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Department of State TELEGRAM

~~SECRET~~ N00237

PAGE 01 STATE 009371

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DRAFTED BY TEXT RECEIVED FROM WHITE HOUSE
APPROVED BY S/S-OIGTWOHIE Copy 1 of 13 copies
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FM SECSTATE WASHDC Recd: Jan 15, 1975
TO ANEMBASSY LONDON NIACT IMMEDIATE 12:25 AM

~~SECRET~~ STATE 009371

NODIS
CHEROKEE

E.O. 11652:GDS
TAGS: OVIP (GERALD R. FORD)
SUBJECT: PRESIDENTIAL LETTER

FOR THE AMBASSADOR

PLEASE DELIVER THE FOLLOWING LETTER FROM PRESIDENT FORD TO
PRIME MINISTER WILSON AT THE EARLIEST OPPORTUNITY ON
JANUARY 15 AND IN ANY EVENT PRIOR TO NOON WASHINGTON TIME.

BEGIN TEXT

DEAR MR. PRIME MINISTER:

THIS WEDNESDAY, IN MY STATE OF THE UNION ADDRESS, I WILL
FORMALLY PRESENT POLICIES TO MEET THE ECONOMIC AND ENERGY
CHALLENGES WHICH ARE OF MAJOR IMPORTANCE TO THE UNITED
STATES AND TO THE INTERNATIONAL COMMUNITY. I SHALL, AT
THAT TIME, MAKE A NUMBER OF DETAILED PROPOSALS, MANY OF
WHICH I OUTLINED IN MY SPEECH TO THE AMERICAN PEOPLE ON
MONDAY NIGHT. I WRITE YOU IN THE SPIRIT OF COLLABORATION
THAT ANIMATES OUR RELATIONS TO SHARE MY THOUGHTS ON THESE
NEW MEASURES.

~~SECRET~~

wa 3/9/04



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Department of State **TELEGRAM**

~~SECRET~~

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OUR COUNTRIES AND OUR KEY TRADING PARTNERS HAVE RECENTLY BEEN STRUGGLING WITH UNEMPLOYMENT, INFLATION, AND ENERGY SHORTAGES. THERE ARE, AS WE KNOW, NO EASY ANSWERS TO ANY

OF THESE PROBLEMS, SINGLY OR IN COMBINATION, BUT IT IS CLEAR THAT WE CANNOT AFFORD TO ADDRESS ONE ASPECT OF OUR DIFFICULTIES WHILE IGNORING THE OTHERS. MOREOVER, EACH COUNTRY MUST ACT TO ACHIEVE A BALANCE CONSISTENT WITH ITS PRIORITIES AND ITS PARTICULAR ECONOMIC CIRCUMSTANCES WHILE RECOGNIZING IT MUST ACT IN A MANNER WHICH FURTHERS RATHER THAN HARMS THE ECONOMIC WELL-BEING OF OTHER COUNTRIES.

MY POLICIES AIM TO DEAL DIRECTLY WITH THE ECONOMIC SLOW-DOWN WE NOW FACE WITHOUT TRIGGERING THE MAJOR INFLATIONARY PRESSURES WHICH MIGHT RESULT FROM AN OVERLY EXPANSIONARY POLICY. A TAX CUT, ALONG WITH MEASURES TO STIMULATE INVESTMENT, SHOULD REINVIGORATE THE U.S. ECONOMY AND IMPROVE CONFIDENCE. UNDER PRESENT CONDITIONS, WE BELIEVE IT WILL NOT RESTIMULATE THE INFLATIONARY SPIRAL.

WE ARE ALSO TAKING MAJOR STEPS TO REDUCE OUR DEPENDENCE ON IMPORTED OIL. WE ARE DETERMINED TO REDUCE OIL IMPORTS PROMPTLY AND SIGNIFICANTLY AND TO END VULNERABILITY TO ECONOMIC DISRUPTION BY FOREIGN SUPPLIERS BY 1985. IMMEDIATE ACTIONS TO CUT ENERGY IMPORTS AND TO INCREASE BOTH OUR DOMESTIC SUPPLIES AND OUR ABILITY TO USE OUR COAL, GAS, OIL AND NUCLEAR POWER ARE CLEARLY NECESSARY AS ARE STRONG MEASURES TO ENSURE ADEQUATE CONSERVATION AND A NEW EMERGENCY STORAGE PROGRAM. THESE STEPS MAKE NEW DEMANDS ON THE AMERICAN PEOPLE. AT THE SAME TIME, THEY PROVIDE THE BASIS FOR A STRONGER U.S. ECONOMY IN THE FUTURE. THIS, IN TURN, SHOULD HAVE A BENEFICIAL IMPACT ON THE INTERNATIONAL ECONOMY.

IN CLOSING, LET ME EMPHASIZE THE IMPORTANCE I HAVE ATTACHED TO HAVING HAD THE BENEFIT OF YOUR VIEWS ON THESE ISSUES IN YOUR MESSAGE OF DECEMBER 30. WE ARE STRONGLY COMMITTED TO WORKING WITH YOUR GOVERNMENT AND OTHERS IN CONFRONTING OUR COMMON PROBLEMS. WHILE MUCH REMAINS TO BE DONE, WE ARE ENCOURAGED BY THE POSITIVE STEPS WHICH HAVE BEEN TAKEN

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

PAGE 03 STATE 269371

RECENTLY, FOR OUR MUTUAL WELL-BEING, IT IS IMPERATIVE THAT WE CONTINUE DEVELOPING A COMMON APPROACH IN DEALING WITH ENERGY PROBLEMS AND THAT WE CONTINUE TO COORDINATE CLOSELY IN CONFRONTING OUR ECONOMIC DIFFICULTIES.

I LOOK FORWARD TO STAYING IN CLOSE TOUCH WITH YOU ON THESE IMPORTANT ISSUES.

SINCERELY,

GERALD R. FORD

THE RIGHT HONORABLE
HAROLD WILSON
PRIME MINISTER
LONDON

END TEXT. KISSINGER

~~SECRET~~

28

THE PRESIDENT HAS SEEN....

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

4086

ADMINISTRATIVELY
CONFIDENTIAL

INFORMATION
June 18, 1975

MEMORANDUM FOR THE PRESIDENT

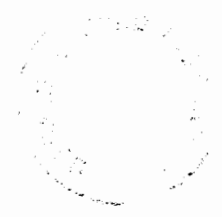
FROM: Henry A. Kissinger

SUBJECT: Message From Prime Minister Wilson

Prime Minister Wilson's note (at Tab A) thanks you for your congratulatory message (text at Tab B) on the outcome of Britain's EC referendum. The Prime Minister states his pleasure that the verdict of the British people was so decisive and his conviction that the result is good for Britain, Europe and for the world. He says that a relationship of mutual trust between Europe and the United States is the cornerstone of Britain's foreign policy and states that as a member of the Community Britain looks forward to close, continuing cooperation. He concludes that he shares your conviction that such cooperation will contribute to world peace and prosperity.

The Prime Minister's reply message is forwarded for your information.

ADMINISTRATIVELY
CONFIDENTIAL



4086



FROM:
THE HON.
SIR PETER RAMSBOTHAM KCMG

BRITISH EMBASSY
WASHINGTON, D. C. 20008
TELEPHONE: (202) 462-1340

The President
The White House

12 June 1975

Dear Mr. President

I have the honour to forward a message from the British Prime Minister, Mr Harold Wilson, in reply to your message to him on the result of the British referendum on the European Economic Community.

*Yours sincerely
Peter Ramsbotham*

H M Ambassador





20

4086

Thank you very much for your message on the outcome of the referendum and for your congratulations. It is a great satisfaction that the British people should have given so decisive a verdict. I am convinced that this result is good for Britain, for Europe and for the world as a whole.

As Prime Minister I have, as you know, always seen a relationship of mutual trust between Europe and the United States as the corner-stone of our foreign policy. We look forward as members of the Community to a close and continuing co-operation. In the face of many difficult problems ahead, I share your conviction that such co-operation will contribute to world peace and prosperity.





10 DOWNING STREET

THE PRIME MINISTER

12 June 1975

My dear Mr President,

Thank you very much for your message on the outcome of the Referendum and for your congratulations. It is a great satisfaction that the British people should have given so decisive a verdict. I am convinced that this result is good for Britain, for Europe and for the world as a whole.

