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DATE 7/29/86

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DOC NO EUR M 86-20092OIR 3P & PD 1

21 July 86

**Talking Points for Your Meeting with Ambassador Bartholomew****The Base Talks**

The most pressing issue in bilateral relations with Spain is the current negotiation over the future of the US military presence. The opening round was on 10 July, and the talks are likely to resume in early October.

**Spanish Negotiating Position**

Spanish negotiators say they are prepared to renew the bilateral agreement that expires in 1988 and have hinted that they are willing to allow the US presence at Rota Naval Base to remain largely intact. In return, they want the US to cease basing forces permanently at airbases at Zaragoza, Moron, and--especially--Torrejon. The Spanish are offering the US use of the airbases for exercises and emergency deployment, but they want to largely eliminate their use in out-of-area operations. Madrid will also seek increased grant aid, additional US purchases of Spanish military materiel, and military coproduction agreements.

The Spanish are trying to make US troop reductions the first item on the agenda. They are also trying to back away from their agreement last December to substitute Spanish forces on a mission-by-mission basis for US forces withdrawn from Spain. They are arguing instead that Spanish membership in NATO provides a net increase in Western security even with the US force cutbacks they want.

Although the Spanish are trying to maintain an amicable atmosphere at the negotiating table, they will be very tough negotiators and are likely to continue using press leaks to keep pressure on Washington.

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This paper was prepared by  Office of European Analysis.

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Several factors will encourage the Spanish to compromise.

Discord with the US over the bases might diminish Gonzalez's stature as a Western statesman and undermine the hard-earned image of moderation that has boosted his political image at home.

Budgetary considerations will also encourage Gonzalez to compromise once it is clear that a decreased US presence would lead to reductions in direct US aid as well as in the substantial indirect US contribution to the already badly strained Spanish defense budget.

Gonzalez, moreover, has room for maneuver on the base issue despite gains in the parliamentary election on 22 June by the Communists and former Prime Minister Suarez's center-left party, both of which advocate pursuing a tough line with Washington.

Unlike the question of NATO membership, the base issue does not have a yes or no answer, but is a matter of degree. Few Spanish voters are likely to follow closely a complicated debate about the relative merits of one or another formula for regulating the US presence.

Cosmetic adjustments could reduce resistance to the US military presence--the authorized ceiling for US troops could be reduced by approximately 20 percent,

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it might be possible to find a formula that would identify the US military presence as part of the defense against what Spaniards view as potential challenges from North Africa; and US facilities could be redesignated as NATO installations.

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A More Independent Foreign Policy

While Spain is firmly committed to a pro-Western policy, Gonzalez wants to strengthen the European pillar of the Alliance and pursue a more independent foreign policy in the Third World.

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Gonzalez recognizes that Madrid lacks the resources to exercise much authority in Latin America, but he has worked hard to cultivate regional leaders and is starting to play a more active role in the area--primarily in support of the Contadora process.

He has also fashioned himself at times as a potential interlocutor between the US and Cuba, and his interest in playing that part will probably increase this fall when he visits Havana as part of a larger trip to the region.

### Spanish Democracy: Pluses and Minuses

Since Franco's death in 1975 and the abortive coup attempt in 1981 Spanish democracy has largely been consolidated. The Socialist Party's election victories in 1982 and in June 1986 and Gonzalez's moderate and generally popular performance have convinced skeptics that power can safely alternate between left and right.

Military leaders remain strongly conservative, but they respect, at least grudgingly, Gonzalez's record and his popular support. Their awareness of the King's commitment to democracy as well as their recollection of the failed coup plot has also convinced them to accept constitutionally mandated subordination to civilian authority.

The principal shortcoming in Spanish democracy is the failure of the center and right politicians to overcome policy and personal differences and to unite in an effective alternative to the Socialists.

The second leading problem facing Spanish democracy is ETA, the Basque terrorist organization. ETA has been in slow decline for several years as a result of increased regional autonomy after Franco's death, better police work, and improved French cooperation against terrorist leaders in their hideouts North of the Pyrenees.

Recent terrorist attacks have shown, however, that the terrorists still pack a punch and at least another five or six years will probably be necessary to eliminate the problem.

Voters reelected Gonzalez because they generally support his program and lack an effective alternative, but some recent

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developments are likely to erode enthusiasm for the new democracy and could in time generate wide cynicism about the political process.

Much of the public is aware that the government has hired professional hit men to hunt down terrorists

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