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PREM 19/769

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Policy towards Gibraltar

GIBRALTAR

JULY 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
19.7.79		17.8.81					
11.8.79		4.11.81					
20.8.79		9.11.81					
24.8.79		11.11.81					
28.8.79		12.11.81					
4.9.79		1.12.81					
10.9.79		3.12.81					
24.9.79		14.12.81					
1.11.79		29.12.81					
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7.12.79		5.1.82					
21.12.79		8.1.82					
29.12.79		9.1.82					
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5.80							
27.7.81							
5.8.81							

PREM 10/769

Use of Commons

7th Report

[Gibraltar: The Situation
of Gibraltar and the
UK Relations with Spain]

PART 1 ends:-

Fco to Madrid vol: 23 of 20/1/82

PART 2 begins:-

A. Kitson (Transport + General Workers Union) is PM of 11/2/82

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC (79) 10 th Conclusions, Minute 2 (extract)	19.7.79
CC (80) 16 th Conclusions, Minute 2 (extract)	17.4.80
CC (80) 22 nd Conclusions, Minute 2 (extract)	5.6.80
OD(81) 50	4.11.81
OD(81) 17 th Meeting, Minute 3	12.11.81

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed Wayland Date 30 August 2012

PREM Records Team

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

House of Commons Paper 166: Seventh Report
from Foreign Affairs Committee, Session 1980-81
HMSO, 28 August 1981

House of Commons Paper 374: First Special
Report from Foreign Affairs Committee,
Session 1981-82
HMSO, 27 May 1982

Signed OlWayland Date 30 August 2012

PREM Records Team

Gibraltar

P.S. TO NO. 10. DOWNING ST.

C O N F I D E N T I A L

45436 - 1

PP MADRID

GRS 575

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FM ECO 201035Z JAN 82

TO PRIORITY MADRID

TELEGRAM NUMBER 23 OF 20 JANUARY

INFO GOVERNOR GIBRALTAR (PERSONAL).

GIBRALTAR: THE LISBON NEGOTIATIONS

1. WE NOW NEED TO DECIDE ON PRELIMINARY TACTICS FOR DEALING WITH THE RUN-UP TO THE LISBON MEETING ON 20 APRIL. THERE ARE TWO ASPECTS TO THIS:

- (A) PRACTICAL ARRANGEMENTS BEFORE THE FRONTIER OPENS, AND
- (B) THE NEGOTIATIONS PROPER.

ON (A) YOU NOW HAVE MY TELNO 20. OUR OBJECTIVE SHOULD BE TO GET PRACTICAL, WORKING LEVEL, DISCUSSIONS ARRANGED AS SOON AS POSSIBLE DURING THESE WE MUST AVOID GETTING INTO A SITUATION WHERE PRACTICAL ARRANGEMENTS ARE DELAYED BY DOCTRINAL DISPUTES WHICH CAN ONLY BE SOLVED AT A HIGHER LEVEL, PROBABLY IN THE NEGOTIATIONS THEMSELVES.

2. ON (B) WE MUST AVOID BEING RUSHED. THE SPANIARDS HAVE A NEED TO SHOW EARLY PROGRESS AT THE NEGOTIATIONS ON MATTERS OF IMPORTANCE TO THEM, IE EQUALITY FOR SPANIARDS IN GIBRALTAR AND THE SOVEREIGNTY ISSUE. WE TOO WILL WANT TO FIND WAYS OF DEMONSTRATING THAT IMPLEMENTING THE LISBON AGREEMENT HAS BEEN MARKED BY POSITIVE PROGRESS. BUT OUR EMPHASIS WILL BE ON PRACTICAL MEASURES TO IMPROVE RELATIONS IN THE GIBRALTAR AREA. ON SOVEREIGNTY IN PARTICULAR WE NEED TO PLAY IT VERY LONG. ON ALL ISSUES WE MUST AVOID ANY ATTEMPT AT PRE-NEGOTIATION. FURTHERMORE, SOVEREIGNTY CAN ONLY BE DEALT WITH AT MINISTERIAL LEVEL AND, NORMALLY, WITH GIBRALTARIAN LEADERS PRESENT.

3. DURING THE LONDON VISIT PEREZ-LORCA IMPLIED THAT THE

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SPANIARDS WOULD PUT TO US SOME OF THEIR IDEAS ON SOVEREIGNTY BEFORE THE LISBON MEETING. YOU SHOULD DO NOTHING TO HASTEN THIS. IF THEY DO SO, YOU SHOULD CONFINE YOURSELF TO TAKING NOTE AND SAYING THAT YOU WILL TRANSMIT THEIR SUGGESTIONS TO LONDON SO THAT THEY CAN BE STUDIED. YOU SHOULD AVOID ANY SUGGESTION THAT WE WOULD BE PREPARED TO HELP THEM REFINE IDEAS ON SOVEREIGNTY QUESTIONS IN ADVANCE OF THE LISBON MEETING. YOU SHOULD ALSO SEEK TO AVOID ANY LINKAGE BETWEEN THE PRACTICAL PLANNING AS IN PARA 1(A) AND THE NEGOTIATIONS PROPER.

4. WE ARE WORKING ON THE PRACTICAL PROBLEMS WHICH WILL HAVE TO BE DEALT WITH AT THE LISBON MEETING AND ON AREAS WHERE WE CAN SUGGEST MEASURES FOR ECONOMIC AND CULTURAL CONTACTS BETWEEN GIBRALTAR AND THE CAMPO. AT A LATER STAGE WE MAY WISH TO GIVE THE SPANIARDS ADVANCE WARNING OF WHAT WE EXPECT TO RAISE IN ORDER TO ENHANCE THE CHANCES FOR AGREEMENT AT LISBON ON MATTERS OF PRACTICAL COOPERATION. BUT TO RAISE THIS TOO EARLY WOULD RISK GETTING INVOLVED IN PRE-NEGOTIATION. IF, MEANWHILE, THE SPANIARDS ASK YOU HOW WE SEE THE NEGOTIATIONS IN LISBON BEING CONDUCTED, YOU SHOULD SAY THAT WE WILL APPROACH THEM IN A POSITIVE MANNER. WE HOPE THEY WILL PRODUCE EARLY, PRACTICAL, RESULTS IN INCREASED COOPERATION AND UNDERSTANDING AS ENVISAGED IN THE LISBON STATEMENT WE WILL HAVE IDEAS TO PUT FORWARD TO HELP ACHIEVE THIS, BUT WITH THE MEETING NOT UNTIL MID-APRIL, IT IS STILL TOO EARLY TO LOOK AT THESE IN DETAIL. IF THEY HAVE IDENTIFIED AREAS FOR PROGRESS ON PRACTICAL COOPERATION, WE WOULD CERTAINLY BE WILLING TO KNOW ABOUT THEM TO ASSIST IN OUR OWN FORWARD PLANNING.

5. AT SOME POINT WE WILL NEED TO AGREE WITH THE SPANIARDS A BROAD AGENDA FOR THE LISBON MEETING, BUT WE WOULD PREFER TO LEAVE THIS UNTIL MUCH NEARER THE TIME.

6. WE WILL ALSO BE CONSIDERING OVER THE NEXT TWO MONTHS HOW TO PLAY THE MEETING ITSELF SO AS TO MAKE SOME DEFINABLE PROGRESS ON PRACTICAL MATTERS WITHOUT (WHILE ALLOWING THE SPANIARDS THEIR SAY) GETTING HUNG UP ON THE SOVEREIGNTY ISSUE. WE WOULD WELCOME YOUR IDEAS ON THIS.

CARRINGTON

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PS/LPS

MR BULLARD
MR GOODISON

2

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C O N F I D E N T I A L

PRIME MINISTER

①

Sub

Gibraltar

The Lord Privy Seal is considering whether to make a statement or respond to an inspired PQ in the House next week, following your talks with the Spanish Prime Minister. The FCO have enquired whether you had it in mind to make a statement.

I think we should leave this to the FCO. The opening of the border is very much a matter for them. Nor do I think there is much credit to be gained in the House for a statement on this event.

Agree that the FCO should make their own arrangements?

Yes me

ASC

12 January, 1982.

Mr. [unclear] Thanks [unclear]

A.S.C. 13/11

Gibraltar

ms

R 091050Z JAN 82
FM GIBRALTAR
TO RBDWDF/FCO LONDON
RBDWDF/MADRID
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FROM GIBRALTAR 091050Z JAN 82
TO ROUTINE FCO AND MADRID TEL NO PERSONAL 11 OF 9 JAN
DESKBY 110900Z JAN

GIBRALTAR REACTION TO DISCUSSIONS WITH SPANISH PRIME MINISTER.