As Prime Minister I have, as you know, always seen a relationship of mutual trust between Europe and the United States as the corner-stone of our foreign policy. We look forward as members of the Community to a close and continuing co-operation. In the face of the many difficult problems ahead, I share your conviction that such co-operation will contribute to world peace and prosperity.

*Yours very sincerely,
Harold Wilson*

The President of the United States of America

—
THE WHITE HOUSE
WASHINGTON

*Staff w/ copy
to Senouph
DE*

6/23/75

TO: DR. KISSINGER



RDL
Robert D. Linder

24
To PM Wilson from President Ford

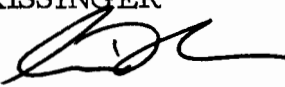
At this historic moment, I want to congratulate you and the people of Great Britain on the outcome of the EC referendum. It reflects recognition of increasing interdependence. It reinforces the prospect of growing European cooperation and harmony. And it demonstrates the same perception of common destiny which has created a wider community of Atlantic and industrialized nations.

The United States looks forward to continued and growing cooperation with Great Britain as part of a vital, unified Europe. By building on the accomplishments of the past and by working together to resolve the difficult problems ahead, the industrialized democracies can further their own well-being and contribute significantly to greater global harmony and prosperity.

ADMINISTRATIVELY
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ACTION
June 16, 1975

MEMORANDUM FOR SECRETARY KISSINGER

FROM: A. Denis Clift 
Robert Hormats

SUBJECT: Message to the President From
Prime Minister Wilson

Sir Peter Ramsbotham has forwarded a message (at Tab A) from Prime Minister Wilson thanking the President for his congratulatory message (at Tab B) on the outcome of Britain's EC referendum.

The memorandum for your signature to the President at Tab I would forward the Prime Minister's message together with a brief summary. It would also indicate that no reply from the President is necessary.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

ADMINISTRATIVELY
CONFIDENTIAL

NSC CORRESPONDENCE PROFILE

DOC		RECD			LOG NBR	INITIAL ACTION
MO	DA	MO	DA	HR	7504086	<i>Cliff</i>
6	12	6	13	15		

SOURCE/CLASS/DESCRIPTION

TO: PRES _____ FROM: *Leader* KISSINGER, H _____ REFERENCE: _____ CIRCLE AS APPROPRIATE
 KISSINGER **X* _____ COLBY, W _____ S/S _____ UNCLAS LOG IN/OUT
 SCOWCROFT _____ SCHLESINGER, J _____ OTHER _____ LOU NO FORN NODIS
 DAVIS _____ ST EX SEC _____ S EYES ONLY EXDIS
 TS SENSITIVE

SUBJECT: *Ack ltr to Pres fm Ramsbotham, Amb of Great Britain, fwding a msg fm PM Wilson thanking Pres for his recent msg re British referendum*

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION			REC CY FOR	ACTION REQUIRED
	ACTION	INFO		
ADVANCE CYS TO HAK/SCOWCROFT				MEMO FOR HAK ()
STAFF SECRETARY				MEMO FOR PRES ()
FAR EAST				REPLY FOR ()
SUB-SAHARAN AFRICA				APPROPRIATE ACTION (<i>*</i>)
MID EAST / NO. AFRICA / SO. ASIA				MEMO TO ()
EUROPE / CANADA	<i>X</i>		<i>X</i>	RECOMMENDATIONS ()
LATIN AMERICA				JOINT MEMO ()
UNITED NATIONS				REFER TO FOR ()
ECONOMIC				ANY ACTION NECESSARY? ()
SCIENTIFIC				CONCURRENCE ()
PROGRAM ANALYSIS				DUE DATE: <i>6-20</i>
NSC PLANNING				COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)
CONGRESSIONAL				
OCEANS POLICY				
INTELLIGENCE				

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
<i>6/16</i>	<i>-</i>	<i>HAK</i>	<i>X</i>	<i>Pres for ltr</i>	
<i>6/18</i>		<i>Pres</i>	<i>CIP</i>	<i>Info</i>	
<i>6/20</i>		<i>NSC/S</i>	<i>C</i>	<i>Noted by Pres</i>	
<i>6/24</i>				<i>Rec Dir from Leader</i>	

NSC/S INSTR

DISPATCH _____
 CY RQMTS: SEE ABOVE PLUS: _____
 NOTIFY _____ & DATE _____ BY _____
 SPECIAL DISPOSITION: _____
 CROSS REF W/ _____
 SUSPENSE CY ATTACHED: *4* FOLDER: _____

MICROFILM & FILE RQMTS:
 JUN 1975 BY *ARC*
 CRT ID: *GAB* SA SF
 OPE: *AOC* HP NS
 CLOSE: *AOC* WH EP
 PA DY

THE WHITE HOUSE
WASHINGTON

August 31, 1975

Dear Mr. Prime Minister:

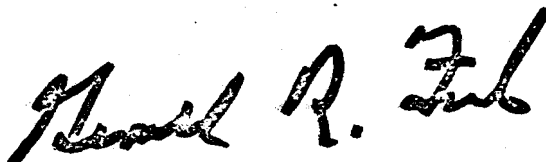
Our representatives are meeting this weekend in Washington, along with those of other countries, to discuss some crucial issues in the international monetary area. Resolution of these questions will help assure the continued viability of the liberal trade and payments system which is so essential to world prosperity in the coming years. Sound agreements on gold and exchange rates are clearly important to every country. In addition, less developed nations will particularly benefit from the planned IMF quota increase and measures to mobilize IMF gold.

For these reasons, I place great importance on progress at the upcoming meetings of the Bank and the Fund. I am, therefore, authorizing Secretary Simon to exercise further flexibility on the gold issue.

I hope this flexibility by the United States on gold will pave the way for agreement on a full package of amendments to the IMF Articles as well as the quota increase. Obviously, the French approach to the exchange regime issue will be critical to working out a package. I have, therefore, written to President Giscard d'Estaing to urge reconsideration of the French position.

In the past, you have played a decisive role in the formulation of European views on monetary questions. I know we can count now on your continued efforts to reach a common ground on which we can all agree.

Sincerely,

A handwritten signature in dark ink, appearing to read "Harold R. Zub". The signature is written in a cursive style with a large, prominent "Z" at the end.

Right Honorable
Harold Wilson
Prime Minister of Great Britain
London



10 DOWNING STREET

THE PRIME MINISTER

11 September 1975

Dear Mr President.

I appreciated very much your writing to me as you did before the discussions held in the Interim Committee a few days ago.

We can, I believe, be well satisfied with the outcome of that meeting, and in particular the successful resolution of the gold issues that have proved so intractable in the past. As you said in your address to the Annual IMF Meeting, these results represented a major breakthrough. The additional negotiating authority you felt able to give to Secretary Simon was clearly an important element in the overall result.

Like you, I hope and believe that it will now be possible to build on this progress and complete in the coming months a comprehensive agreement covering in particular outstanding issues on the exchange rate regime.

As you know, our own position on this question - and indeed that of a majority of EEC countries - is very close to that of the United States. You can be assured of our continued efforts to reach a solution. Meanwhile I am sure that it was right for you to have written to the French President asking him to reconsider the French position.

*Yours very sincerely,
Harold Wilson*

The President of the United States of America

See Gold File for Original

THE WHITE HOUSE

WASHINGTON

INFORMATION

October 13, 1975

~~SECRET~~

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *BS* *JKY*

SUBJECT: Responses from Wilson, Schmidt, and Moro to your Letters on Gold

Prime Minister Wilson, Chancellor Schmidt, and Prime Minister Moro have responded to your messages of September 1 conveying a more flexible US position on gold. In the Interim Committee, agreement was reached on new IMF quotas, on reducing the vote required for a veto from 20% to 15%, abolition of an official price for gold, elimination of the obligation to use gold in transactions with the IMF, sale of one-sixth of the Fund's gold (25 million ounces) for benefit of the developing countries, and restitution of the same amount to its original owners.

Wilson (Tab A) believes that your additional flexibility was an important element in the overall results of the meeting of the Interim Committee. He hopes and believes that it will now be possible to complete in coming months a comprehensive agreement covering, in particular, outstanding issues relating to exchange rates.

Schmidt (Tab B) also believes that US flexibility was a significant factor in paving the way for progress in the Interim Committee. He states that future progress toward broader agreement should not be impaired by differences of opinion over the future exchange rate system (viz. France vs. the US). He expects that the gap between the different views will be narrowed, and warns that an unnecessarily tough discussion could damage present efforts to stimulate economic activity, reduce inflation and fight inflation and payments imbalances. He indicates that he will do all in his power "in an undogmatic spirit" to play a mediating role.

