

subject a matter



10 DOWNING STREET

From the Private Secretary

15 February 1985

Dear Richard,

PRIME MINISTER'S MEETING WITH THE SPANISH MINISTER OF DEFENCE
AT 10 DOWNING STREET ON 15 FEBRUARY AT 0900

The Prime Minister met the Spanish Minister of Defence this morning. Sr. Serra was accompanied by the Spanish Ambassador and Sr. Casa-Miranda. The Defence Secretary and HM Ambassador Madrid were also present.

The Prime Minister said that she had been very pleased at the way in which the opening of the Border between Spain and Gibraltar had been carried through. It was clear that Sir Joshua Hassan was also very satisfied. It had been important to allow him to play a full part in the discussions in Geneva about the future development of relations between Spain and Gibraltar. The Prime Minister continued that we attached great importance to continued Spanish membership of NATO. She would be interested to hear how Sr Serra saw the prospects for the referendum on this subject.

Sr. Serra said that he had held useful discussions with the Defence Secretary on NATO and with the Foreign Secretary on Gibraltar. On Spanish membership of NATO, the situation was a great deal better than a year ago and he thought that the Spanish people would accept their Government's position in the referendum. One had to understand that it would take time for the after effects of Spain's isolation from the rest of Europe to disappear. The Spanish people did not have the same experience of working together in wartime as the European allies and the United States, and the notion of military cooperation was not the essential feature of NATO for them. The only way to sell NATO membership to the Spanish people was to dwell less on defence and security matters and emphasise the aspect of joining Europe. For this reason, it would not be helpful to work at this stage for closer Spanish association with the integrated military structure. The stress had to be put on the broad political arguments. The Prime Minister said that she understood there were divisions in the PSOE on this subject. Sr. Serra confirmed that there was a widespread suspicion in the PSOE that membership of NATO was somehow imposed by the armed forces. But to return to his main point, Spanish entry into the European Community was the vital step and the NATO

membership referendum could be carried on the wave of that. He was confident that the referendum would be successful.

Sr. Serra said that Gibraltar was also an important element in the NATO referendum. The fact that Britain and Spain were now discussing Gibraltar would help make NATO membership more acceptable to Spanish opinion. Gibraltar was seen as a foreign military base on Spanish soil. It was necessary to be able to explain to Spaniards that one day, a very long time ahead, there would be a solution to the Gibraltar problem. The Prime Minister said that Britain's position had been made clear in the preamble to the Gibraltar constitution. There could be no change in the position of Gibraltar, except at the wish of the people of Gibraltar. There was, of course, no question of independence. If Gibraltar ever decided to cut its links with Britain, it must revert to Spain. Sr. Serra said that he believed that Spanish entry into the European Community would help change perceptions in Gibraltar. After, say, fifteen or twenty years of an open frontier with Spanish-owned hotels in Gibraltar and Gibraltar-owned businesses in Spain, the psychology of the situation would be different. He could understand the feelings of the Gibraltarians and their fear that Spain wanted to swallow them. Spain recognised that this was a long-term issue and was not in a hurry. The Prime Minister said that the essential point was to ensure that contacts between Spain and Gibraltar developed calmly, with free movement between the two. We should have to wait and see what happened. Sr. Serra said that it was enough if the Spanish man in the street could see that the problem was being discussed in a civilised and dignified manner. The Prime Minister agreed that this was very important.

The Prime Minister said that she had seen Signor Craxi last night to discuss enlargement of the Community. He would now be visiting Portugal and Spain. She very much hoped that many of the main outstanding issues could be resolved at the Foreign Affairs Council early next week. Greece was threatening to block enlargement unless it received satisfaction on integrated Mediterranean programmes. But this threat should be treated calmly: it was tactical and she was confident that Papandreou would not in practice prevent enlargement from taking place. Sr. Serra said that Spain was familiar with Greek tactics. The Prime Minister cautioned against expecting early results from membership of the European Community. Any change would be gradual. She hoped that Spain's accession would be marked by some appropriate ceremony. It would be a very important event, far more significant than Greece's accession. She would ask for thought to be given to this.

The Prime Minister referred to the importance of helping Portugal which would be far behind the rest of the EC in per capita income. Portugal had struggled bravely to avert a Communist takeover. Sr. Serra said that Spain recognised that Portugal might well not be able to abide by Common Market rules. There would also have to be extended transitional arrangements in Spanish/Portuguese relations which would allow the Portuguese to keep a number of protective measures in place.

The Prime Minister asked Sr. Serra to give her warm regards to Sr. Gonzalez whom she had not seen for a considerable time, and also to His Majesty The King. Sr. Serra undertook to do so.

I am copying this letter to Colin Budd in the Foreign and Commonwealth Office.

Yours sincerely
Charles Powell

(C. D. POWELL)

Richard Mottram, Esq.,
Ministry of Defence.