1. THE CAREFUL PREPARATION OVER RECENT DAYS HAS PAID OFF WELL WITH HASSAN AND ISOLA, BOTH OF WHOM HAVE WELCOMED THE IMPLEMENTATION OF THE LISBON AGREEMENT AND HAVE SPOKEN POSITIVELY ABOUT FUTURE RELATIONS WITH SPAIN.
2. BOTH MEN HAVE STRESSED THAT THEIR FAITH IN BRITAIN HAS BEEN JUSTIFIED BY THE WAY IN WHICH YOU HAVE STOOD FIRM OVER THE LAST 20 MONTHS. THE TERMS AGREED SHOW THAT THE LISBON DECLARATION HAS NOT BEEN RENEGOTIATED AND THAT NOTHING HAS BEEN GIVEN AWAY.
3. LOOKING TOWARDS THE FUTURE, HASSAN HAS ENCOURAGED THE VIEW THAT NORMAL CONTACTS ON A FRIENDLY BASIS WITH NEIGHBOURING SPAIN SHOULD BE THE AIM AND THAT PEOPLE IN A FREE SOCIETY SHOULD MOVE ACROSS THE FRONTIER AS AND WHEN THEY WILL. TO VISIT SPAIN AND ENJOY THOSE CONTACTS WILL NOT BE A SIGN OF DISLOYALTY TO GIBRALTAR. PRESSED ABOUT THE FACTORS WHICH HAVE LED SPAIN TO AGREE TO IMPLEMENTATION, HASSAN SPOKE SENSIBLY ABOUT THE UNCERTAINTIES OF SPANISH POLITICAL LIFE IN RECENT TIMES WHICH MADE THE SPANISH GOVERNMENT CAUTIOUS ON A SUBJECT ABOUT WHICH FEELINGS WERE NATURALLY STRONG. HE EXPRESSED ADMIRATION FOR THE DEVELOPING DEMOCRACY IN SPAIN.
4. ISOLA STRESSED THE FIRMNESS OF BRITAIN'S STAND, SAYING THAT NOTWITHSTANDING HMGS WISH TO IMPROVE ITS RELATIONS WITH SPAIN, THEY HAD STOOD BY THEIR COMMITMENT TO GIBRALTAR. HE HOPED THAT IN THE FUTURE, DESPITE THE ENEVITABLE PRESSURES WHICH WOULD ARISE, PEOPLE WOULD NOT THINK IN TERMS OF WINNERS AND LOSERS, OTHER THAN TO THE

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EXTENT THAT THE WINNER SHOULD BE THE RESPECT FOR THE DEMOCRATICALLY EXPRESSED WISHES OF THE PEOPLE CONCERNED. HE DID NOT EXPECT THE QUESTION OF GIBRALTARS LONG TERM FUTURE TO BE EASILY OR QUICKLY RESOLVED.

5. NEITHER HASSAN NOR ISOLA SHOWED ANY NERVOUSNESS ON THE SOVEREIGNTY ISSUE, WHICH THEY REGARDED AS ADEQUATELY PROTECTED BY THE CONSTITUTIONAL GUARANTEE AND THE BRITISH PARLIAMENT. BOTH WERE CLEARLY SATISFIED BY THE ROLE ENVISAGED FOR THEM AS PAR OF THE BRITISH DELEGATION IN THE FORTHCOMING TALKS.

6. HASSAN HAS BEEN INTERVIEWED BY MANY SPANISH JOURNALISTS OVER THE LAS 24 HOURS AND THE INDICATIONS ARE THAT THESE HAVE GONE WELL. WE UNDERSTAND THAT YESTERDAY EVENING HE HAD A LIVELY INTERVIEW ON SPANISH NATIONAL RADIO WHERE HE FELT HIMSELF SOMEWHAT PROVOKED, AND HAD TO GIVE AS GOOD AS HE GOT, BUT OVERALL HIS INTENTION SEEMS TO BE TO LOOK FORWARD RATHER THAN BACK.

7. BOSSANO INEVETABLY IS CRITICAL OF THE AGREEMENT, WHICH HE FELT AROSE FROM SPAINS DETERMINATION TO JOIN NATO AND AMERICAN PRESSURE ON BRITAIN TO AGREE TO THIS. HE ARGUED THAT THE AGREEMENT HAD TO BE SEEN IN TERMS OF THE DECISION TO CLOSE THE DOCKYARD AND BRITAINS FUTURE AID PROGRAMME. THE SUSTAIN AND SUPPORT PROGRAMME WAS TIED TO BORDER CLOSURE AND BRITAIN WOULD NOW NO DOUBT BE DISPOSED TO BE LESS HELPFUL IN PROVIDING AID NECESSARY TO HELP THE DOCKYARD AND THE ECONOMY AT A CRITICAL JUNCTURE. HIS PROTEST RALLY PLANNED FOR YESTERDAY WAS CANCELLED DUE TO LATE ARRIVAL OF MR. SILKINS AIRCRAFT. IT HAS BEEN RESCHEDULED FOR THIS AFTERNOON.

JACKSON
BT

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PS/PUS
MR BULLARD
MR FERGUSSON
MR HANNAY
MR GILLMORE

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P 081134Z JAN 82
FM GIBRALTAR
TO RBDW DFA/FCO LONDON
INFO RBDW DFA/MADRID

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CYPHER CAT A
FROM GIBRALTAR 081134Z
TO PRIORITY FCO TELNO PERSONAL 9 OF 8 JANUARY
INFO ROUTINE MADRID

YOUR TELNO 6: GIBRALTAR

MANY THANKS FOR THIS PROMPT AND CLEAR GUIDANCE. I SAW
HASSAN AND ISOLA AT NOON. THEY WRE MUCH ENCOURAGED BY THE
CLARIFICATION I WAS ABLE TO GIVE HEM AND NOW SEEMED DISPOSED
TO PLAY A POSITIVE ROLE IN THE PRESENTATION OF THE NEW
ARRANGEMENTS

FCO PLEASE PASS

(REPEATED AS REQUESTED)

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ADDITIONAL DIST:
GIBRALTAR

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FROM FCO 081625Z JAN 82
TO FLASH GIBRALTAR
TELEGRAM NUMBER PERSONAL 8 OF 8 JANUARY

MESSAGE TO THE CHIEF MINISTER AND LEADER OF THE OPPOSITION

1. AFTER RECEIVING CONFIRMATION OF THE ANNOUNCEMENT OF A DATE FOR IMPLEMENTING THE LISBON AGREEMENT, PLEASE CONVEY THE FOLLOWING MESSAGE FROM ME TO SIR JOSHUA HASSAN. YOU MAY GIVE A COPY TO MR ISOLA

BEGINS: I AM VERY PLEASED THAT IT HAS AT LAST PROVED POSSIBLE TO FIX A FIRM DATE FOR IMPLEMENTING THE ARRANGEMENTS AGREED AT LISBON IN APRIL 1980. I KNOW THAT YOU AND YOUR COLLEAGUES ARE CONCERNED THAT INITIALLY AN OPEN BORDER MAY BRING ITS OWN PROBLEMS: BUT I AM SURE THAT OPENING THE BORDER AND THE LIFTING OF RESTRICTIONS WILL BE OF SIGNIFICANT BENEFIT TO GIBRALTAR AND HER ECONOMY IN THE LONGER TERM. I AM SURE ALSO YOU SHARE MY BELIEF THAT IMPLEMENTATION OF THE LISBON AGREEMENT IS A MAJOR STEP TOWARDS THE CREATION OF BETTER RELATIONS BETWEEN THE PEOPLE OF GIBRALTAR AND THEIR CLOSE NEIGHBOURS IN SPAIN: SOMETHING WHICH BOTH YOU AND I HAVE LONG WANTED.

AS YOU KNOW, WE INTEND TO BEGIN NEGOTIATIONS WITH THE SPANISH GOVERNMENT AT MINISTERIAL LEVEL, AS ENVISAGED IN THE LISBON STATEMENT, ON 20 APRIL AND TO HOLD THESE AGAIN AT LISBON. I VERY MUCH HOPE THAT BOTH YOU AND PETER ISOLA WILL BE ABLE TO JOIN ME AS PART OF THE BRITISH TEAM.

ENDS

CARRINGTON

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MR FERGVSSON

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For ~~IAN~~ R YDD
No 10 press office Gibraltar
cc Phil Carter
APC 9/11/81

Dear Ian,

Calvo Sotelo opened his press conference with this two-page statement. In subsequent questions he kept pretty closely to the statement. Additional points were that the Foreign Ministers meeting ~~xxxx~~ on April 20 would be in Lisbon. All matters pertaining to the position of Gibraltar would be discussed in the negotiations.

He said that the reason the Spaniards were now ready to implement the Lisbon Agreement was their imminent entry into NATO. He stressed several times that the 1969 border restrictions were only being suspended rather than cancelled. Asked why he said it was because the Treaty of Utrecht of 1713 ~~was~~ had not been rescinded.