Moro (Tab C) states that the positive results obtained in gold and IMF quotas were testimony of the goodwill of the US and the European Community in dealing with world monetary problems. He affirms that Italy intends to

~~SECRET/GDS~~*Wb 3/9/04*

pursue discussion concerning exchange rates in the same constructive spirit, with the goal of reaching a formula that will reconcile existing differences. He underlines the point, made to you in Helsinki, that Italy's ability to play a constructive role on these matters will be made more difficult if major financial issues are discussed in meetings limited to five countries, i. e., excluding Italy. Constructive action by Italy "presupposes Italy's participation in all of the forums in which international policies in the economic and monetary areas are elaborated and agreed upon."

I do not believe that replies to the three heads of government are required.

NATIONAL SECURITY COUNCIL

TAB 7 find to 11
10.13

ACTION

October 7, 1975

SECRET

MEMORANDUM FOR: GENERAL SCOWCROFT

FROM: ROBERT HORMATS *RH*

SUBJECT: Responses from Wilson, Schmidt
and Moro to President's Letters on Gold

The above noted leaders responded to the President's messages of September 1 conveying a more flexible US position on gold. All believe that this flexibility was an important element in the successful meeting of the IMF Interim Committee. Should you wish to send these to the President, a memorandum is attached at Tab 1.

RECOMMENDATION:

That you sign the memorandum to the President at Tab 1.

SECRET/GDS

Wa 3/9/04

604

~~SECRET~~

*****S COPY

OP IMMED
DE WTE #5949 293215Z
O 202201Z OCT 75
FM THE PRESIDENT

TO THE PRIME MINISTER

~~SECRET~~ DELIVER AT OPENING OF BUSINESS WH51991

TO: PRIME MINISTER WILSON
FROM: PRESIDENT FORD

OCTOBER 20, 1975

DEAR MR. PRIME MINISTER:

I WANTED TO CONVEY TO YOU MY SATISFACTION WITH THE PROSPECT OF THE SUMMIT MEETING NEXT MONTH. I GREATLY LOOK FORWARD TO A FULL AND CANDID REVIEW OF THE GREAT PROBLEMS WE ALL FACE TOGETHER. THE SPIRIT OF THE PREPARATORY WORK SINCE HELSINKI SUGGESTS THAT WE WILL HAVE A REAL OPPORTUNITY TO GIVE IMPULSE TO COOPERATIVE APPROACHES AMONG THE INDUSTRIAL DEMOCRACIES AND THUS TO DEMONSTRATE OUR POLITICAL RESOLVE TO DEAL WITH THE ISSUES BEFORE US.

I AM CONCERNED, HOWEVER, WITH ONE ASPECT OF THE SUMMIT: THE CONTINUED RESISTANCE OF OUR FRENCH COLLEAGUE TO THE INCLUSION OF CANADA. I AM SURE ALL OF US WOULD HAVE PREFERRED THE MORE LIMITED MEETING OF FIVE LEADERS. AT THE SAME TIME, WE RECOGNIZED THE POLITICAL IMPERATIVES THAT REQUIRED THE INCLUSION OF ITALY. BUT IT WAS ALWAYS CLEAR THAT ONCE THIS OCCURRED THE CANADIANS HAD A MOST LEGITIMATE CLAIM TO COME AS WELL. INDEED, FOR US IN THE UNITED STATES THERE COULD BE NO QUESTION THAT A COUNTRY WHICH IS OUR LARGEST TRADING PARTNER, WHOSE ECONOMY IS SO INTIMATELY INTERTWINED WITH OURS AND WHICH CLEARLY RANKS AS A LEADING ECONOMIC POWER IN THE WORLD WOULD HAVE TO BE PRESENT AT THE SUMMIT ONCE IT WAS ENLARGED BEYOND THE ORIGINAL FIVE.

AS A MATTER OF PROCEDURE, I FIND IT QUITE DISMAYING

*****WHSR COMMENT*****

SCONCROFT,RODMAN

PSN:046920
RECALLED
PAGE 01

TOR:293/21:52Z DTG:202201Z OCT 75

~~SECRET~~

*****S COPY

DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES
BY: , NARA, DATE 2/9/04



~~SECRET~~



BRITISH EMBASSY,
WASHINGTON, D. C.

1 November 1975

The Honorable Henry A Kissinger
SECRETARY OF STATE

Dear Henry

I enclose a copy of a reply from the Prime
Minister to the President's message of 20
October about the Economic Summit Conference.

*Yours sincerely
Peter Ramsbotham*

(Peter Ramsbotham)

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By W, NARA, Date 2/10/04

~~SECRET~~





SECRET

TEXT OF MESSAGE

1. I was encouraged to receive your message of 20 October about the Summit Meeting. I agree that the time is ripe for a gesture showing the willingness of the industrial democracies to tackle current world economic problems and to display a common political resolve in working for the resumption of growth.
2. On the question of Canadian participation, I fully share your feeling that Canada has good grounds for seeking to attend this meeting. I have let the Canadians know that this is my view, and have taken steps to have it brought to the attention of President Giscard. I have not received a direct reply. I understand, however, that Giscard maintains his objections, and that his reply will say so.
3. In the light of this I am considering whether I should send a direct message to President Giscard, asking him not to oppose the Canadian request for an invitation to attend the meeting, which I believe would profit from their presence. But before doing so I would be glad to know whether your exchange of messages with him has yet yielded anything; you mentioned that you were proposing to be in touch with him again. The answer to this would of course shape the terms in which I couch any approach to Giscard.
4. I share your reluctance to accept that the French President should be allowed to decide who should or should not participate in the proposed conference. I think we should spare no effort in trying to dislodge him. I am bound to say that in the light of the great attention and expectations which the announcement of the Summit Conference has raised, its abandonment for any reason at this stage could have a bad effect on international confidence. But we should do all we can to ensure Canada's attendance."

SECRET

DECLASSIFIED
E.O. 12958 (as amended) SEC 3.3
MR # 09-120-#24
State Dept. ltr 4/29/10
By dal NARA, Date 6/22/10





Department of State **TELEGRAM**

~~CONFIDENTIAL~~

PAGE 02 STATE 267049

PERIOD OF SHARED PROSPERITY. ON REFLECTION, IT SEEMS TO ME THAT OUR PUBLICS AND OUR PARLIAMENTS WILL EXPECT NOTHING LESS AND THAT WE CAN, IN FACT, ACHIEVE SUBSTANTIAL PROGRESS.

3. OUR FIRST TASK AT RAMBOUILLET WILL BE TO BUILD CONFIDENCE IN THE ECONOMIC RECOVERY UNDERWAY IN THE UNITED STATES AND JAPAN AND WHICH IS BEGINNING IN EUROPE. HERE, I BELIEVE, A CAREFUL PRESENTATION OF THE MOST RECENT TRENDS WILL BE CONVINCING.

4. NEXT, WE NEED TO DEMONSTRATE TO OUR PUBLICS OUR INTENTION TO DIRECT THE COURSE OF THE RECOVERY SO AS TO MAINTAIN STABLE ECONOMIC GROWTH IN THE FUTURE. IN THIS

CONNECTION, WE MIGHT CONSIDER WHETHER CLOSER COOPERATION AMONG OUR OFFICIALS RESPONSIBLE FOR ECONOMIC POLICY, COUPLED WITH THE ARTICULATION OF JOINT GOALS FOR THE MAJOR INDUSTRIALIZED ECONOMIES, WOULD NOT BE DESIRABLE. THESE GOALS MIGHT BE:

--TO GENERALIZE THE RECOVERY DURING 1976 AMONG THE MAJOR INDUSTRIAL COUNTRIES.

--TO SEEK TO RESTORE SUSTAINED VIGOROUS ECONOMIC EXPANSION AND HIGH LEVELS OF EMPLOYMENT BY 1977.

--TO REDUCE INFLATION AND DISPARITIES AMONG NATIONAL INFLATION RATES.

--TO RESTORE VIGOROUS GROWTH IN TRADE.

