLE TO PROCEED IMMEDIATELY WITH ACTION ON THE NATO QUESTION. THE SOVIET UNION IS OF COURSE OPPOSED TO SPANISH ENTRY AND HAS MADE THAT KNOWN, BUT SPAIN DOES NOT INTEND TO LET THAT SOVIET POSITION DETERMINE ITS ACTIONS.

15. GIBRALTAR. THE GIBRALTAR ISSUE WAS LINKED IN THE MINDS OF MANY SPANIARDS TO NATO ALTHOUGH HE PERSONALLY DISAGREED. HE HAD DISCUSSED THIS ISSUE IN HIS LAST MEETING WITH QUEEN ELIZABETH (WHOM HE CALLS LIZABETH AND WHO CALLS HIM JAUNITO) ALONG THE LINES OF THE INTERRELATIONSHIP BETWEEN GIBRALTAR AND THE SPANISH

ENCLAVES ON THE AFRICAN CONTINENT ACROSS THE STRAITS. HE FAVORED GREATER LINKS BETWEEN GIBRALTAR AND SPAIN AND WAS PERSONALLY RESPONSIBLE FOR THE COMMUNICATIONS LINK WHICH HAS BEEN ESTABLISHED. HE NOW FAVORS THE OPERATION OF THE FERRY SO THAT AT LEAST PERSONS CAN GO BACK AND FORTH. OTHER TIES CAN DEVELOP GRADUALLY.

16. EGYPTIAN/ISRAELI PEACE TREATY. THE KING GREATLY ADMIRES PRESIDENT SADAT AND ESPECIALLY HIS COURAGE.

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HE THINKS THAT THE TREATY WAS AN IMPORTANT FIRST STEP AND HOPES THAT IT WILL BE WELL IMPLEMENTED ALTHOUGH OPPOSITION FROM THE OTHER ARAB STATES IS VERY GREAT. HE DOES NOT THINK MATTERS ARE HELPED BY THE VERY UNHELPFUL REMARKS AND THE TOUGH POSITION BEING TAKEN BY ISRAELI PRIME MINISTER BEGIN. AUSTRIAN CHANCELLOR KREISKY HAD ADVISED HIM NOT TO ESTABLISH RELATIONS WITH ISRAEL AS LONG AS BEGIN WAS THERE. (HERE SENATOR MUSKIE ASKED THE KING TO APPRECIATE THAT BEGIN WAS SIMPLY ENGAGING IN HARD BARGAINING WHICH WAS VERY CHARACTERISTIC OF THE ISRAELIS ESPECIALLY IN THESE CIRCUMSTANCES. THE SENATOR CONSIDERED IT WAS IMPORTANT FOR EGYPT AND ISRAEL TO BE GIVEN EVERY ENCOURAGEMENT TO MAKE THE TREATY WORK SO THAT THE NEXT STEPS COULD FOLLOW.)

17. JORDAN. THE KING HAD MET RECENTLY WITH KING HUSSEIN. HE FOUND HUSSEIN WISHING TO FIND A PEACEFUL SOLUTION BUT HAVING TO LIVE WITH THE INDIGESTIBLE PALESTINIANS. HUSSEIN FELT BETRAYED BY SADAT WITH WHOM HE HAD TALKED JUST TWO DAYS BEFORE SADAT WENT TO JERUSALEM AND HAD RECEIVED ASSURANCES OF SADAT'S DETERMINATION TO DEFEND CERTAIN POINTS. YET THE AGREEMENT REACHED AT CAMP DAVID WAS DIFFERENT FROM WHAT SADAT HAD SAID EARLIER. HUSSEIN WAS ALSO ANGRY AT THE UNITED STATES AND FELT THAT HE HAD BEEN TREATED BADLY. HUSSEIN HAD MENTIONED, FOR EXAMPLE, THAT HE HAD TO PAY DEARLY FOR AIRCRAFT WHICH ARE NOW BEING GIVEN FREE TO ISRAEL.