He said that Mrs Thatcher and the British Government had the political will to carry the negotiations through to a conclusion. Asked what would happen if there had not been an agreement over Gibraltar by the time Spain was about to join the EC, he said that this was a very pessimistic question.

John Gordon-Walker
8/1/82

During my first visit to London as President of the Government I have had a long meeting with the British Prime Minister, followed by a working luncheon.

This journey must be seen in the context of the European and Atlantic policy of the Spanish Government.

After an exchange of views on the international situation, with particular reference to Poland, we have dealt at length with three matters: the progress of the negotiations for Spain's entry into the Common Market, the invitation extended to Spain to join the Atlantic Alliance, and, naturally, Gibraltar.

I have explained to Mrs Thatcher the growing difficulties in which I find myself in explaining to Spanish public opinion the delay in the negotiations between Spain and the Community; and the urgent necessity that the Community, keeping faith with the spirit of the Treaty of Rome, shall honour its obligations and responsibilities in regard to Spain. The Prime Minister has assured me of her understanding, and of the active backing for our positions by the British side.

As regards Spain's adherence to the Washington Treaty, the British intention of implementing the Parliamentary ratification procedure shortly has been confirmed to me.

However, you are probably more interested in the third part of our conversations, which dealt with the old problem of Gibraltar.

The Spanish Government and the British Government have decided - and Mrs Thatcher and I have so announced it - that the Lisbon Declaration shall be applied as from the 20th April next. On that date our respective Foreign Secretaries will meet in order to put in motion the negotiations directed to resolving the problem of Gibraltar; and at the same time communications will become re-established with the lifting of the measures taken in 1969.

It is a matter of satisfaction for my Government to continue along the road outlined in Lisbon on the 10th April

1960. At that time it was placed on record, on the Spanish side, and I have today re-stated it, that the definitive solution of the problem must be the re-establishment of the territorial integrity of Spain, and that this objective is consistent with the intention expressed by the Spanish Government to the effect that the interests of the Gibraltarians shall be safeguarded.

In no way it is now a question of returning to the 1969 position. We have received assurances on three important points:

- The implementation of the Lisbon Declaration in accordance with its terms.
- The commencement of negotiations intended to resolve all differences over Gibraltar on the very day the barrier is lifted.
- The disappearance of the discrimination against Spaniards in respect of staying overnight in Gibraltar, as also in regard to employment, social security, salaries, and right to join Trade Unions.

The remaining matters relating to the position of Spaniards in Gibraltar will be dealt with in like manner at the same time, pursuant to the principles of reciprocity and equality of rights established in Lisbon; and both sides will take such steps as may become necessary therefor, including measures of a legislative nature.

By way of summary: the only problem, although a grave one, that separates Spain and the United Kingdom has now entered the negotiation stage.

The relations between the two countries must likewise enter a new and promising phase.

Gibraltar

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ZZ MADRID
GRS 645
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FROM F C O 051657Z JANUARY 82
TO FLASH MADRID
TELEGRAM NUMBER 5 OF 5 JANUARY
INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)
YOUR TELNO 4: GIBRALTAR

1. I SPOKE BY TELEPHONE THIS MORNING TO PEREZ LLORCA. HAVING SAID THAT I WAS VERY PLEASED TO HEAR THE DECISION OF THE SPANISH CABINET AND MOST GRATEFUL FOR HIS PERSONAL EFFORTS, I TOLD HIM THAT, IF THERE WAS TO BE ANY PUBLICATION OF LETTERS, I WOULD HAVE PREFERRED BOTH SIDES TO BE PUBLISHED. BUT IN THE INTERESTS OF REACHING AGREEMENT I WAS PREPARED TO MAKE A MAJOR CONCESSION AND ACCEPT THAT ONLY THE LETTER FROM DURAN TO YOU, DEALING WITH POINTS OF CONCERN TO SPAIN, SHOULD BE PUBLISHED.
2. IF THIS WAS DONE IT WAS IMPORTANT FOR US THAT THE LETTER SHOULD NOT BE DISTRIBUTED IN LONDON DURING THE PRIME MINISTER'S VISIT. THIS WOULD ONLY POINT UP THE IMBALANCE IN THE ARRANGEMENT. I HAD HOWEVER NO OBJECTION TO PUBLICATION ON CALVO SOTELO'S RETURN TO MADRID. I ALSO REALISED THAT HE MIGHT WISH TO DRAW ON THE LETTER EXTENSIVELY IN HIS PRESS CONFERENCE IN LONDON. IN ANSWER TO A QUESTION FROM PEREZ LLORCA I SAID THAT I SAW NO OBJECTION TO HIM REFERRING TO WRITTEN ASSURANCES IF HE WISHED.
3. IN ADDITION, IT WAS VERY IMPORTANT THAT CALVO SOTELO SHOULD NOT AT HIS PRESS CONFERENCE SAY ANYTHING ABOUT EG THE SPA AT ODDS WITH THE ASSURANCES GIVEN PRIVATELY TO US AND WHICH WE WOULD THEREFORE HAVE TO CONTRADICT. I WOULD ASK YOU TO BE IN TOUCH WITH THE SPANIARDS ABOUT A SUITABLE FORM OF WORDS WHICH HE COULD USE.
4. FINALLY, I SAID THAT THERE SHOULD BE A BRIEF COMMUNIQUE AFTER THE MEETING OF PRIME MINISTERS ANNOUNCING A DATE FOR NEGOTIATIONS/LIFTING RESTRICTIONS. I WAS FREE TO START NEGOTIATIONS ON 19 OR 20 APRIL, WITH A PREFERENCE FOR THE LATTER. WE SETTLED FOR 20 APRIL. ON THE PLACE FOR A MEETING I SAID THAT I UNDERSTOOD THEIR DIFFICULTIES ABOUT COMING AGAIN TO LONDON.

/WE COULD

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WE COULD DISCUSS THE MATTER FURTHER. LISBON MIGHT BE THE MOST APPROPRIATE PLACE. PEREZ LLORCA SAID HE WOULD BE AGREEABLE TO LISBON.

5. PEREZ LLORCA RAISED THE POSSIBILITY OF A JOINT PRESS CONFERENCE. I TOLD HIM I THOUGHT THIS WOULD BE A MISTAKE. THERE WAS A RISK OF QUESTIONS BEING ASKED ABOUT EG SPA WHICH MIGHT PUT CALVO SOTELO IN A DIFFICULT POSITION. PEREZ LLORCA SAID HE WOULD HAVE TO CONSULT HIS PRIME MINISTER ON THIS. HE THOUGHT CALVO SOTELO MIGHT ARRANGE TO HAVE HIS OWN PRESS CONFERENCE ONLY FOR SPANISH JOURNALISTS. I SAID THAT WAS UP TO THEM. WE DID NOT PROPOSE TO HAVE A PRESS CONFERENCE OURSELVES BUT WOULD BRIEF THE PRESS ON THE VISIT IN THE USUAL WAY.

6. PLEASE CONSULT URGENTLY WITH DURAN ABOUT HOW CALVO SOTELO WOULD FIELD QUESTIONS ON THE SPA AT HIS PRESS CONFERENCE. HE MUST USE A FORM OF WORDS WHICH WILL NOT CLASH WITH THE ASSURANCES THEY HAVE GIVEN US WHICH WE WILL PROBABLY BE DRAWING ON THE SAME DAY. A FORMULATION AS IN THE LETTER THEY EARLIER PROPOSED (PARA 2 OF YOUR TELNO 2) WOULD MEET THE NEED.

7. YOU SHOULD ALSO MAKE IT CLEAR THAT THERE IS INTENSE PARLIAMENTARY INTEREST IN SOME OF THE POINTS OF CONCERN TO US COVERED IN YOUR LETTER TO DURAN. MOST OF THE SPANISH ASSURANCES, PARTICULARLY ON AIR ACCESS TO GIBRALTAR ARE BOUND TO COME OUT, PROBABLY ON THE DAY OF THE VISIT IN RESPONSE TO PRESS ENQUIRIES AFTER THE IMPLEMENTATION OF LISBON IS ANNOUNCED. THEY WILL CERTAINLY HAVE TO BE USED IN PARLIAMENT.

8. GIBRALTAR MINISTERS HAVE NOT YET BEEN TOLD OF THE EXCHANGE OF LETTERS. IT IS IMPORTANT THAT THEY SHOULD NOT LATER CLAIM THAT THEY HAVE BEEN KEPT IN THE DARK UNREASONABLY. IT IS THEREFORE BEST THAT THE LETTERS SHOULD BE DATED 8 JANUARY. WE HAVE NO OBJECTION TO THEIR BEING INITIALLED NOW BUT SIGNED ON THAT DAY OR, IF THE SPANIARDS PREFER, SIGNED NOW AND POST-DATED.