5. THIRD, OUR MEETING MUST COME TO GRIPS WITH THE SPECIFIC PROBLEMS OF TRADE, MONEY AND ENERGY.

6. TRADE IS CLEARLY CRITICAL. WE SHOULD, I BELIEVE, PROVIDE NEEDED IMPETUS TO THE MULTILATERAL TRADE NEGOTIATIONS UNDERWAY IN GENEVA, SETTING 1977 AS THE DEADLINE FOR THEIR COMPLETION AND IDENTIFYING AS OUR GOALS:

--A MAJOR CUT IN TARIFFS (NO LESS THAN THAT ACHIEVED IN THE KENNEDY ROUND);

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Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 03 STATE 267049

--REDUCTION OF NON-TARIFF MEASURES BY NEGOTIATION OF CODES;

--SIGNIFICANT IMPROVEMENT IN AGRICULTURAL TRADE; AND

--ELIMINATION OF TARIFFS IN GIVEN COMMODITY AREAS.

7. WE SHOULD ALSO REAFFIRM OUR OECD PLEDGE NOT TO TAKE RESTRICTIVE ACTION.

8. ON MONETARY ISSUES, THE DIVERGENT POSITIONS OF A YEAR AGO HAVE NARROWED CONSIDERABLY. THESE PAST WEEKS OUR REPRESENTATIVE, TREASURY UNDER SECRETARY YEO, HAS BEEN MAKING AN INTENSIVE EFFORT TO RESOLVE REMAINING DIFFERENCES. IF THESE DISCUSSIONS SHOULD SUCCEED, CHANCES WILL BE GOOD OF GETTING THE WHOLE NEW MONETARY STRUCTURE IN PLACE BY THE JANUARY MEETING OF THE IMF. IN THIS AREA AS IN OTHERS, I DO NOT THINK THAT WE SHOULD OURSELVES ATTEMPT TO NEGOTIATE OUTSTANDING ISSUES AT THE SUMMIT. THE TIME IS TOO SHORT; THE ISSUES ARE OFTEN TECHNICAL; AND IT

WOULD BE WRONG TO DIVERT OUR EFFORTS FROM WHAT ONLY WE CAN DO -- SET FUNDAMENTAL POLICY DIRECTIONS -- TO WHAT MINISTERS CAN DO.

9. ON ENERGY, A FRANK DISCUSSION OF THE POSITION OF OUR COUNTRIES AS WE EMERGE FROM THE RECESSION AND ENTER THE ECONOMIC DIALOGUE WITH THE DEVELOPING COUNTRIES AND KEY OPEC MEMBERS IS CLEARLY IN ORDER. OUR VIEW WILL BE THAT THE IEA COUNTRIES MUST HOLD TO THEIR DECEMBER 1 DEADLINE IN THE LONG-TERM PROGRAM, INCLUDING THE MINIMUM SAFEGUARD PRICE. WE ALSO OUGHT TO ALLOW FOR SOME WAY FOR FRANCE TO ASSOCIATE INTO THAT PROGRAM ONCE IT IS COMPLETED. WE WILL WANT TO ADDRESS THE QUESTION OF ACCESS TO ENERGY SUPPLY AND INVESTMENT WITHIN THE IEA. AND WE SHOULD TALK ABOUT WHAT WE CAN AND CANNOT DO IN ENERGY IN THE DIALOGUE.

10. FINALLY, WITH THE DIALOGUE IMMINENT AND IN THE WAKE OF THE SEVENTH SPECIAL SESSION OF THE UNITED NATIONS, IT WOULD BE BOTH APPROPRIATE AND POLITICAL PUBLICLY TO

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DISSEMINATION



Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 04 STATE 267049

ACKNOWLEDGE THE RELATIONSHIP OF OUR DELIBERATIONS TO THE ASPIRATIONS OF THE DEVELOPING WORLD AND TO RESTATE OUR COMMITMENT TO A TRANSFORMATION OF THE RELATIONS BETWEEN THE INDUSTRIALIZED AND DEVELOPING WORLD. --

11. AS I NOW SEE IT, IN ORDER FOR OUR MEETING TO HAVE THE DESIRED RESULTS, WE SHOULD PREPARE AND ISSUE A JOINT STATEMENT EMBODYING OUR CONCLUSIONS. WE ARE ALL FIRMLY IN AGREEMENT THAT OUR MEETING SHOULD NOT CONCERN ITSELF UNDULY WITH THE PREPARATION OF A TEXT. THAT TASK CAN BE LARGELY CONFIDED TO THE OFFICIALS THAT WILL ACCOMPANY US.

12. TO PROVIDE YOU AND YOUR ASSOCIATES WITH A FURTHER INDICATION -- AND SOME SPECIFICS -- OF WHAT WE BELIEVE WE MIGHT SAY IN SUCH A JOINT STATEMENT, GEORGE SHULTZ, OUR REPRESENTATIVE AT THE NOVEMBER 11 MEETING IN LONDON IS PROPOSING A TEXT WHICH EMBODIES OUR THINKING ON THE ISSUES TO BE ADDRESSED AND OUR SUGGESTIONS ON WHAT SHOULD BE SAID PUBLICLY ABOUT THEM.

13. I AM SENDING SIMILAR LETTERS TO EACH OF THE LEADERS WHO WILL JOIN US AT RAMBOUILLET. I LOOK FORWARD TO SEEING YOU THERE. GERALD R. FORD INGERSOLL

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

January 21, 1976

Dear Mr. Prime Minister:

It was very good of you to provide me with a fuller expression of your thinking on Spain, in your message of December 22, 1975. Your analysis and ours are very similar, although we differ somewhat as to the policy conclusions to be drawn.

I agree that the situation in Spain will remain fluid for some time. The King has outlined a generally progressive platform, however, and the Cabinet will require both time and determination to implement it. Given the relative strengths of the contending forces, the King and his ministers will need to combine progress with continuity. The pace they set will not satisfy all observers or all Spaniards, but I believe that they should not be pressed to move more rapidly than the political pressures permit. Whenever possible, we should all support and encourage the evolutionary process now in motion, as you propose to do.

The King has already demonstrated that he wants to move but is opposed by hard-line elements. To be effective, the influence of friendly governments should be used to strengthen the King and his Cabinet.

Further, we should avoid having the debate about Spain's ties with Europe focus on liberalization as a price Spain must pay. Even moderate Spaniards are resentful of foreign pressures. In my opinion, it will be more effective to emphasize the benefits of full participation in European affairs -- through inducements such as visits, high-level statements and trade negotiations -- rather than to threaten continued exclusion from NATO and the European Community.

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/08, STATE DEPT. GUIDELINES, stat review 9/17/03
BY , NARA, DATE 3/9/04



~~CONFIDENTIAL~~

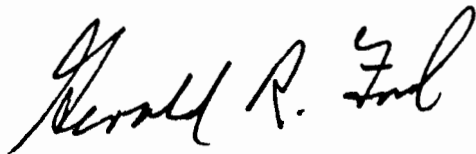
- 2 -

It is in this spirit that the United States intends to continue to encourage our European partners to take whatever steps they find possible to demonstrate that Spain's European identity is recognized and valued. We want to work closely with you on this and to tailor our efforts to political realities in Europe. I realize that not all of our partners share our view that their positive gestures now will be more fruitful than holding back until greater changes are made. To me, it is not a question of preserving the old regime but rather of encouraging progress with minimal risk of provoking resistance that might stop all change.

On a purely bilateral matter, I trust our new agreement with Spain can be concluded in the near future. Quite apart from the obvious military advantages for Western security, we see this cooperative arrangement as very useful for the broad contacts it gives us with leaders in various fields throughout Spain.

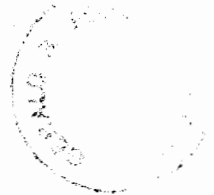
I would like to stay in close touch as the Spanish situation develops, both via the Secretaries of State and our own exchanges. Our differences seem to be matters of emphasis rather than of approach. Your intention to give the King the benefit of the doubt seems to me the best general approach. We shall do the same in our expressions of interest and sympathy, visits, and strengthening of contacts.

