

SPAIN. (4)

Prime Minister

CDD
3/7.

Charles Powell

I attach a note of a meeting which
I had with Sr Eduardo Serra. If
you feel that the Prime Minister
should see this, perhaps you could
kindly put it into her Box.

Serra

MA

MA MICHAEL ALISON
3.7.84

MA

Re Prime Minister has seen

CDD
9/7

NOTE OF A MEETING WITH SENOR EDUARDO SERRA

At the request of Mr Tristan Garel-Jones MP I received (on the Prime Minister's behalf and in her room at the House of Commons) a visiting Spanish civil servant of senior rank, Sr Eduardo Serra who wished to provide a briefing on some aspects of Spanish foreign policy. Mr Garel-Jones was present and acted as interpreter.

Mr Serra is a non-party official in the Spanish defence department designated as a "secretary of state". He was in post under the previous Spanish government, and is one of the very few to have survived the political change-over following Prime Minister Gonzales' victory. Topics raised by Serra were:-

1. Rapier & Roland low-level missiles

From the Spanish viewpoint the technical and cost merits of the two rival products were about equal. At the last minute, the British Rapier offer was improved quite substantially both technically and economically, and took the lead (at a contract price of about £150 million). However, the French came up with a political initiative relating to the Basque terrorist problem which included specific and concrete undertakings. It proved irresistible. Sr Serra hopes that our own IRA experiences would help us to understand the dilemma, and to sympathise with the Spanish response to the French; he was at pains to stress that other aspects of Anglo-Spanish relations - eg. Gibraltar - had absolutely no negative impact on the Spanish missile decision. It was wholly the positive attractiveness of the French Basque initiative which secured the contract for the French.

2. Accession to NATO

Sr Serra was particularly anxious for the Prime Minister to be aware that there was a significant group in Spanish ruling circles, including the Prime Minister, who were completely convinced that Spain had to be bound with hoops of steel to the West, politically, economically and militarily. NATO membership represented the most delicate issue in realising this aim. Those in favour of membership were having to contend on two fronts: with those sections of society (including many young) who were pacifist or "green" in inclination: and with many older people who recalled the advantages of neutrality from days gone by. Sr Serra was convinced that pro-NATO opinion would carry the day, especially if EEC membership came to fruition. But he asked that friends of Spain should show patience whilst a considered strategy for accession was implemented. The basic idea was to convince Spanish public opinion of the naturalness and worthwhileness of co-operating with their fellow-Europeans in defence. An important element in the Government's accession strategy would be covered, it was hoped, in the Socialist Party Congress in December 1984; the aim then would be to ensure, not that the referendum should be dropped, but that an anti-NATO slant to it should be eliminated. The Government hoped that a recommendation would be included in the referendum which would have the effect of retaining existing NATO links though not going as far as full command structure integration. If this went through satisfactorily in December, the Government would hope to secure full integration, command structure and all, by the time of Spain's EEC accession; this would be implemented at Government discretion, provided that the 1984 Party Conference endorsed the initial "even-handed" approach. The success of this gradualist strategy would depend largely upon the Prime Minister's

skill in handling the Party Conference, and some tactical sidestepping or back-stepping might be unavoidable from time to time. Very few people in Spanish Government circles knew of this strategic outline, and outside Spain only Caspar Weinberger, Kohl and Craxi had been informed. He hoped the British Prime Minister would appreciate the delicacies.

3. Gibraltar

Sr Serra was convinced that a solution to the dispute, satisfactory to both sides, was attainable; he thought that the most likely route lay through common Spanish/British defence interests. Not only was Spain moving closer to the Western defence community, but modern weapons technology, particularly in regard to missiles, meant that Spain and Gibraltar were both vulnerable to rocket attacks eg from the Canary Islands. He believed that recognition of this common threat would help move forward a common solution to the dispute, although the time scale involved would be long rather than short. In this context, he believed that the Gibraltar dispute should be kept in a proper perspective; 90% of the area of overlapping interests between Britain and Spain were areas of agreement. Gibraltar was like a piece of grit spoiling an otherwise harmonious matrix of relationships. It was necessary to treat it in a proper isolation, almost to disconnect it, from the broad range of international issues in which Spain and Britain were natural allies.

In conclusion, Sr Serra mentioned Argentina. The Spanish Government fully recognised the Prime Minister's special sensitivities in this area. He hoped that she recognised that internal Spanish political pressures made some reference to Argentina unavoidable when Prime Minister Gonzales met Alfonsin. But he hoped that she also appreciated that, in their public statements on the matter, Sr Gonzales insisted

and secured that Alfonsin made reference to "peaceful means" as being the only means acceptable to settling Anglo-Argentinian differences over the Falklands. He thought that this was the first time that this formula had been used by the Argentinian leadership.

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke extending to the right.

MICHAEL ALISON
2.7.84