9. PLEASE ALSO TELL THE SPANIARDS THAT I WOULD LIKE TO SEE OFF CALVO SOTELO AT THE AIRPORT. I HAVE ANOTHER ENGAGEMENT THAT EVENING AND WILL ONLY BE ABLE TO DO THIS IF HE IS LEAVING FAIRLY EARLY. WE ARE IN TOUCH WITH THE SPANISH EMBASSY HERE ABOUT DETAILS.

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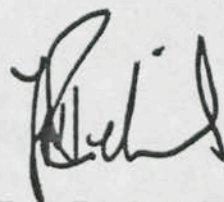
Gibraltar

A.F.C. 5/1

Mr Wilson - SEDSpain/Gibraltar

The Ambassador in Madrid rang from Senor Perez Llorca's office at 1945 this evening to say that the Spanish Cabinet had met and agreed - after considerable heart-searching - that a date for implementation of the Lisbon agreement should be announced on 8 January.

Senor Perez Llorca was, for reasons which Mr Parsons did not elaborate, unable to offer any date for opening before Easter Monday (12 April), but would be prepared to offer 13 April or the earliest convenient date thereafter. I explained to him that the Secretary of State would on present plans be in the Middle East the whole of that week; dates had already been agreed with the governments concerned, but the following Monday or Tuesday (19 or 20 April) were free, and if these days were unsuitable we could see whether another day could be made free later in the week. Mr Parsons hoped that we would look at the possibility of rearranging Lord Carrington's travel plans to enable implementation to take place on 13 April, but saw no immediate problems with the alternatives offered. He asked that dates be confirmed on 5 January. He would be telegraphing separately on the place for negotiations and also on various points relating to the exchange of letters.



(F N Richards)

4 January 1982

cc: PS
PS/LPS
PS/PUS
Mr Bullard
Mr Fergusson
— Mr Coles, 10 Downing Street

PRIME MINISTER

2

Gibraltar

You will see from the attached that Calvo Sotelo and Perez-Llorca are proposing:

(a) that we should not announce the date for the opening of the frontier before or during the visit next week; but instead

Very unwise policy.

(b) that we should agree a date between February and June when the frontier will be opened, and a date towards the end of January when the timing of the opening of the frontier will be announced; both these dates would be kept confidential for the time being;

(c) that before and during the visit next week we should take the line with the press that the question of the implementation of the Lisbon Agreement, including dates, has already been agreed, and is therefore not an issue in the talks at Prime Ministerial level;

(d) that an exchange of side letters under the Lisbon Agreement should be signed before or during the visit.

The FCO are putting a submission on this to Lord Carrington this evening. They are likely to recommend that we should have one more try at persuading Calvo Sotelo to agree that the timing of the opening of the frontier should be announced next week. To accept the Spanish plan would change the whole basis on which the visit of Calvo Sotelo was arranged. It would also be extremely difficult to hold the line that the dates for the implementation of the Lisbon Agreement had been agreed while at the same time keeping these dates confidential.

Must not

Lord Carrington may wish to bring you up-to-date on this during your lunch on Sunday.

CWBR

31 December 1981

CONFIDENTIAL

GRS 878

DESKBY 301615Z

CONFIDENTIAL

FM MADRID 301337Z DEC 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 506 OF 30 DECEMBER

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

INFO ROUTINE UKDEL NATO

MIPT: GIBRALTAR (NOT TO ALL)

1. I HAVE FREQUENTLY ADVISED PEREZ-LLORCA THAT THE ONLY WAY TO RETAIN YOUR CONFIDENCE, IN THE FACE OF THESE CONTINUAL SHIFTS IN SPANISH POLICY, IS TO BE COMPLETELY FRANK WITH YOU ABOUT THEIR POLITICAL ANXIETIES. HE HAS IN FACT TAKEN THIS ADVICE. IT CANNOT HAVE BEEN ENTIRELY PLEASANT FOR HIM TO HAVE TO ADMIT TO ME SO FRANKLY THAT HE HAD BEEN OVER-ruled BY HIS PRIME MINISTER AND THAT BOTH ARE SCARED ABOUT THE ATTITUDE OF THE ARMED FORCES. I SUSPECT THAT THE TRIAL OF THE MILITARY PLOTTERS IN FEBRUARY, SPECIFICALLY MENTIONED TO ME BY PEREZ-LLORCA (MY TELNO 501) MAY PLAY AS GREAT A PART IN THE SELECTION OF THE DATE FOR OPENING THE FRONTIER AS THE ELECTIONS IN ANDALUCIA.

2. SPANISH MINISTERS WILL NEED TO KNOW BY THE MORNING OF 4 JANUARY AT THE LATEST WHETHER THE PRIME MINISTER AND YOU ARE PREPARED IN PRINCIPLE TO GO ALONG (IF WITHOUT ENTHUSIASM) WITH THEIR NEW PLAN, ON THE ASSUMPTION THAT THE TWO NECESSARY DATES ARE COMMUNICATED TO US IN CONFIDENCE LATER THAT DAY. OUR POSITION IS BY NO MEANS WEAK SINCE CALVO SOTELO IS CLEARLY APPREHENSIVE OF THE DATE FOR IMPLEMENTATION OF THE LISBON AGREEMENT BECOMING A PUBLIC ISSUE BETWEEN HIM AND MRS THATCHER ON 8 JANUARY. I HOPE WE COULD SAY THAT WE ARE IN PRINCIPLE PREPARED TO TAKE THE PUBLIC LINE THAT THIS IS NOT AN ISSUE BETWEEN THE PRIME MINISTERS SINCE THE DATE FOR IMPLEMENTATION HAS ALREADY BEEN AGREED AND WILL SHORTLY BE ANNOUNCED. BUT TO BE CREDIBLE THE DATE FOR ANNOUNCEMENT MUST NOT SLIP BEYOND THE END OF JANUARY AND THE DATE FOR IMPLEMENTATION MUST NOT SEEM ABSURDLY FAR AHEAD. FOR THE PURPOSES OF PUBLIC CONFIDENCE A DATE FOR IMPLEMENTATION IN MARCH WOULD SEEM DESIRABLE. (WHAT DATES WOULD YOU BE FREE FOR THE NEGOTIATIONS AFTER MARCH 7?) WE COULD AGAIN EMPHASISE THAT THIS WOULD HAVE THE SPECIAL ADVANTAGE OF YOUR BEING ABLE TO DISCUSS THE GIBRALTAR ASPECTS OF THEIR NATO ENTRY WELL BEFORE THE SPRING MEETING OF THE ALLIANCE.

This "new plan" is set out in the telegram at A.

CONFIDENTIAL

/ 3. AS REGARDS

3. AS REGARDS THE EXCHANGE OF LETTERS, THE SPANIARDS MAY FACE A LAST-MINUTE CHOICE. THEY COULD GO FOR AN EXCHANGE ALONG THE LINES PROVISIONALLY AGREED BETWEEN DURAN AND ME (YOUR TELNO 274 AND PARA 3 OF MY TELNO 500) DESPITE CALVO SOTELO'S INITIAL REJECTION. THE SPANIARDS WOULD BE FREE TO PUBLISH THIS BUT ALMOST CERTAINLY WOULD NOT WISH TO DO SO BECAUSE OF THE REFERENCE TO THE SPA IN MY REPLY. AT LEAST THIS WOULD GIVE THEM A BASIS OF CERTAINTY ON WHICH TO PREPARE THEIR OWN PUBLIC STATEMENT EMPHASISING THE DIFFERENCE BETWEEN THE OLD AND THE NEW REGIME IN GIBRALTAR. THE ALTERNATIVE WOULD BE TO WORK FOR A MUCH BRIEFER AND PUBLISHABLE EXCHANGE, AS SUGGESTED BY PEREZ-LLORCA. I AM NOT OPTIMISTIC ABOUT BEING ABLE TO NEGOTIATE THIS IN THE TIME AVAILABLE IN VIEW OF THEIR ONE-SIDED ATTITUDE. IN EITHER EVENT WE SHOULD MAKE IT CLEAR TO THE SPANIARDS YET AGAIN THAT, IN REPLY TO QUESTIONS, WE SHALL HAVE TO USE ORALLY IF PRESSED SOMETHING LIKE THE FORMULA ON THE SPA IN THE LAST SENTENCE OF PARAGRAPH 4 OF MY TELNO 500. WE SHALL ALSO HAVE TO BE FREE TO USE PUBLICLY SOMETHING ALONG THE LINES OF THE SENTENCE ABOUT THE FULL RESTORATION OF COMMUNICATIONS CONTAINED IN THE LAST SENTENCE OF PARAGRAPH 2 OF MY TELNO 498. (INCIDENTALLY, TO MEET SPANISH LEGAL SUSCEPTIBILITIES ABOUT THE USE OF THE WORD QUOTE FRONTIER UNQUOTE, THIS COULD BE REDRAFTED TO BEGIN QUOTE BY DIRECT COMMUNICATIONS IS MEANT THE OPENING OF LAND COMMUNICATIONS TO BOTH VEHICLES AND PEDESTRIANS ETC UNQUOTE). WE SHOULD MAKE IT CLEAR ONCE AGAIN THAT NEITHER OF THESE FORMULAE HAS TO BE ENSHRINED IN AN EXCHANGE OF LETTERS PROVIDED THAT WE ARE FREE TO USE THEM ORALLY IN ANSWER TO QUESTIONS AND THAT WE ARE NOT ASKED TO ACCEPT A ONE-SIDED WRITTEN EXCHANGE.