Sincerely,



The Right Honorable
Harold Wilson
Prime Minister
London

~~CONFIDENTIAL~~



NATIONAL SECURITY COUNCIL
REFERRAL

Date: 1/21/76
NSC log # 7508426

MEMORANDUM FOR:

George S. Springsteen
Executive Secretary
Department of State

DOCUMENT DESCRIPTION:

To: Prime Minister Wilson
From: President Ford
Date: 1/21/76
Subject: Spain

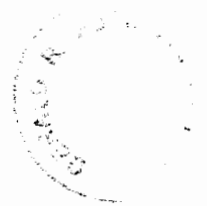
ACTION REQUESTED:

<input type="checkbox"/> Draft reply for:	<input type="checkbox"/> President's Signature
	<input type="checkbox"/> White House Staff
	<input type="checkbox"/> Other _____
<input type="checkbox"/> Direct reply	<input type="checkbox"/> Furnish info copy
<input checked="" type="checkbox"/> Dispatch	<input type="checkbox"/> Translation
<input type="checkbox"/> Recommendations/Comments	<input type="checkbox"/> Appropriate Handling
<input type="checkbox"/> Other	<input type="checkbox"/> Information

DUE DATE:

COMMENTS:

Hedy Kerchais
for Jeanne W. Davis
Staff Secretary



MEMORANDUM

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THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

8426

~~CONFIDENTIAL~~

ACTION
January 20, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: Brent Scowcroft *BS*
SUBJECT: Reply to Prime Minister Wilson on Spain

Further to the discussions he had with you at Rambouillet, Prime Minister Wilson has sent you a message (Tab B) outlining his thoughts on the future of Spain and on British policy toward Spain.

The Prime Minister makes the following points:

- The aftermath of General Franco's death is likely to be confused and difficult.
- Encouragement, as far as possible, of those Spaniards who wish to move Spain in a liberal direction towards the rest of Western Europe is of supreme importance.
- Spain must be given the "benefit of the doubt" if and when the country moves "generally in the right direction." This is likely to take the form of London's welcoming specific encouraging signs rather than declaring broad approval for the new regime.
- King Juan Carlos has a "very hard row to hoe." Under these circumstances, London plans to encourage the King privately to move as fast as possible, while avoiding public condemnation if the pace is slower than public expectation in the UK may demand.
- Maintenance of continuity in Spain's political and governmental structure during the transition period can possibly be accomplished by the restructuring of the Spanish Cortes (parliament) with the creation of two houses -- an elected chamber and a second "corporate" house of appointed members.

~~CONFIDENTIAL/GDS~~

DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES *State Review 9/17/03*
BY *lno*, NARA DATE *3/9/04*

-- Interference in Spanish domestic affairs must be avoided. As far as possible, the British Labor government will avoid taking sides among the various political factions in Spain, but will, because of close fraternal ties, lean toward support of the Spanish Socialist Party (PSOE).

-- The British government plans to make a "positive contribution to satisfactory developments" by public encouragement to the Spanish people and new regime; support of efforts to establish closer ties between Spain and Western organizations such as the EC and NATO, while avoiding special "concessions" or "bending of the rules" for early entry; visits in both directions; and, encouragement of British political parties to establish contacts with like groups in Spain.

-- Gibraltar will continue to hamper the positive development of Anglo-Spanish relations in the immediate future.

While the British analysis in most respects is similar to our own, the UK policy conclusions differ in the approach to be taken with Spain. The reply for your signature to the Prime Minister at Tab A would note that it is of importance to help Spain into the mainstream of European activity, and that this should be done through positive gestures by ourselves and our European partners rather than through political pressures aimed at forcing the pace of liberalization in Spain.

Your proposed reply states your concurrence in the Prime Minister's basic approach of giving King Juan Carlos the benefit of the doubt and states that you look forward to staying in touch with him on the Spanish situation developments.

The letter has been coordinated with Secretary Kissinger and Bob Orben has cleared the text.

RECOMMENDATION

That you sign the letter at Tab A.

~~CONFIDENTIAL~~



BRITISH EMBASSY,
WASHINGTON, D. C.

22 December 1975

The President
The White House

My dear Mr. President,

The Prime Minister has asked me to transmit to you the enclosed personal message embodying his thoughts on the future of Spain and British policy towards Spain. He has asked me to say that the signed original letter, dated 18 December, will be delivered in due course.

Yours sincerely,

John Moreton

J O Moreton
Chargé d'Affaires



~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958 (as amended) SEC 3.3
MR # 09-120, #25
State Dept. 4/29/10
By dal NARA, Date 6/22/10



~~CONFIDENTIAL~~

TEXT OF MESSAGE

1. When we met at Rambouillet I promised to send you an account in greater detail of our thoughts on the future of Spain and British policy towards Spain.

2. The aftermath of General Franco's death is likely to be confused and difficult. It is of supreme importance to encourage as far as possible those Spaniards who wish Spain to move in a liberal direction and towards the rest of Europe. If the new Spanish Government is seen to be moving generally in the right direction it may prove to be appropriate to give them the benefit of the doubt if they make a slow start in some respects. But giving them the benefit of the doubt is likely to take the form of our welcoming specific encouraging signs rather than declaring broad approval for the new regime. It cannot expect a blank cheque. Nevertheless I recognise, even if it cannot be put bluntly in public, that King Juan Carlos has a very hard row to hoe. So we shall encourage him privately to move as fast as possible, but try to avoid public condemnation when we can, if the pace is slower than public expectation here may demand.

3. When we met at Rambouillet we touched on the need for some degree of continuity in Spain's political and governmental structures. One possibility, which I understand Senor Fraga mentioned to Elliot Richardson

/ as

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DECLASSIFIED
E.O. 12958 (as amended) SEC 3.3
MR # 09-120-#25
state dept rev 4/29/10
By dsl NARA, Date 4/22/10





~~CONFIDENTIAL~~

as something that he was urging on Juan Carlos, is the revision of the structure of the Cortes, to create two Houses - an elected chamber and a second "corporate" House containing the designated members: this to be done quickly by decree law and subsequently put to the test of a referendum. It will be for the Spaniards to work out themselves what is most likely to work in practice and have the right effect, but this suggestion is clearly designed to meet the twin needs of continuity and progress which I am sure the King and his advisers have very much in mind.

4. Our tactics will clearly have to be chosen with care, in order not to offend Spanish pride by appearing to patronise or interfere in their domestic affairs. As far as possible the British Government will avoid any appearance of taking sides among the all too many political groups, but you will understand that the Labour Party, through the Socialist International, has had special ties with the PSOE for many years, which we shall continue to foster.

5. I hope that it will be possible for the British Government to make a positive contribution to satisfactory developments by:-

- (a) speeches, displaying sympathetic interest, and encouragement to the Spanish nation and the new regime, in any moves to liberalise or reform, and particularly in moves to legalise political parties and to move towards a parliamentary system:

/ (b)





~~CONFIDENTIAL~~

- (b) efforts to establish closer ties between Spain and Western organisations. In my view the NATO and EEC partners should be ready to meet the Spaniards at whatever speed they are able to move towards a rapprochement. It would be wrong, however, to give the Spaniards the impression that there could be any question for us of bending the rules, eg of NATO, the Council of Europe, or the EEC, to allow them entry, or of our wanting them in before they have achieved a satisfactory degree of democracy. It is more a case of indicating to them that, as they move towards a more democratic system, so it will be possible to build up closer links, and so to arrive at realistic planning for eventual membership:
- (c) visits, in both directions; the level will of course depend on the degree of political progress in Spain:
- (d) encouragement to British political parties to establish contacts with as broad as possible a spread of Spanish political groups, and to urge on those groups the need to work together for the common interest and eschew sectional policies (but this presupposes the legitimisation of political parties and political activity in Spain):

/ (e)

- 3 -

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- (e) encouraging other contacts, eg trade union and inter-parliamentary contacts.

6. I recognise that Gibraltar will continue to hamper the development of Anglo-Spanish relations. But I hope that the Spaniards may finally wake up to the truth that the way out of this age-old impasse is for them to build links with the Gibraltarians instead of physically isolating and antagonising them. The British Government genuinely wishes to pursue a solution that will be acceptable to all, and hopes that Spain will follow a course which will make this possible.

- 4 -

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

8426



10 DOWNING STREET

THE PRIME MINISTER

18 December 1975

Dear Mr President,

When we met at Rambouillet I promised to send you an account in greater detail of our thoughts on the future of Spain and British policy towards Spain.

The aftermath of General Franco's death is likely to be confused and difficult. It is of supreme importance to encourage as far as possible those Spaniards who wish Spain to move in a liberal direction and towards the rest of Europe. If the new Spanish Government is seen to be moving generally in the right direction it may prove to be appropriate to give them the benefit of the doubt if they make a slow start in some respects. But giving them the benefit of the doubt is likely to take the form of our welcoming specific encouraging signs rather than declaring broad approval for the new regime. It cannot expect a blank cheque. Nevertheless I recognise, even if it cannot be put bluntly in public, that King Juan Carlos has a very hard row to hoe. So we shall encourage him privately to move as fast as possible, but try to avoid public condemnation when we can, if the pace is slower than public expectation here may demand.