18. SAUDI ARABIA. THE KING HAD MET PERSONALLY WITH PRINCE FAHD AND HAD ALSO HAD SENT MANUEL DEL PRADO, A CONFIDENTIAL AIDE, TO SPEAK PERSONALLY WITH FAHD AS WELL AS TO VISIT SAUDI ARABIA. THE RULING FAMILY IS

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VERY BADLY DIVIDED WITH A SERIOUS INTERNECINE POWER STRUGGLE UNDER WAY. THE SAUDIS ARE VERY CONCERNED BY THE OVERTHROW OF THE SHAH AND DEVELOPMENTS IN IRAN. THE SAUDIS HAD TO BE CAREFUL ABOUT THE IRAQIS WHO ARE KNOWN TO BELIEVE THAT THE SAUDI SITUATION COULD BE DEALT WITH BY SIMPLY CUTTING OFF ABOUT ONE THOUSAND HEADS. AT THE SAME TIME SAUDI ARABIA HAS NO MILITARY STRENGTH AND NO PROSPECTS OF DEVELOPING IT. THEY RECOGNIZE THAT THE EGYPTIAN ARMY IS A PROTECTION FOR THE ENTIRE AREA. THE SAUDIS FEEL THAT THEY HAVE TO FIND A MIDDLE GROUND BETWEEN EGYPT AND THE ARAB EXTREMISTS AND THAT ANY INDICATION OF SUPPORT FOR THE TREATY WOULD CREATE VERY SERIOUS PROBLEMS FOR THEM. DESPITE THE BREAK IN RELATIONS WITH THE EGYPTIAN GOVERNMENT THE SAUDIS ARE LIKELY TO CONTINUE THE FINANCIAL ASSISTANCE TO EGYPT. IT WAS CLEAR TO THE KING THAT FAHD STILL HAS POWER AS DEMONSTRATED BY FAHD BEING ABLE TO DIRECT THE TIMELY AND ACCEPTABLE CONCLUSION OF AN OIL DEAL IN WHICH THE KING WAS PERSONALLY INTERESTED.

19. NORTH AFRICA. THE KING WOULD BE GOING TO MOROCCO ON JUNE 5TH AT HIS OWN INSISTENCE. HE FELT THAT THE HASSAN REGIME IS SHAKY AND THAT HE MUST DO EVERYTHING HE COULD TO SUPPORT IT. ALGERIA APPEARED TO WANT HASSAN'S DOWNFALL

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BUT HE DID NOT BELIEVE THAT THE MOROCCAN PEOPLE WANTED TO GET RID OF HASSAN. THE CRITICAL GROUP IN THE NORTH AFRICAN SITUATION AT PRESENT IS THE POLISARIO WHICH IS RECEIVING ASSISTANCE FROM BOTH LIBYA AND ALGERIA WHO ARE RIVALS. RPIME MINISTER SUAREZ WOULD MEET WITH

POLISARIO REPRESENTATIVES DURING HIS TRIP TO ALGIERS THAT VERY DAY AND IT WAS ONLY REASONABLE THAT HE DO SO. (THE SUAREZ/POLISARIO MEETING WAS CONFIRMED BY THE PRESS THE FOLLOWING DAY.) THE BIG ISSUE BETWEEN SPAIN AND MOROCCO ARE THE TWO SPANISH ENCLAVES. HE FELT THAT MELILLA COULD BE CEDED TO MOROCCO WITHIN A RELATIVELY SHORT TIME SINCE THERE WERE ONLY 10,000 SPANIARDS LIVING THERE. THE SPANISH MILITARY WOULD BE VERY UNHAPPY AND WOULD PROTEST BUT THAT WOULD LAST FOR ONLY ABOUT TWO MONTHS AND HE COULD CONTROL THE SITUATION. CEUTA WOULD BE MUCH MORE DIFFICULT BECAUSE THERE ARE 60,000 SPANIARDS THERE AND IT WOULD BE IMPOSSIBLE TO JUST TURN THEM OVER TO MOROCCO. PERHAPS THE BEST SOLUTION FOR CEUTA WOULD BE INTERNATIONALIZATION OR A "TANGIER-LIKE" SITUATION. IN THE ABSENCE OF A SOLUTION HE FEARED THE POSSIBILITY OF ANOTHER "GREEN MARCH" WHICH WOULD REALLY CREATE SERIOUS PROBLEMS.

20. CUBA. THE KING HAD HEARD ABOUT CUBAN INVOLVEMENT WITH THE POLISARIO BUT HE THOUGHT THAT THE CUBANS COULD BE MANAGED. FOR EXAMPLE, IN HAVANA IN JUST ONE SHORT CONVERSATION SUAREZ HAD BEEN ABLE TO GET CASTRO TO INTERVENE WITH THE ALGERIANS AND HELP SECURE THE RELEASE OF THE SPANISH FISHERMEN WHO WERE BEING HELD BY THE POLISARIO. FIDEL CASTRO WOULD BE VISITING SPAIN SOON. THE KING HOPED THAT CASTRO WOULD NOT WANT TO STAY AROUND TOO LONG.