4. DURING THE LAST TWO DAYS PEREZ-LLORCA HAS ASKED ME TWICE WHAT OUR LATEST PROGRAMME IS FOR RATIFICATION OF THE PROTOCOL ON SPANISH ENTRY INTO NATO. HE HAS ALSO ASKED ME TWICE WHAT SUBJECTS YOU THINK MIGHT BE COVERED BETWEEN YOU IN THE GIBRALTAR NEGOTIATIONS. I HAVE DECLINED TO GIVE HIM AUTHORITATIVE ANSWERS ON BOTH POINTS, PARTLY BECAUSE I AM WITHOUT INSTRUCTIONS AND ALSO BECAUSE IT SEEMS WORTH CONSIDERING WHAT USE WE MIGHT MAKE OF SPANISH ANXIETIES ON THESE ISSUES. YOU MAY WISH, HOWEVER, TO PREPARE A LINE FOR USE ON 8 JANUARY.

5. THE SPANIARDS ARE OF COURSE GRATEFUL FOR OUR SCRUPULOUS AVOIDANCE OF ANY LINK BETWEEN THEIR ENTRY INTO NATO AND THE GIBRALTAR ISSUE AS SUCH. NEVERTHELESS, WITHOUT ALTERING THIS POLICY, THE PRIME MINISTER AND YOU MIGHT WISH TO MAKE IT CLEAR TO THE SPANISH MINISTERS THAT THE CHANCES OF A SMOOTH PARLIAMENTARY PASSAGE OVER RATIFICATION OF THE NATO PROTOCOL WILL OBVIOUSLY BE IMPROVED IF A DATE FOR IMPLEMENTING THE

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LISBON AGREEMENT HAS ALREADY BEEN ANNOUNCED. THIS WOULD HELP TO FORTIFY THEM IN THEIR DECLARED INTENTION OF MAKING SUCH AN ANNOUNCEMENT BY THE END OF JANUARY.

6. AS REGARDS THE NEGOTIATIONS ON GIBRALTAR, I DID POINT OUT TO PEREZ-LLORCA THAT IT WOULD BE SENSIBLE TO TRY TO SHOW SOME PRACTICAL RESULTS FAIRLY SOON, APART FROM THE CENTRAL ISSUE OF SOVEREIGNTY TO WHICH THE SPANISH ARE COMMITTED. HE AGREED. MY OWN COMMENT IS AS FOLLOWS. THERE COULD PERHAPS BE DISCUSSION ABOUT THE USE OF AN AIRFIELD, DOCKYARD AND PORT, THE FAMOUS FENCE, AND THE QUESTION OF DEFENCE COOPERATION OVER GIBRALTAR IN THE NATO CONTEXT. STRICTLY SPEAKING OTHER MATTERS SUCH AS COOPERATION OVER EDUCATION, TRADE, TOURISM AND THE JOINT ECONOMIC DEVELOPMENT OF THE ROCK WITH THE CAMPO AREA WOULD PRESUMABLY NOT BE COVERED BY NEGOTIATIONS ENVISAGED AT LISBON AS AIMING AT OVERCOMING ALL THE DIFFERENCES BETWEEN THE TWO GOVERNMENTS ON GIBRALTAR. NEVERTHELESS THERE MIGHT BE POLITICAL AND PRACTICAL ADVANTAGE IN WIDENING THE NEGOTIATING PROCESS TO INCLUDE THESE MORE CREATIVE ASPECTS, IF ONLY TO BE ABLE TO SHOW SOME RESULTS FAIRLY SOON. THIS APPROACH WOULD ALSO ACCORD WITH THE FORWARD LOOKING ATTITUDE OF THE LISBON AGREEMENT TOWARDS STEPS TO BE TAKEN IN ORDER TO OPEN THE WAY TO CLOSER UNDERSTANDING BETWEEN THOSE DIRECTLY CONCERNED IN THE AREA.

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MR FERGUSSON

ADDITIONAL DISTN.

GIBRALTAR

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GRS 953
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P.S. TO NO. 10. DOWNING ST.

CONFIDENTIAL
FM MADRID 301220Z DEC 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 505 OF 30 DECEMBER
INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

MY TELEGRAM NO 501: GIBRALTAR.

THE SPANISH FOREIGN MINISTER ACCORDINGLY SUMMONED ME LATE LAST NIGHT TO MAKE THE FOLLOWING COMMUNICATION TO YOU ON BEHALF OF THE SPANISH PRIME MINISTER. CALVO SOTELO ENVISAGED HIS FORTHCOMING VISIT TO LONDON AS A PUBLIC DEMONSTRATION OF GOODWILL BETWEEN OUR TWO GOVERNMENTS AND OF WILLINGNESS TO IMPLEMENT THE LISBON AGREEMENT. THE PROBLEM FOR THE SPANISH GOVERNMENT WAS THE NEED FOR FURTHER PREPARATION OF SPANISH PUBLIC OPINION SO THAT THERE WOULD NOT BE UNFAVOURABLE REACTIONS HERE (COUNTER-PRODUCTIVE FOR BOTH SIDES) AFTER THE DATE FOR IMPLEMENTATION WAS ANNOUNCED. IT WAS IMPORTANT, FOR EXAMPLE, THAT THE OPENING OF THE FRONTIER SHOULD NOT BECOME AN ISSUE IN THE REGIONAL ELECTIONS IN ANDALUSIA NOW FIXED FOR 27 MAY.

2. AGAINST THIS BACKGROUND, CONTINUED PEREZ-LLORCA, CALVO SOTELO NOW DOUBTED WHETHER IT WOULD BE PRUDENT AFTER ALL TO ANNOUNCE A DATE DURING HIS VISIT TO LONDON. NEVERTHELESS HE HAD BEEN IMPRESSED WITH THE ARGUMENT THAT SOME FIRM PLAN FOR HANDLING THE PRESS MUST BE AGREED IN ADVANCE. HE UNDERSTOOD THAT, FAILING POSITIVE ASSURANCES ABOUT DATES, NUMBER TEN WOULD BE OBLIGED TO TELL THE PUBLIC THAT OUR PRIME MINISTER INTENDED TO TAKE UP WITH THE SPANISH PRIME MINISTER THE QUESTION OF THE NON-IMPLEMENTATION OF THE LISBON AGREEMENT. CALVO SOTELO HAD A JOINT INTEREST WITH US IN AVOIDING THIS SITUATION.

3. CALVO SOTELO ACCORDINGLY ASKED YOU TO CONSIDER THE FOLLOWING PLAN. A FURTHER SPANISH MINISTERIAL MEETING WILL BE HELD IMMEDIATELY AFTER THE HOLIDAY ON MONDAY 4 JANUARY. BY THE END OF THAT DAY TWO DATES WOULD BE PROPOSED TO US BY THE SPANISH GOVERNMENT. THE FIRST, FOR THE PUBLIC ANNOUNCEMENT, WOULD BE NOT LATER THAN THE END OF JANUARY. THE SECOND, FOR THE OPENING OF THE FRONTIER AND SIMULTANEOUS BEGINNING OF NEGOTIATIONS, WOULD BE WITHIN A TIME-SPAN BETWEEN THE END OF FEBRUARY AND EARLY JUNE. WITHIN THAT SPAN A PRECISE DATE WOULD BE FIXED, AND THIS WOULD BE COMMUNICATED TO US ON 4 JANUARY. THE SPANISH GOVERNMENT WOULD OF COURSE TRUST US NOT TO REVEAL EITHER DATE PUBLICLY FOR THE TIME BEING, BUT THEY HOPED THIS WOULD BE SUFFICIENT FOR MRS THATCHER AND CALVO SOTELO TO AGREE IN ADVANCE TO INFORM THE PRESS THAT THE QUESTION OF THE IMPLEMENTATION OF THE LISBON AGREEMENT, INCLUDING DATES, HAD ALREADY BEEN AGREED AND WAS THEREFORE NOT TO BE AN ISSUE IN THE TALKS AT PRIME MINISTERIAL LEVEL.