When we met at Rambouillet we touched on the need for some degree of continuity in Spain's political and governmental structures. One possibility, which I understand Sr. Fraga mentioned to Elliot Richardson as something that he was urging on Juan Carlos, is the revision of the structure of the Cortes,

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same as MR 09-120 #25

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BY HR 10/12/12



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- 2 -

to create two Houses - an elected Chamber and a second "corporate" House containing the designated members; this to be done quickly by decree law and subsequently put to the test of a referendum. It will be for the Spaniards to work out themselves what is most likely to work in practice and have the right effect, but this suggestion is clearly designed to meet the twin needs of continuity and progress which I am sure the King and his advisers have very much in mind.

Our tactics will clearly have to be chosen with care, in order not to offend Spanish pride by appearing to patronise or interfere in their domestic affairs. As far as possible the British Government will avoid any appearance of taking sides among the all too many political groups, but you will understand that the Labour Party, through the Socialist International, has had special ties with the PSOE, for many years, which we shall continue to foster.

I hope that it will be possible for the British Government to make a positive contribution to satisfactory developments by:-

- (a) speeches displaying sympathetic interest, and encouragement to the Spanish nation and the new regime, in any moves to liberalise or reform, and particularly in moves to legalise political parties and to move towards a parliamentary system;
- (b) efforts to establish closer ties between Spain and Western organisations. In my view the NATO and EEC partners should be ready to meet the Spaniards at whatever speed they are able to move towards a rapprochement. It would be wrong, however, to give the Spaniards the impression that there could be any question for us of bending the rules, e.g., of NATO, the Council of Europe, or the EEC, to allow them entry, or of our wanting them in before they have achieved a satisfactory degree of democracy. It is more a case of indicating to them that, as they move towards a

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/more democratic



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- 3 -

more democratic system, so it will be possible to build up closer links, and so to arrive at realistic planning for eventual membership;

- (c) visits, in both directions. The level will of course depend on the degree of political progress in Spain;
- (d) encouragement to British political parties to establish contacts with as broad as possible a spread of Spanish political groups, and to urge on those groups the need to work together for the common interest and eschew sectional policies (but this presupposes the legitimisation of political parties and political activity in Spain);
- (e) encouraging other contacts, e.g. trade union and inter-Parliamentary contacts.

I recognise that Gibraltar will continue to hamper the development of Anglo-Spanish relations. But I hope that the Spaniards may finally wake up to the truth that the way out of this age-old impasse is for them to build links with the Gibraltarians instead of physically isolating and antagonising them. The British Government genuinely wishes to pursue a solution that will be acceptable to all, and hopes that Spain will follow a course which will make this possible.

*Yours,
Harold Wilson*

The President of the United States of America

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DEPARTMENT OF STATE

Washington, D.C. 20520

January 16, 1976

~~CONFIDENTIAL~~/EXDISMEMORANDUM FOR MR. BRENT SCOWCROFT
THE WHITE HOUSESubject: Proposed Reply from President Ford to
Wilson Letter on Spain (NSC #8426)

As requested in Mrs. Davis' memorandum of December 30, attached is a draft letter, reviewed by the Secretary, for the President's use in replying to Prime Minister Wilson's letter of December 18 on Spain.

The Wilson letter contains no surprises and proposes no actions; it confirms our impression that the British intend to hold back for the time being, not being unduly critical of Juan Carlos but not doing much to help him either. The proposed response by the President would acknowledge the similarity of their and our perceptions of the situation while pointing out that we believe Western governments should act now to strengthen the King and to promote closer ties with Spain. We do not expect to move the British toward our view but we think it is important that they understand our approach.

George S. Springsteen
George S. Springsteen
Executive Secretary

Attachment:

Draft Reply.

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Tab I find to # 1/20
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MEMORANDUM

NATIONAL SECURITY COUNCIL

8426

~~CONFIDENTIAL~~

ACTION

January 17, 1976

*Revised
John I & A*

MEMORANDUM FOR BRENT SCOWCROFT

FROM: Mr. Clift 

SUBJECT: Presidential Reply to Wilson on Spain

In response to our request of December 30, the Department of State has forwarded a proposed Presidential reply (Tab II), reviewed by Secretary Kissinger, to Prime Minister Wilson's message of December 22 on UK policy toward Spain.

We have made minor revisions here and have coordinated with Bob Orben, who is taking over from Paul Theis as the President's writer.*

The memorandum for your signature to the President at Tab I would review the contents of the Prime Minister's message and recommend that he sign the reply at Tab A.

RECOMMENDATION

That you sign the memorandum for the President at Tab I.

* In clearing the President's message with Orben, we took time to have a brief discussion on the speechwriting to be expected in 1976. He said he is looking for additional writers. I believe it would be helpful if someone with the right sort of background in foreign affairs were to join his staff, considering the number of speeches with at least some foreign policy content to be expected this year.

~~CONFIDENTIAL~~ / GDS

John 3/9/04

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~~CONFIDENTIAL~~

Reply by President Ford to
Prime Minister Wilson's Letter of December 18

~~CONFIDENTIAL~~

Dear Mr. Prime Minister:

It was very good of you to provide me with a fuller description of your ^{in your message of December 22, 1975.} thinking on Spain,

Your analysis and ours are quite close, although we differ somewhat as to the policy conclusions to draw.

^{I agree}
~~We too, believe~~ ^{in Spain} that the situation will remain fluid for some time. The King has laid out a generally progressive platform, and the Cabinet, probably the best that could be expected, will need both time and luck in order to implement it. Given the relative strengths of the contending forces, ~~we agree that~~ the King and his ministers will need to combine progress with continuity. The pace they set will not satisfy all observers or all Spaniards, but ^I ~~we~~ believe that they should not be pressed to move more rapidly than the political pressures can stand. Whenever possible, we should all support and encourage the evolutionary process now in motion, as you intend to do.

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E.O. 12958, SEC. 3.5

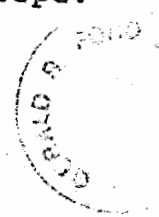
~~CONFIDENTIAL~~
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, State Review 9/17/03
BY , NARA, DATE 3/9/04

The King has already demonstrated that he wants to move but is opposed by the hard-line elements. To be effective, the influence of friendly governments should be used to strengthen the King and his Cabinet, not to squeeze them.

Further, we must avoid having the debate about Spain's ties with Europe focus on liberalization as a price Spain must pay. Even many moderate Spaniards are resentful about foreign pressures. ~~We, therefore,~~ ^{In my opinion,} ~~believe that~~ it is more effective to emphasize the benefits of full participation in European affairs -- ^{for} ~~example,~~ through visits, high-level statements ^{and} trade negotiations ~~etc.~~ -- as inducements than to wave the club of continued exclusion from NATO and the ^{European} EC ~~Community,~~ ^{Community,} as punishment.

It is in this spirit that ^{The United States} ~~we~~ intend to continue to encourage our European partners to take whatever steps they find possible to demonstrate that Spain's European vocation is recognized and valued. We shall want to work closely with you on this and to tailor our efforts to political realities in Europe.

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

-3-

^I~~We~~ realize that not all of our partners share our view that their positive gestures now will be more fruitful than holding back until greater changes are made. ^(to me) This is not a question of preserving the old regime but rather of encouraging progress with minimal risk of provoking resistance that might stop all change.

On ^a purely bilateral matter, ^{I trust} ~~we hope~~ our new agreement with Spain can be concluded in the near future. Quite apart from the obvious military advantages for Western security, we see this cooperative arrangement as very useful for the broad contacts it gives us with leaders in various fields throughout Spain.

I would like to stay in close touch as the Spanish situation develops, both via the Secretaries of State and our own exchanges. Our differences seem to be matters of emphasis rather than of approach. Your intention to give the King the benefit of the doubt seems to me the best general approach. We shall do the same in our expressions of interest and sympathy, visits, and strengthening of contacts.

~~With best personal regards,~~

Sincerely,

← Gerald R. Ford

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ACTION

December 30, 1975

MEMORANDUM FOR BRENT SCOWCROFT 

FROM:

Mr. Clift 

SUBJECT:

Message to President from British
Prime Minister Wilson Concerning Spain

British Embassy Charge d'Affaires John Moreton has forwarded the text of a personal message to the President from Prime Minister Wilson outlining the latter's thoughts on the future of Spain and British policy toward that country (text at Tab B). The Prime Minister's message is further to discussions that he and the President had on Spain at Rambouillet.

