THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

1 8 JUN 1982

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Spanish Base Negotiations

In a 16 June memorandum, Al asked for your authorization to concede on two important defense issues in current base negotiations with Spain. I do not agree.

I am aware of the political situation in Spain and also want to conclude the base negotiations as soon as possible. Indeed, for this reason, we have already relinquished many of our negotiating objectives, and stretched our flexibility in every way possible.

The two issues -- routine aircraft transits through Spain are fundamental. To concede on the principles involved could not only create difficulties for our activities in Spain but could also have an adverse precedential impact on our existing agreements and future negotiations with other countries.

On the transit issue, the Spaniards have been quite candid in admitting that their proposed language is more than presentational and is intended to allow them, when they so desire, to deny even the most routine flights authorized under the terms of the agreement. Our experience in Spain has been one of gradually tightening restrictions. Thus, notwithstanding the sincerity expressed by the Spanish negotiators, a literal interpretation of the language they desire would subject our operations to the uncertainty of Spanish interference.



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Spanish intransigence, particularly on the transit issue, is being driven by the Spanish military rather than the Government. We believe this is due more to their unhappiness with our position on security assistance, which does not include specific equipment commitments, rather than to questions of sovereignty. Candidly, our negotiator has not been forceful in persuading the Spaniards of the reasonableness of our pledge to make our "best efforts" to help modernize the Spanish Armed Forces. Thus, a key in these negotiations is to dispel the negative attitude which has been allowed to build within the Spanish military.

Moreover, he has not convinced the Spaniards that we have actually reached our bottom line on the remaining issues. This seems, in part, to explain the contradiction of Spanish urgency to conclude quickly while, at the same time, refusing to show flexibility. In any event, the imperative to conclude quickly is on the Spanish side and an agreement that does not serve our interests is worse than no agreement at all. To accept an unfavorable agreement on the basis that it may be better than one achievable under a new Spanish Government provides insufficient rationale to concede on these issues.

Particularly in the case of the Air Force, withdrawal from Spain would be less damaging than accepting the Spanish position on the transit issue. However, I do not at all believe we have reached the point of taking such a difficult action. What is needed now is a new approach and a renewed negotiating effort.

I recommend that you designate a special Presidential emissary who, accompanied by a senior DoD official, shall be charged to complete these negotiations. Obviously, he will need new instructions. As a means to help influence attitudes in the Spanish military, these should include authorization to provide the Spaniards, as they have requested, with a letter affirming our intent to seek Congressional approval of a Security Assistance Program for Spain in FY 1984. The instructions should also emphasize my offer last month to the Spanish MOD to waive \$30 million in non-recurring recomment charges for the future Spanish F-16 or F-18A buy as our bottom line to conclude agreement. We discussed this with Al who fully agreed prior to his 5 May meeting with the Spanish Foreign Minister. This was intended and understood by both DoD and State as part of a final package to achieve agreement.

My staff remains ready to work with State in preparing for this renewed effort.

Secretary of State

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