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/4. PEREZ-LLORCA

*The Spanish
plan.*

4. PEREZ-LLORCA ALSO SAID THAT THEY WOULD WANT AN EXCHANGE OF LETTERS (SEE MY TELEGRAM NO 500) TO BE SIGNED BEFORE THE VISIT OR IN LONDON ON JANUARY 8. THIS WOULD HELP WITH THE PREPARATION OF CONCERTED LANGUAGE FOR USE WITH THE PRESS BY THE TWO PRIME MINISTERS. THE SPANISH PRIME MINISTER, HOWEVER, IN SPITE OF ALL THE GOOD WORK BETWEEN DURAN AND MYSELF, WAS NOT HAPPY WITH THE EXCHANGE IN ITS PRESENT FORM. THE SPA PRESENTED A PARTICULAR PROBLEM IN VIEW OF WHAT THEY HAD SAID IN PARLIAMENT AND LACK OF CONSULTATION WITH THE SPANISH MINISTRY OF DEFENCE. (THE LATTER POINT IS PRESUMABLY A EUPHEMISM FOR FEAR OF THE REACTION OF THE ARMED FORCES). THEY WOULD GIVE US ASSURANCES ABOUT MODIFYING THE APPLICATION OF THE SPA IN THE INTEREST OF AIR SAFETY BUT WOULD FIND IT DIFFICULT TO PUBLISH THIS NOW. CALVO SOTELO AND PEREZ-LLORCA THEREFORE THOUGHT IT DESIRABLE TO RE-DRAFT THE EXCHANGE IN A MUCH SIMPLER, SHORTER AND VAGUER FORM RECORDING THAT BOTH GOVERNMENTS HAD AGREED THAT THE LISBON AGREEMENT SHOULD BE IMPLEMENTED ON A CERTAIN DATE AND THAT THE SPANISH GOVERNMENT WERE SATISFIED THAT THE NEW REGIME TO BE APPLIED IN GIBRALTAR FOR SPANIARDS WOULD MODIFY THE SITUATION EXISTING BEFORE 1969. DURAN WOULD BE IN TOUCH WITH ME URGENTLY ABOUT THIS.

*This draft
is in the
telegram
at B.*

5. I REPLIED AS FOLLOWS. WITH OUR MUTUAL COOPERATION IN MIND AND THE JOINT NEED TO PRESENT THE VISIT ON JANUARY 8 AS A SUCCESS, I THOUGHT YOU WOULD REGRET THE SPANISH PRIME MINISTER'S NEW DECISION NOT TO ANNOUNCE A DATE FOR THE IMPLEMENTATION OF THE LISBON AGREEMENT BEFORE OR ON 8 JANUARY. THIS WOULD HAVE BEEN BY FAR THE BEST WAY TO DISPEL PUBLIC SUSPICION ON BOTH SIDES. NEVERTHELESS WE ALL HAD TO MAKE THE BEST OF THE SITUATION IN WHICH WE NOW FOUND OURSELVES, GIVEN THE IMMINENCE OF THE VISIT. (THERE HAS BEEN NO SUGGESTION FROM SPANISH MINISTERS THAT IT SHOULD BE CANCELLED.) I WENT ON TO POINT OUT THAT 10 DOWNING STREET WOULD BE UNDER PRESSURE DURING NEXT WEEK BEFORE THE VISIT TO EXPLAIN WHAT IT WAS ALL ABOUT. IT WAS THEREFORE ABSOLUTELY ESSENTIAL THAT SPANISH MINISTERS SHOULD STICK TO THEIR NEW INTENTION OF COMMUNICATING BOTH DATES TO US BY THE EVENING OF 4 JANUARY. ONLY IN THE LIGHT OF THIS WOULD IT BE REASONABLE TO ADVISE THE BRITISH PRIME MINISTER TO TAKE THE PUBLIC LINE BEFORE AND DURING THE VISIT THAT THE QUESTION OF THE IMPLEMENTATION OF THE LISBON AGREEMENT WAS NOT AN ISSUE AT PRIME MINISTER LEVEL BECAUSE A DATE HAD ALREADY BEEN AGREED AND WOULD SHORTLY BE ANNOUNCED. PEREZ-LLORCA SAID THAT HE UNDERSTOOD THIS POINT.

6. I ADDED THAT WE HAD NEVER ASKED FOR AN EXCHANGE OF LETTERS. IT WAS A PURELY SPANISH REQUIREMENT. I WOULD OF COURSE ASK YOU TO CONSIDER A DRAFT OF WHATEVER DURAN MIGHT CARE TO OFFER ME.

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BUT IF THERE WERE TO BE A WRITTEN AND PERHAPS PUBLISHED EXCHANGE, IT WAS NOT ACCEPTABLE TO INCLUDE ONLY POINTS OF INTEREST TO SPAIN, OMITTING THOSE OF INTEREST TO US. PEREZ-LLORCA SAID THAT HE HAD ALSO TAKEN THIS POINT. THAT WAS WHY HE WAS NOW GOING FOR A SHORT AND VAGUE DRAFT. HE ALSO REALISED THAT WE COULD NOT COMPLETE THE EXCHANGE OF LETTERS UNTIL A DATE FOR IMPLEMENTING LISBON HAD BEEN INCLUDED.

7. AS REGARDS THE LATTER DATE, I EXPRESSED CONCERN ABOUT THIS BEING LEFT TO THE EARLY SUMMER. SURELY IT WOULD BE DANGEROUS TO LEAVE IT UNTIL SHORTLY BEFORE, OR EVEN AFTER, THE ELECTIONS ON 27 MAY? NOBODY COULD FORETELL WHAT THE SITUATION MIGHT BE THEN. (PEREZ-LLORCA SMILED, IMPLYING THAT HE HAD TAKEN MY UNSPOKEN POINT THAT THE VERY EXISTENCE OF THE CALVO SOTELO GOVERNMENT, AT LEAST IN ITS PRESENT FORM MIGHT BE IN DOUBT AFTER 27 MAY.) I SUGGESTED THAT IF THE FRONTIER COULD NOT BE OPENED FOR PRACTICAL REASONS BEFORE THE END OF FEBRUARY AT THE EARLIEST, WE SHOULD TRY TO FIX A DATE AS SOON AS POSSIBLE AFTER YOUR RETURN TO LONDON ON 7 MARCH. (PEREZ-LLORCA HAS ACCEPTED THAT THE OPENING OF THE NEGOTIATIONS WILL BE IN LONDON.)

8. I CONCLUDED BY THANKING PEREZ-LLORCA FOR HIS FRANK SPEAKING ABOUT SPANISH POLITICAL DIFFICULTIES AND WARNING HIM THAT ANY TELEPHONE CONVERSATION WITH YOU (FOR WHICH HE HANKERS) WOULD BE MORE FRUITFUL AFTER YOU HAD BEEN ABLE TO STUDY THIS REPORT.

9. COMMENT FOLLOWS.

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GRS 250
DESKBY 311030Z
CONFIDENTIAL
FM MADRID 310935Z DEC 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 507 OF 31 DECEMBER
INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)
INFO ROUTINE UKDEL NATO

MY TELNOS 505 AND 506: GIBRALTAR.

1. AS FORESHADOWED IN PARAGRAPH 4 OF MY TELNO 505 DURAN SENT ME LATE LAST NIGHT A NEW DRAFT TEXT OF WHICH THE FOLLOWING IS OUR TRANSLATION.

"THE SPANISH AND BRITISH GOVERNMENTS, HAVING DECIDED TO PUT INTO PRACTICE THE LISBON DECLARATION IN ALL ITS ASPECTS BY MEANS OF A POLICY OF CONCRETE IMPLEMENTATION OF ITS PROVISIONS, HAVE AGREED THE FOLLOWING:

(I) TO START THE NEGOTIATIONS ENVISAGED IN THE ABOVE MENTIONED DECLARATION ON (DATE) WITH THE AIM OF RESOLVING ALL THEIR EXISTING DIFFERENCES OVER GIBRALTAR:

(II) ON THE SAME DAY COMMUNICATIONS WILL BE RE-ESTABLISHED AS EQUALLY PROVIDED FOR IN THE LISBON DECLARATION:

(III) THE SPANISH GOVERNMENT NOTE THAT THE NEW REGIME APPLICABLE IN GIBRALTAR WHICH WILL BE IN FORCE ON THE DATE EARLIER INDICATED MODIFIES THE SITUATION WHICH EXISTED BEFORE 1969, REMOVING ELEMENTS WHICH IN THE VIEW OF THE SPANISH GOVERNMENT WERE DISCRIMINATORY AND WHICH THEY CONSIDER FUNDAMENTAL. SPECIFICALLY, EQUALITY FOR SPANIARDS IN GIBRALTAR AS REGARDS THE RIGHT TO STAY OVERNIGHT AND IN MATTERS OF EMPLOYMENT, SOCIAL SECURITY, SALARIES AND THE RIGHT TO JOIN TRADE UNIONS IS ASSURED.

