



Foreign and Commonwealth Office

London SW1A 2AH

Overtaken.

28 October 1982

Not seen by J.N.

Prime Minister

John Taylor

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A.J.C. 28/10

Spain

The Spanish General Elections take place today, 28 October. Opinion polls in Spain suggest that the Spanish Socialist Party, the PSOE, will win, possibly with an overall majority. Given the complexity of the Spanish system of proportional representation it will probably take a few days for the final allocation of seats to be announced. The formation of a government may take weeks rather than days, especially if a coalition is to be constructed. We could therefore be in for a rather lengthy period of uncertainty.

We may not be able to offer a detailed assessment of the likely policies of a PSOE-dominated government until this process is complete; and the published PSOE policy guidelines are, on the whole, rather imprecise. You may, therefore, find it helpful to have the following preliminary comments on the points we shall be watching with particular care.

Gibraltar

On Gibraltar, the PSOE share the general Spanish view that sovereignty must ultimately be transferred to Spain. They have criticised the present government for not using NATO entry as a means of gaining greater ground on Gibraltar. They have endorsed the Lisbon agreement and criticised the government for not implementing it. Some PSOE leaders have publicly stated that, if in power, they would lift the restrictions on Gibraltar. But it is by no means certain that this would be immediately reflected in government policy. The PSOE are on the whole more likely to delay action and to seek concessions from us.

They are likely to be particularly concerned about the treatment of Spanish workers in the colony. But they will also be concerned to promote commercial, tourist and other exchanges with Andalusia, which is largely socialist.

We have no reason to believe that a PSOE government would seek to secure sovereignty over Gibraltar by force. But we shall need to keep a close watch on the implications for Gibraltar of right-wing and military reactions to a PSOE victory.

/NATO

NATO

On NATO, the PSOE have criticised the present government for entering precipitately. They have said that they will hold a referendum on Spain's membership. They have also said that they will freeze the current discussions in Brussels on Spain's integration in the Alliance. But some PSOE leaders, including Felipe Gonzalez, show signs of regretting the commitment to a referendum and of favouring Spain's continued membership of the Alliance. There are indications that they will behave like Papandreou, with more talk than action. The PSOE may hanker after membership without full integration into the military structure on French lines.

EC

The PSOE are as strongly committed to joining the EC as the present government. They would press for rapid progress on the negotiations, and have been concerned that the French might delay Spanish entry.

*Yours
R B Bone*

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

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