

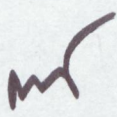
CONFIDENTIAL

CONFIDENTIAL

FM MADRID 151800Z OCT 82
TO PRIORITY FCO
TELEGRAM NUMBER 539 OF 15 OCTOBER
AND TO PRIORITY MODUK

MY TELEGRAMS NUMBERS 536 AND 537 (NOT TO ALL)

CONVERSATION WITH THE KING OF SPAIN

THE KING HIMSELF RAISED THE QUESTION OF PURCHASES OF DEFENCE EQUIPMENT. HE EMPHASISED HIS WISH TO INTENSIFY COLLABORATION WITH EUROPEAN SUPPLIERS, SUCH AS BRITAIN, WITH INDUSTRIAL COOPERATION OF ADVANTAGE TO SPANISH FACTORIES. 

2. THE KING SAID THAT, IN SPITE OF THE DECISION TO PURCHASE FACA AIRCRAFT FROM THE UNITED STATES, HE REMAINED KEEN TO PURCHASE TORNADO/ACA IN THE LONGER TERM. THIS HAD TECHNOLOGY OF GREAT POTENTIAL VALUE TO THE SPANISH AIR FORCE. THE CO-PRODUCTION ELEMENT WAS ALSO PARTICULARLY INTERESTING.

3. HE THEN WENT ON TO TALK ABOUT RAPIER. HE SAID THAT GENERAL ASCANIO (ARMY CHIEF OF STAFF) FAVOURED CHAPARRAL, APPARENTLY ON THE GROUNDS THAT THEY COULD BUY MORE FOR THE MONEY. GENERAL CASTRO'S ATTITUDE HAD MYSTERIOUSLY CHANGED AND HE TOO WAS NOW AN ADVOCATE OF CHAPARRAL. AT A MEETING UNDER THE KING'S CHAIRMANSHIP A DECISION TO BUY CHAPARRAL HAD BEEN VIRTUALLY TAKEN. BUT, ACTING ON BRIEFING FROM 'FRIENDS IN ENGLAND', THE KING HAD URGED THE MEETING TO CONSIDER WHETHER THE PERFORMANCE OF RAPIER IN THE FALKLAND ISLANDS OUGHT NOT TO BE CONSIDERED IN ITS FAVOUR. HE HIMSELF CONSIDERED RAPIER BY FAR THE BETTER SYSTEM. HE HAD HEARD THIS TOO FROM THE KING OF JORDAN. HE DID NOT AGREE WITH ALLEGATIONS THAT IT HAD PERFORMED BADLY IN THE FALKLANDS. THE MATTER WAS NOW UNDER FURTHER REVIEW.

4. THE KING SAID HE HAD HEARD ABOUT THE IDEA THAT WE SHOULD GIVE A TECHNICAL PRESENTATION OF THE PERFORMANCE OF WEAPONRY IN THE SOUTH ATLANTIC INCLUDING RAPIER. HE FAVOURED THIS. HE SEEMED UNCERTAIN ABOUT WHERE IT WAS TO BE HELD. I EXPLAINED THAT THE IDEA WAS TO SEND A TEAM TO MADRID IN THE NEAR FUTURE. I ASKED WHETHER A FINAL DECISION ON PURCHASE OF CHAPARRAL WAS LIKELY TO BE TAKEN BY OCTOBER 28. THE KING SAID THAT ASCANIO WAS PRESSING FOR THIS ON MILITARY GROUNDS. BUT IT SEEMED IMPROBABLE IN THE TIME AVAILABLE. HE AGREED THAT THE BEST STEP NOW WOULD BE TO ARRANGE A MILITARY PRESENTATION ALONG THE ABOVE MENTIONED LINES.

5. I EXPLAINED THAT THE MATTER HAD APPARENTLY GOT BOGGED DOWN AND SERRA HAD GIVEN NO ANSWER TO MY LETTER. I ASKED THE KING TO USE HIS INFLUENCE TO GET AN AFFIRMATIVE ANSWER QUICKLY. HE SAID HE WOULD TELEPHONE GENERAL LACALLE LELOUP TO THIS EFFECT.

PARSONS

STANDARD DEF D

SED WED

RECD (F) CABINET OFFICE

COPIES SENT TO
No. 10 DOWNING STREET

CONFIDENTIAL