IN PARALLEL WITH THE INITIAL PHASE OF THE NEGOTIATIONS ENVISAGED AT (I) BOTH SIDES WILL DEAL WITH THE REMAINING QUESTIONS CONCERNING THE SITUATION OF SPANIARDS IN GIBRALTAR ABOVE

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WITH A VIEW TO DETERMINING THE CONCRETE IMPLEMENTATION OF THE PRINCIPLES OF RECIPROCITY AND EQUALITY OF RIGHTS LAID DOWN IN LISBON. THE TWO SIDES RECOGNISE THAT AGREEMENTS REACHED WILL HAVE TO BE GIVEN EFFECT AS SOON AS POSSIBLE BY THE ADOPTION OF THE NECESSARY MEASURES, INCLUDING THE INTRODUCTION OF NEW LEGISLATION, IF NECESSARY.

2. COMMENT FOLLOWS.

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MR FERLUSSON

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P.S. TO NO. 10. DOWNING ST.

Prime Minister

*Comment from
Gibraltar.*

*WM
21/12*

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DESKBY 310030Z FCO AND MADRID
FROM GIBRALTAR 302109Z DEC 81
TO IMMEDIATE FCO TEL NO PERSONAL 104 OF 30 DEC 81
AND IMMEDIATE MADRID

MADRID TELNOS 505 AND 506: GIBRALTAR

1. I REMAIN ANXIOUS NOT (REPEAT NOT) TO INJECT ANY UNAVOIDABLE DIFFICULTY INTO THIS DELICATE SITUATION. IF IT WOULD HELP THE SPANISH GOVERNMENT WITH THEIR MILITARY THEN I AM CONFIDENT THAT I COULD CARRY THE OMISSION OF REFERENCE TO THE SPA LOCALLY IF THE EXCHANGES WERE COUCHED IN THE ABBREVIATED FORM NOW ENVISAGED BY THE SPANISH. I RECOGNISE THAT THIS COULD STILL LEAVE THE PRIME MINISTER AND YOURSELF WITH DIFFICULTIES OF PRESENTATION IN BRITAIN WHERE INTER ALIA THE QUOTE GIBRALTAR LOBBY UNQUOTE MIGHT BE INCLUDED TO PLAY IT UP.
2. FROM GIBRALTAR IT IS DIFFICULT TO FOLLOW THE SPANISH GOVERNMENTS SENSITIVITY IN RESPECT OF THE ANDALUCIAN ELECTIONS AS SUCH ANDULCIAN OPINION AS WE ARE AWARE OF APPEARS TO FAVOUR OPENING OF THE FRONTIER BUT I REALISE THAT THIS IS A MATTER FOR HM ANBASSADORS JUDGEMENT.
3. THERE ARE HOWEVER SERIOUS PRACTICAL DIFFICULTIES FROM THE GIBPALTAR VIEWPOINT IN THE PLAN NOW PROPOSED BY PEREZ LLORCA. IF THE TWO PRIME MINISTERS REVEAL ON 8 JANUARY THAT A DATE HAD ALREADY BEEN AGREED FOR IMPLEMENTATION I WOULD, IN ORDER TO RETAIN CREDIBILITY IN ANGLO-GIBRALTARIAN CONSULTATION, NEED TO INFORM HASSAN, ISCLA AND INDEED BOSSANO, OF THE PROPOSALS. THEY WOULD IMMEDIATLY COME UNDER PRESSURE FROM A WHOLE RANGE OF COMMERCIAL CONCERNS WHO WOULD HAVE A VERY PROPER INTEREST TO ARRANGE THEIR AFFAIRS IN THE NEW CIRCUMSTANCES. LEAKS WOULD SEEM INEVITABLE. THE LONGER THE PERIOD BETWEEN ANNOUNCEMENT AND THE DATE FOR IMPLEMENTATION THE MORE SCEPTICAL WOULD BE GIBRALTARIAN OPINION. THEY HAVE A CLEAR MEMORY OF 1 JUNE 1980 ALREADY HAVING BEEN AGREED AND RECOGNISE VERY WELL THE POLITICAL DELICACY OF THE SPANISH INTERNAL SITUATION.

/4. I AM

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4. I AM ALSO ANXIOUS TO SEE AN OPENING EARLY IN THE YEAR SO THAT THE INEVITABLE HICCUPS CAN BE REMOVED FROM THE FRONTIER SYSTEM AND RELATED ACTIVITIES BEFORE THE TOURIST SEASON BUILDS UP. I AM SURE THAT IT IS IN SPAIN'S INTEREST AS MUCH AS OUR OWN THAT THIS SHOULD BE SO. I THEREFORE FIND THE PROSPECT OF OPENING BEING DELAYED POSSIBLY UNTIL JUNE (AND HOW LONG THEREAFTER?) WORRYING.

5. I HAVE ALREADY REFERRED TO THE POSSIBILITY OF THE GIBRALTAR LOBBY CAUSING EMBARRASSMENT FOR BOTH GOVERNMENTS IF PROGRESS IS DELAYED AND IT WILL OF COURSE BE A MATTER FOR OPINION AT POLITICAL LEVEL IN LONDON TO JUDGE THE EFFECT THAT DELAY MIGHT HAVE ON DEBATE IN THE HOUSE ON SPANISH ACCESSION TO NATO. LOCALLY OF COURSE DELAY SIMPLY INCREASES THE POSSIBILITY OF EXASPERATION GIVING RISE TO MORE UNHELPFUL STATEMENTS OF POLITICAL OPINION BOTH IN THE HOUSE OF ASSEMBLY (DUE TO MEET IN FEBRUARY) AND ELSEWHERE.

FCO PLEASE PASS

JACKSON

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[PASSED AS REQUESTED]

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MR BULLARD
MR FERGUSSON

ADDITIONAL DISTRIBUTION
GIBRALTAR



10 DOWNING STREET

GF
From the Private Secretary

cc. [Handwritten initials]
31 December 1981

The Prime Minister has asked me to thank you for your letter of 9 December about the closure of Gibraltar Dockyard.

Mrs. Thatcher appreciates the concern which has been expressed about the effect of the closure on the Gibraltar economy and the dockyard workforce. Consultations between the Government and Gibraltar Ministers are taking place to consider alternative ways to support the economy.

You will be aware that the decision to close the dockyard was taken against the background of the major and radical examination of the defence programme which was announced in the Secretary of State for Defence's White Paper in June (Cmnd 8288). The main thrust of this review was to concentrate resources on our front line forces. Inevitably this allocation of resources has meant that support facilities have had to be cut back.

The Prime Minister cannot, therefore, hold out any hope that the decision to close Gibraltar Dockyard can be reversed, but she feels it would be useful if you and your colleagues could meet the Minister of State for the Armed Forces, Mr. Peter Blaker, at the Ministry of Defence to discuss the position. If you agree, perhaps you could contact Mr. Blaker's Private Secretary (on 01 218 6326) to arrange a date.

W. F. S. RICKETT

A.H. Kitson, Esq.

[Handwritten initials]



10 DOWNING STREET

PRIME MINISTER

1

Alex Kitson of the TGWU has written to you about the closure of the Gibraltar Dockyard.

Content that I should reply as attached?

WR

Yes not

29 December, 1981.

GRS 310
DESKBY 300900Z
CONFIDENTIAL
FM MADRID 291144Z DEC 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 501 OF 29 DECEMBER
INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

CONFIDENTIAL

getwallen
Prime Minister

*Disappointing, but see X
overleaf.*

wh

30/12

MY TELNO 500: GIBRALTAR

1. WE ARE BY NO MEANS HOME AND DRY. LAST NIGHT, AS YOUR REPRESENTATIVE IN THE PRESIDENCY, I ATTENDED A SMALL DINNER GIVEN BY THE SPANISH PRIME MINISTER FOR GASTON THORN WHO IS PAYING AN OFFICIAL VISIT TO SPAIN. CALVO SOTELO TOLD ME THAT HE WAS LOOKING FORWARD TO HIS VISIT TO LONDON NEXT WEEK WHICH HE CONSIDERED TO BE OF GREAT IMPORTANCE. HE WAS GRATEFUL FOR THE UNDERSTANDING YOU HAD ALREADY SHOWN OVER HIS PRESENTATIONAL DIFFICULTIES HERE. BUT HE THOUGHT THAT MORE PRELIMINARY WORK WAS STILL NECESSARY. HE WOULD LIKE ME TO CARRY THIS FURTHER TODAY WITH HIS FOREIGN MINISTER. IT WAS ESSENTIAL TO SEIZE THIS OPPORTUNITY TO REACH A COMPLETE UNDERSTANDING BETWEEN THE TWO GOVERNMENTS ON THE PROCEDURE FOR THE IMPLEMENTATION OF THE LISBON AGREEMENT. ONCE MISSED, THE OPPORTUNITY MIGHT NEVER RECUR. IN TERMS OF PUBLIC OPINION AND NATIONAL FEELING, THE ISSUE WAS MUCH MORE DIFFICULT FOR HIM THAN FOR THE BRITISH PRIME MINISTER. HE NOW THOUGHT ON REFLECTION THAT IT MIGHT BE BETTER TO DELAY THE ANNOUNCEMENT OF THE DATE FOR IMPLEMENTING THE LISBON AGREEMENT UNTIL A MUTALLY AGREED PERIOD AFTER HIS VISIT TO LONDON.