In brief, the Prime Minister makes the following points:

-- The aftermath of General Franco's death is likely to be confused and difficult.

-- Encouragement, as far as possible, of those Spaniards who wish to move Spain in a liberal direction towards the rest of Western Europe is of supreme importance.

-- Spain must be given the "benefit of the doubt" if and when the country moves "generally in the right direction". This is likely to take the form of London's welcoming specific encouraging signs rather than declaring broad approval for the new regime.

-- King Juan Carlos has a "very hard row to hoe". Under these circumstances, London plans to encourage the King privately to move as fast as possible, while avoiding public condemnation if the pace is slower than public expectation in the UK may demand.

-- Maintenance of continuity in Spain's political and governmental structure during the transition period can possibly be accomplished by the restructuring of the Spanish Cortes (parliament) with the creation of two houses -- an elected chamber and a second "corporate" house of appointed members.

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E.O. 12958, SEC. 3.5

~~SECRET~~/XGDS

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, state review 9/17/03
 BY MA, NARA, DATE 3/9/04

-- Interference in Spanish domestic affairs must be avoided. As far as possible, the British Labor government will avoid taking sides among the various political factions in Spain, but will, because of close fraternal ties, lean toward support of the Spanish Socialist Party (PSOE).

-- The British government plans to make a "positive contribution to satisfactory developments" by public encouragement to the Spanish people and new regime; support of efforts to establish closer ties between Spain and Western organizations such as the EC and NATO, while avoiding special "concessions" or "bending of the rules" for early entry; visits in both directions; and, encouragement of British political parties to establish contacts with like groups in Spain.

-- Gibraltar will continue to hamper the positive development of Anglo-Spanish relations in the immediate future.

In my opinion, Prime Minister Wilson and the British Labor government not surprisingly would appear to be expecting too much from Spain over the near and mid-term period. I think the President should strike this note of caution in his response to Wilson, while at the same time welcoming this dialogue with the UK.

Considering the importance of this issue to US-European relations, I believe it would be very useful to keep the Department of State fully involved, rather than handle the response directly from the White House. To ensure White House/State coordination on the President's reply to Prime Minister Wilson, the memorandum at Tab A for Jeanne Davis' signature to George Springsteen would forward a copy of the Prime Minister's message and request a proposed draft reply by Wednesday, January 7, 1976.

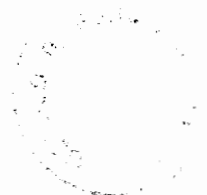
RECOMMENDATION

That you approve the memorandum at Tab A for Jeanne Davis' signature to State.

APPROVE _____



DISAPPROVE _____



~~CONFIDENTIAL~~ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: Brent Scowcroft

SUBJECT: Reply to Prime Minister Wilson on Spain

Further to the discussions he had with you at Rambouillet, Prime Minister Wilson has sent you a message (Tab B) outlining his thoughts on the future of Spain and on British policy toward Spain.

The Prime Minister makes the following points:

-- The aftermath of General Franco's death is likely to be confused and difficult.

-- Encouragement, as far as possible, of those Spaniards who wish to move Spain in a liberal direction towards the rest of Western Europe is of supreme importance.

-- Spain must be given the "benefit of the doubt" if and when the country moves "generally in the right direction." This is likely to take the form of London's welcoming specific encouraging signs rather than declaring broad approval for the new regime.

-- King Juan Carlos has a "very hard row to hoe." Under these circumstances, London plans to encourage the King privately to move as fast as possible, while avoiding public condemnation if the pace is slower than public expectation in the UK may demand.

-- Maintenance of continuity in Spain's political and governmental structure during the transition period can possibly be accomplished by the restructuring of the Spanish Cortes (parliament) with the creation of two houses -- an elected chamber and a second "corporate" house of appointed members.

~~CONFIDENTIAL~~/GDS

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES *State Dept view 9/17/03*
 BY WJ, NARA, DATE 3/9/04

-- Interference in Spanish domestic affairs must be avoided. As far as possible, the British Labor government will avoid taking sides among the various political factions in Spain, but will, because of close fraternal ties, lean toward support of the Spanish Socialist Party (PSOE).

-- The British government plans to make a "positive contribution to satisfactory developments" by public encouragement to the Spanish people and new regime; support of efforts to establish closer ties between Spain and Western organizations such as the EC and NATO, while avoiding special "concessions" or "bending of the rules" for early entry; visits in both directions; and, encouragement of British political parties to establish contacts with like groups in Spain.

-- Gibraltar will continue to hamper the positive development of Anglo-Spanish relations in the immediate future.

While the British analysis in most respects is similar to our own, the UK policy conclusions differ in the approach to be taken with Spain. The reply for your signature to the Prime Minister at Tab A would note that it is of importance to help Spain into the mainstream of European activity, and that this should be done through positive gestures by ourselves and our European partners rather than through political pressures aimed at forcing the pace of liberalization in Spain.

Your ^{proposed reply} ~~letter~~ states your concurrence in the Prime Minister's basic approach of giving King Juan Carlos the benefit of the doubt and states that you look forward to staying in touch with him on the Spanish situation developments.

~~The~~ ^{Bob Orben} letter has been coordinated with Secretary Kissinger and Bob Orben ^{has} ~~Bob Orben has checked the text of the letter. Cleared the text.~~
RECOMMENDATION

That you sign the letter at Tab A.



THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

Dear Mr. Prime Minister:

It was very good of you to provide me with a fuller ^{expression} ~~description~~ of your ~~thinking~~ on Spain, in your message of December 22, 1975. Your analysis and ours are ~~very similar~~, quite ~~close~~, although we differ somewhat as to the policy conclusions to ~~draw~~.

I agree that the situation in Spain will remain fluid for some time. The King has ^{however,} ~~laid out~~ a generally progressive platform, and the Cabinet, ^{outlined} ~~probably the best that could be expected~~, will ^{discrimination} ~~need~~ both time and ~~luck~~ in order to implement it. Given the relative strengths of the contending forces, the King and his ministers will need to combine progress with continuity. The pace they set will not satisfy all observers or all Spaniards, but I believe that they should not be pressed to move more rapidly than the political pressures ^{can stand} ~~can stand~~. Whenever possible, we should all support and encourage the evolutionary process now in motion, as you ^{planned} ~~intend~~ to do.

The King has already demonstrated that he wants to move but is opposed by ~~the~~ hard-line elements. To be effective, the influence of friendly governments should be used to strengthen the King and his Cabinet, ~~not to squeeze them~~.

Further, we ^{should} ~~must~~ avoid having the debate about Spain's ties with Europe focus on liberalization as a price Spain must pay. Even moderate Spaniards are resentful ~~about~~ foreign pressures. In my opinion, ^{with it} ~~it is~~ more effective to emphasize the benefits of full participation in European affairs -- through inducements such as visits, high-level statements and trade negotiations -- rather than to ~~brandish the club of~~ continued exclusion from NATO and the European Community.

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~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, *State Devias 9/17/03*
BY , NARA, DATE 3/9/04



~~CONFIDENTIAL~~

-2-

identity It is in this spirit that the United States intends to continue to encourage our European partners to take whatever steps they find possible to demonstrate that Spain's European ~~vocation~~ *identity* is recognized and valued. We ~~shall~~ want to work closely with you on this and to tailor our efforts to political realities in Europe. I realize that not all of our partners share our view that their positive gestures now will be more fruitful than holding back until greater changes are made. To me, ~~this~~ is not a question of preserving the old regime but rather of encouraging progress with minimal risk of provoking resistance that might stop all change.

On a purely bilateral matter, I trust our new agreement with Spain can be concluded in the near future. Quite apart from the obvious military advantages for Western security, we see this cooperative arrangement as very useful for the broad contacts it gives us with leaders in various fields throughout Spain.

I would like to stay in close touch as the Spanish situation develops, both via the Secretaries of State and our own exchanges. Our differences seem to be matters of emphasis rather than of approach. Your intention to give the King the benefit of the doubt seems to me the best general approach. We shall do the same in our expressions of interest and sympathy, visits, and strengthening of contacts.