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21. RELATIONS WITH THE U.S. SPANISH-U.S. RELATIONS ARE GOOD ON A GOVERNMENT-TO-GOVERNMENT BASIS. THE BIG NEED WAS FOR SOME FURTHER INDICATION OF U.S. SUPPORT BOTH IN THE POLITICAL AND THE MATERIAL AREAS. THE SPANISH PEOPLE HAVE FEELINGS OF WARM FRIENDSHIP FOR THE UNITED STATES. THEY BELIEVE THAT SPAIN HAS BEEN COOPERATING AND THEY ARE PUZZLED BY THE LACK OF ANY INDICATION OF RECIPROCAL U.S. INTEREST. SOMETHING IS NEEDED WHICH THE PEOPLE CAN SEE TO SHOW THAT THE U.S. IS INDEED INTERESTED. HE WAS VERY PLEASED THAT U.S. BANKS WILL NOW BE OPERATING IN SPAIN. HE THOUGHT THAT WOULD HELP TO BRING ABOUT A CHANGE IN THE ATTITUDES OF SPANISH BANKERS AND IT WOULD ALSO PROVIDE FOR A WAY OF GETTING MORE U.S. FUNDS INTO THE COUNTRY AND FOR ENCOURAGING INCREASED U.S. INVESTMENT. HE THOUGHT IT WOULD BE MOST HELPFUL IF THE U.S. GOVERNMENT COULD PROVIDE SOME MILITARY EQUIPMENT AND SUPPLIES WHICH ARE BADLY NEEDED. FINALLY, ALTHOUGH THE KING DID NOT WISH TO PRESS THE PRESIDENT, HE WOULD LIKE TO ASSURE THE PRESIDENT THAT A VISIT OF EVEN JUST 24 HOURS, TO

PERMIT AN OVERNIGHT STAY, WOULD BE OF TREMENDOUS IMPORTANCE AND BENEFIT TO SPANISH-U.S. RELATIONS AND TO LETTING THE SPANISH PEOPLE KNOW THAT THE U.S. REALLY CARES.

22. THE KING'S ROLE. THE KING SAW HIMSELF DOMESTICALLY AS BEING REQUIRED TO BE ABOVE POLITICS, DEALING WITH EVERYONE AND KEEPING THE COUNTRY GOING REGARDLESS OF WHAT POLITICAL GROUP HAPPENED TO BE IN THE LEAD. ON THE INTERNATIONAL FRONT HE FELT THAT IT WAS IMPORTANT FOR HIM TO BE PERSONALLY INVOLVED IN DEALING WITH OTHER MONARCHS, WITH THE LEADERS OF LATIN

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AMERICA, WHO HAVE SPECIAL FEELING FOR "THE KING OF SPAIN" MORE THAN FOR SPAIN AS SUCH, AND WITH SPECIAL INDIVIDUALS LIKE PRESIDENT CARTER AND GISCARD D'ESTAING WITH WHOM HE HAS A PERSONAL RELATIONSHIP. HE FELT THAT HE COULD BE VERY USEFUL TO THE COUNTRY BY PERFORMING THIS ROLE. TODMAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, AGREEMENTS, FOREIGN RELATIONS, DIPLOMATIC DISCUSSIONS, POLITICAL SITUATION, PEACE PLANS, CAT-B
Control Number: n/a
Copy: SINGLE
Draft Date: 08 may 1979
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1979MADRID06274
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS 19850508 TODMAN, T A
Errors: N/A
Expiration:
Film Number: P840148-1972
Format: TEL
From: MADRID OR-M
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1979/newtext/t19790599/aaaaddrn.tel
Line Count: 535
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cc1cf8b7-c288-dd11-92da-001cc4696bcc
Office: ACTION NODS
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: NODIS
Page Count: 10
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: NODIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13 dec 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3103115
Secure: OPEN
Status: NATIVE
Subject: MEETING OF SENATOR MUSKIE WITH KING JUAN CARLOS
TAGS: PEPR, OREP, OVIP, PINR, ECON, US, SP, XF, CU, (MUSKIE, EDMUND S), (JUAN CARLOS I), (TODMAN, TERENCE E)
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/cc1cf8b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014