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CLASSIFICATION

02  
(S) (E) (LASH)

TO Chief, WE  
FROM Chief of Station, (Rome) <sup>15-9</sup>

DATE 21 February 1956

SUBJECT GENERAL Operational  
SPECIFIC Conversation between Don Juan and Ambassador Luce

INFO: MADRID }  
LISBON } 15-19

*R*

Despatchers action required: For information

Forwarded herewith for your information is a memorandum of comments by Spanish pretender Don JUAN to Ambassador LUCE on 16 February. It is suggested that this be shown to the Embassies in Madrid and Lisbon.

*WCP*  
RUSH C. PAGEE

Attachment: memo of Conversation h/w

Distribution:

- Wash - 3 w/attach as noted
- Madrid - 2 w/attach
- Lisbon - 2 w/attach
- Rome - 1 w/attach

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Comments by Don Juan to Ambassador Luce on 15 February 1954

... the recent disturbances in Madrid everything was going very well. Liberals, Catholics and monarchists were working smoothly and harmoniously against the Falangists. The recent incidents have shown how bitter the feeling is against the Falangists. However, a communist cell penetrated the Liberal Party and as a result, a split has occurred among the Catholics. As a result, the Catholics, Liberals and monarchists are now working against the Falangists. The Falangists are now in a position to take power in Madrid in Catalonia. A showdown is bound to come. Spain since the 1931 election has been a critical one of such a blowup could be the attempt of a certain General (name for often, but apparently number two under Franco) to seize power for himself. Don Juan feels that he has three loyal successors. He has lined up the monarchist party in the districts of Madrid, Barcelona and Valencia. He has also lined up the monarchist party in the Basque area. He recently stopped in his airplane for a conference which took place on the airfield for two hours.

Don Juan said that no one is pleased with the present law of succession. He stated that his son is a fine boy, cool, disciplined and honest, but the coming to power of an 18-year-old could not prevent a severe law discussion. Don Juan plainly felt that his son would be subject to the same difficulties if any difficulties arose.

Don Juan said that the Falangist problem could be regulated very simply if the British would not state the matter with Franco. He queried as to what would be the result if Don Juan stated that the King must govern with the people which means to govern with the left. He said that however he excludes the communist party and stated that this arrangement would be set out by the communists. Don Juan said that he would put it out of commission. Don Juan said that he would be prepared to do so. Don Juan felt that the Falangist problem could be regulated very simply if the British would not state the matter with Franco. If he had anything to do with it he would settle for having the Spanish flag on Gibraltar but the British had control of the rock. He said that he had the rock did not want to be a military fortress as a matter of fact he would put it out of commission. Don Juan would also be prepared to negotiate with the British for two Moroccan ports on the other side of the straits.

The French have put the Spaniards in a box by the rapidly with which they are proceeding to grant independence to Morocco. Two years ago the Spanish seemed liberal and the French appeared to be reactionary. Today

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the situation is reversed in the eyes of the foreigners. Don Juan feels that he has excellent contacts with the American Embassy in Lisbon through Mr. Brown (presumably Mr. John S. Brown, Secretary of the Embassy). He feels that he has been of some service to Americans because Americans otherwise have "an unfortunate tendency to call anything they do not like in Spain either communist or fascist". Americans seem to him more pro-Franco now than they were ever before and are increasingly apt to call any threat to stability fascist. Don Juan commented that Americans opposed Franco when he was strong but now are pro-Franco because the fact that the opposition cause is rising. Don Juan expects that Americans to understand that sooner or later they must face the problem of Spain in the political situation there grows worse or Franco dies. He hopes the Americans have a policy thought out in advance for these eventualities.

Don Juan plans to go to the U.S. next year. He would like to visit Detroit, Pittsburgh, etc. He would like to call on the President at the White House. He remarked that he had called on President Roosevelt even during the Spanish civil war and so he sees no reason why President Eisenhower would not receive him. However he does not know how quite to act on an American trip and would appreciate American guidance.

Concerning the Francoist situation, Don Juan stated that the situation is bad but that he does not believe the Francoists will come back. The expense of Franco's love affairs and other misdeeds has done him too much damage. He remarked that he did not see the "unsharpened axes" but even if a free election they would not be there. He stated that the Francoists, it is his belief, are working within the Francoist system.

Don Juan also had a talk with Umberto. Umberto has a little part in the possibility of the restoration and, what is worse, he will be right and very little later in the final outcome. He quoted Umberto as saying, "There is nothing I could do anything for Umberto's son, the police, it will be his duty and his sense of duty. He lives with a little influence of his mother. He is a little bit of a politician in the sense of it. Recently a number of officials requested to see him but he refused, but he refused to see them because he had an appointment for some reason. Don Juan later is not sure if he is right but does not believe that he is right and ready to act on it."

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