



Department of State

TELEGRAM

~~CONFIDENTIAL~~ 559

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ACTION SS 70

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By jc, NARA, Date 8-7-01

INFO /070 W

079178

P R 231218Z NOV 68
FM AMEMBASSY MADRID
TO SECSTATE WASHDC PRIORITY 4715
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE

~~CONFIDENTIAL~~ MADRID 6024

LIMDIS GREENBACK

REF: STATE 276947 AND MADRID 5992

1. WE HAVE THUS FAR BEEN UNABLE TO CONTACT GOS OFFICIALS TO MAKE POINTS OUTLINED IN STATE 276947, MANY OF WHICH WE HAVE ALREADY EMPHASIZED TO GOS OFFICIALS IN INFORMAL DISCUSSION OF PRESENT SITUATION. KEY OFFICIALS APPARENTLY ALL IN CONFERENCE AND NO FURTHER INFORMATION EXPECTED HERE UNTIL FRENCH MEASURES ARE ANNOUNCED LATER TODAY.

2. FOLLOWING REGULARLY SCHEDULED MEETING ON NOV 22, GOS COUNCIL OF MINISTERS ISSUED OBVIOUSLY CAREFULLY PREPARED STATEMENT ON MONETARY CRISIS. STATEMENT AFFIRMED THAT GROUP OF TEN COMMUNIQUE AND MEASURES TAKEN IN RECENT DAYS ARE HIGHLY CONSTRUCTIVE, AND THAT THESE DEVELOPMENTS CONFIRM THE IMPRESSION THAT THE HEALTHY POSITION OF THE PESETA WILL NOT BE AFFECTED. STATEMENT CONTINUES THAT THIS IMPRESSION ALSO CONFIRMED BY CREDIT BEING GIVEN FRANCE AND BRITISH ANNOUNCEMENT THAT POUND WILL NOT BE DEVALUED, QUOTE LEAVING ONLY TO BE KNOWN THE MEASURES FRANCE WILL ANNOUNCE ON SATURDAY END QUOTE.

3. WE ARE FRANKLY UNABLE INTERPRET FINAL PHRASE OF COUNCIL OF MINISTERS STATEMENT. IT MAY BE CAREFULLY DESIGNED LOOPHOLE

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TO ENABLE SPANISH REASSESSMENT THEIR POSITION AFTER EXTENT FRENCH DEVALUATION (AND MOROCCAN?) AND OTHER MEASURES KNOWN. ON OTHER HAND STATEMENT MAY BE STRAIGHTFORWARD: SPAIN INTENDS NO FURTHER ACTION IN LIGHT RESULTS BONN CONFERENCE AND BRITISH AND BELGIAN ASSURANCES THEY WILL HOLD LINE. WE INCLINED TOWARD FIRST INTERPRETATION. WAGNER

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