Sincerely,

The Right Honorable
Harold Wilson
Prime Minister
London

~~CONFIDENTIAL~~



Retype

8426

~~CONFIDENTIAL~~

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: Brent Scowcroft
SUBJECT: Reply to Prime Minister Wilson on Spain'

Further to the discussions he had with you at Rambouillet, Prime Minister Wilson has sent you a message (Tab B) outlining his thoughts on the future of Spain and on British policy toward Spain.

The Prime Minister makes the following points:

- The aftermath of General Franco's death is likely to be confused and difficult.
- Encouragement, as far as possible, of those Spaniards who wish to move Spain in a liberal direction towards the rest of Western Europe is of supreme importance.
- Spain must be given the "benefit of the doubt" if and when the country moves "generally in the right direction." This is likely to take the form of London's welcoming specific encouraging signs rather than declaring broad approval for the new regime.
- King Juan Carlos has a "very hard row to hoe." Under these circumstances, London plans to encourage the King privately to move as fast as possible, while avoiding public condemnation if the pace is slower than public expectation in the UK may demand.
- Maintenance of continuity in Spain's political and governmental structure during the transition period can possibly be accomplished by the restructuring of the Spanish Cortes (parliament) with the creation of two houses -- an elected chamber and a second "corporate" house of appointed members.



~~CONFIDENTIAL/GDS~~

DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, state review 9/17/03
BY WJ, NARA. DATE 3/9/04

BS:igd:1/19/86
Tab I

-- Interference in Spanish domestic affairs must be avoided. As far as possible, the British Labor government will avoid taking sides among the various political factions in Spain, but will, because of close fraternal ties, lean toward support of the Spanish Socialist Party (PSOE).

-- The British government plans to make a "positive contribution to satisfactory developments" by public encouragement to the Spanish people and new regime; support of efforts to establish closer ties between Spain and Western organizations such as the EC and NATO, while avoiding special "concessions" or "bending of the rules" for early entry; visits in both directions; and, encouragement of British political parties to establish contacts with like groups in Spain.

-- Gibraltar will continue to hamper the positive development of Anglo-Spanish relations in the immediate future.

While the British analysis in most respects is similar to our own, the UK policy conclusions differ in the approach to be taken with Spain. The reply for your signature to the Prime Minister at Tab A would note that it is of importance to help Spain into the mainstream of European activity, and that this should be done through positive gestures by ourselves and our European partners rather than through political pressures aimed at forcing the pace of liberalization in Spain.

Your proposed reply states your concurrence in the Prime Minister's basic approach of giving King Juan Carlos the benefit of the doubt and states that you look forward to staying in touch with him on the Spanish situation developments.

The letter has been coordinated with Secretary Kissinger and Bob Orben has cleared the text.

RECOMMENDATION

That you sign the letter at Tab A.



~~CONFIDENTIAL~~

Dear Mr. Prime Minister:

It was very good of you to provide me with a **fuller** expression of your thinking on Spain, in your message of December 22, 1975. Your analysis and ours are very similar, although we differ somewhat as to the policy conclusions to be drawn.

I agree that the situation in Spain **will** remain fluid for some time. The King has outlined a generally progressive platform, however, and the Cabinet will require both time and determination to implement it. Given the relative strengths of the contending forces, the King and his ministers **will** need to combine progress with continuity. The pace they set will not satisfy **all** observers or all Spaniards, but I believe that they should not be pressed to move more rapidly than the political pressures permit. Whenever possible, we should all support and encourage the evolutionary process now in motion, as you propose to do.

The King has already demonstrated that **he** wants to move but is opposed by hard-line elements. To be effective, the influence of friendly governments should be used to strengthen the King and his Cabinet.

Further, we should avoid having the debate about Spain's ties with Europe focus on liberalization as a price Spain must pay. Even moderate Spaniards are resentful of foreign pressures. In my opinion, it will be more effective to emphasize the benefits of full participation in European affairs -- through inducements such as visits, high-level statements and trade negotiations -- rather than to threaten continued exclusion from NATO and the European Community.

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, State Review 9/17/03
BY Wa, NARA, DATE 3/9/04

BS:igd:1/19/76



~~CONFIDENTIAL~~

- 2 -

It is in this spirit that the United States intends to continue to encourage our European partners to take whatever steps they find possible to demonstrate that Spain's European identity is recognized and valued. We want to work closely with you on this and to tailor our efforts to political realities in Europe. I realize that not all of our partners share our view that their positive gestures now will be more fruitful than holding back until greater changes are made. To me, it is not a question of preserving the old regime but rather of encouraging progress with minimal risk of provoking resistance that might stop all change.

On a purely bilateral matter, I trust our new agreement with Spain can be concluded in the near future. Quite apart from the obvious military advantages for Western security, we see this cooperative arrangement as very useful for the broad contacts it gives us with leaders in various fields throughout Spain.

I would like to stay in close touch as the Spanish situation develops, both via the Secretaries of State and our own exchanges. Our differences seem to be matters of emphasis rather than of approach. Your intention to give the King the benefit of the doubt seems to me the best general approach. We shall do the same in our expressions of interest and sympathy, visits, and strengthening of contacts.

Sincerely,

The Right Honorable
Harold Wilson
Prime Minister
London

~~CONFIDENTIAL~~



NSC CORRESPONDENCE PROFILE

DOC		RECD			LOG NBR	INITIAL ACTION O
MO	DA	MO	DA	HR		
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SOURCE/CLASS/DESCRIPTION

TO: PRES + FROM: Moreton, J. KISSINGER _____ COLBY, W _____ SCHLESINGER, J _____ DAVIS _____ ST EX SEC _____

REFERENCE: S/S _____ OTHER _____

CIRCLE AS APPROPRIATE
 (UNCLAS) LOG IN/OUT
 LOU NO FORN NODIS
 C EYES ONLY EXDIS
 S CODEWORD
 TS SENSITIVE

SUBJECT: *Emb ltr to Pres from Wilson of the United Kingdom re Spanish, British relations*

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION	ACTION	INFO	REC CY FOR	ACTION REQUIRED
ADVANCE CYS TO HAK/SCOWCROFT		<i>*</i>		MEMO FOR HAK ()
STAFF SECRETARY				MEMO FOR PRES (<i>*</i>)
FAR EAST				REPLY FOR ()
SUB-SAHARAN AFRICA				APPROPRIATE ACTION ()
MID EAST / NO. AFRICA / SO. ASIA				MEMO TO ()
EUROPE / CANADA	<i>+</i>		<i>X</i>	RECOMMENDATIONS ()
LATIN AMERICA				JOINT MEMO ()
UNITED NATIONS				REFER TO FOR: ()
ECONOMIC				ANY ACTION NECESSARY? ()
SCIENTIFIC				CONCURRENCE ()
PROGRAM ANALYSIS				DUE DATE: <i>11-1</i>
NSC PLANNING				COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)
CONGRESSIONAL				<i>Index: Harold Wilson</i>
OCEANS POLICY				<i>Moreton, J.O.</i>
INTELLIGENCE				
<i>LEONARD</i>			<i>X</i>	

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
<i>12/30</i>		<i>Draft</i>	<i>X</i>	<i>Decision (1-6)</i>	
<i>12/31</i>		<i>USCIS</i>	<i>-</i>	<i>Scowcroft approved Recom</i>	
<i>1/2</i>		<i>Davis</i>	<i>S</i>	<i>Agm memo to Springsteen (1-2)</i>	
<i>1/2</i>			<i>D</i>	<i>Davis 2nd memo to Springsteen</i>	
<i>1/16</i>				<i>Red state draft, 7600028</i>	
<i>1/16</i>		<i>Cleft</i>	<i>S</i>	<i>memo for draft (1/24)</i>	
<i>1/17</i>		<i>Draft</i>	<i>X</i>	<i>Pres for decision (1-24)</i>	
<i>1/20</i>		<i>Plus</i>		<i>send ltr to Wilson</i>	
<i>1/21</i>		<i>USCIS</i>	<i>C</i>	<i>Pres send ltr to Wilson</i>	

DISPATCH **DISP INSTR**

CY RQMTS: SEE ABOVE PLUS: *THRU STATE* **DISP**

NOTIFY _____ & DATE *W/ COPY* BY _____

SPECIAL DISPOSITION: *DATE = 1/21*

CROSS REF W/ _____

SUSPENSE CY ATTACHED: *X* FOLDER: _____

MICROFILM & FILE RQMTS:

MFF'D _____ BY _____

JAN 23 1976

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