2. I IMMEDIATELY TOOK ISSUE WITH THIS. I POINTED OUT THAT FAILURE TO ANNOUNCE A DATE BEFORE, OR AT LEAST DURING, THE VISIT WOULD SURELY PUT BOTH PRIME MINISTERS IN AN EXTREMELY AWKWARD POSITION. A SPASM OF PAIN CROSSED CALVO SOTELO'S DIGNIFIED COUNTEenance AT THIS POINT. HE SAID THAT THIS POINT HAD BY NO MEANS ESCAPED HIM. IT WAS ESSENTIAL TO HAVE AN AGREED LINE FOR USE WITH THE PRESS, POSSIBLY AT A JOINT PRESS CONFERENCE. HE WOULD NOT LET US DOWN. HE KNEW THAT THE BRITISH PRIME MINISTER HAD TO KNOW IN ADVANCE WHERE SHE STOOD. I SAID THAT THIS WAS INDEED ESSENTIAL. MRS THATCHER WOULD BE ASKED IN ADVANCE OF THE VISIT WHAT SHE INTENDED TO DISCUSS WITH HIM. FAILING CONCRETE INFORMATION, SHE WOULD HAVE NO ALTERNATIVE BUT TO SAY SHE INTENDED TO ASK HIM WHY HE HAD NOT IMPLEMENTED THE LISBON AGREEMENT AND WHAT HE PROPOSED TO DO ABOUT IT. CALVO SOTELO REPEATED THAT HE FULLY UNDERSTOOD THE PROBLEM.

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3. AFTER DINNER I HAD A LONG TALK WITH THE FOREIGN MINISTER. I SAID THAT I HAD BEEN DISTURBED BY MY CONVERSATION WITH CALVO SOTELO. WE HAD BEEN ASSUMING, IN THE LIGHT OF STATEMENTS MADE TO ME BY SPANISH MINISTERS, THAT THE DATE FOR IMPLEMENTATION WOULD BE ANNOUNCED ON JANUARY 8 AT THE LATEST. PEREZ-LLORCA IMMEDIATELY CONCEDED THAT THIS WAS INDEED WHAT CALVO SOTELO HAD TOLD ME (MY TELNO 430). THAT HAD BEEN THE SPANISH PRIME MINISTER'S GENUINE VIEW AT THAT TIME. BUT THIS EVENING CALVO SOTELO HAD HELD A LONG MEETING WITH PEREZ-LLORCA AND DURAN, AS ENVISAGED IN MY TUR. WITH A WEARY SMILE, PEREZ-LLORCA ADDED THAT CALVO SOTELO HAD GONE INTO THE WHOLE BUSINESS IN IMMENSE DETAIL. HE HAD REACHED THE CONCLUSION THAT IT WOULD BE A PERSONAL HAZARD FOR HIM TO MAKE AN ANNOUNCEMENT IN LONDON SINCE THIS WOULD LOOK AS IF HE HAD BEEN OUT-WITTED BY THE BRITISH PRIME MINISTER. (THAT IS, OF COURSE, WHY DURAN AND I HAD EARLIER HOPED FOR AN ANNOUNCEMENT BEFORE THE VISIT). WE MUST UNDERSTAND THAT THE SPANISH GOVERNMENT WERE IN A VERY SHAKY POSITION. IN THE LATE WINTER AND EARLY SPRING THEY WERE FACING THE COURT-MARTIAL OF THE MILITARY PLOTTERS AND THEN THE ELECTIONS IN ANDALUCIA. ONCE ALL THIS WAS OUT OF THE WAY, THE GOVERNMENT MIGHT SEEK AN ELECTION WITHOUT WAITING FOR 1983. MEANWHILE, CALVO SOTELO WAS NERVOUS ABOUT TAKING A FALSE STEP. IT WAS POLITICALLY ESSENTIAL HERE TO PREPARE THE PUBLIC AND SHOW THEM NOT (NOT) THAT THE LISBON AGREEMENT HAD BEEN RENEGOTIATED, BUT THAT THE UNDERSTANDINGS REACHED HAD CONVINCED THE SPANISH GOVERNMENT THAT THE NEW REGIME FOR SPANIARDS IN GIBRALTAR WOULD BE A GREAT IMPROVEMENT ON THE SITUATION BEFORE 1969. PEREZ-LLORCA HIMSELF HAD BEEN SURPRISED AT THE VEHEMENCE OF PUBLIC FEELING IN SPAIN THIS SUMMER OVER THE ROYAL HONEYMOON VISIT. THIS HAD REVEALED THE SENSITIVITY OF THE GIBRALTAR ISSUE ACROSS THE WHOLE POLITICAL SPECTRUM.

4. I TOLD PEREZ-LLORCA THAT WE WERE NOT UNAWARE OF THESE CONSIDERATIONS. NEVERTHELESS THEY MUST SEE IT ALSO FROM OUR SIDE. SPANISH PUBLIC OPINION WAS INDEED IMPORTANT. BUT ANGLO-SPANISH RELATIONS WOULD ALSO BE SERIOUSLY DAMAGED IN THE EVENT OF A HOSTILE REACTION IN GIBRALTAR. THE FAILURE TO IMPLEMENT THE LISBON AGREEMENT SO FAR HAD ALREADY PROVOKED GREAT SUSPICION THERE. OUR OWN MINISTERS MUST BE IN A POSITION TO TELL PARLIAMENT AND THE PRESS THAT THE SPANISH GOVERNMENT HAD GIVEN A FIRM INDICATION OF WILLINGNESS TO LIVE UP TO THEIR UNDERTAKINGS.

/moreover

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MOREOVER, SINCE THE OPENING OF ANGLO-SPANISH NEGOTIATIONS WAS A PRE-REQUISITE FOR DEFENCE CO-OPERATION OVER GIBRALTAR IN THE NATO CONTEXT, THIS FACTOR COULD SURELY BE USED POSITIVELY WITH THE SPANISH RIGHT WING AND ARMED FORCES. PEREZ-LLORCA SAID THAT HE ENTIRELY SAW THIS. HE WOULD COMMUNICATE TO US A PROPOSED DATE FOR IMPLEMENTATION OF THE LISBON AGREEMENT BEFORE THE PRIME MINISTER'S VISIT TO LONDON. HE HAD A SCHEME OF ACTION WHICH HE WISHED TO EXPLAIN TO ME AFTER HIS LUNCH TODAY FOR THORN WHICH I WILL ALSO BE ATTENDING. SUBSEQUENTLY HE WOULD HOPE TO TELEPHONE TO YOU PERSONALLY. I ADVISED HIM NOT TO TRY THIS UNTIL I HAD SENT A FURTHER REPORT TODAY. MEANWHILE I REPORT THESE CONVERSATIONS IN THE INTERESTS OF SPEED.

5. AS PEREZ-LLORCA INDICATED TO ME, HE SEEMS TO HAVE BEEN OVER-RULED AT THIS LAST MOMENT BY HIS PRIME MINISTER. THE LATTER HAS A CERTAIN REPUTATION FOR CONCEALING A PRETTY SOFT CENTRE BENEATH A SOLID EXTERNAL APPEARANCE. I FEEL BOUND TO SAY THAT MY EXPERIENCE LAST NIGHT INCLINED ME TOWARDS THIS POINT OF VIEW. MY IMPRESSION BOTH OF CALVO SOTELO AND PEREZ-LLORCA WAS NOT OF WILY NEGOTIATORS TRYING TO SCREW CONCESSIONS OUT OF US AT THE LAST MOMENT, BUT RATHER OF HIGHLY NERVOUS POLITICIANS LACKING IN CONFIDENCE. BUT WE MUST RESERVE JUDGEMENT UNTIL I SEE THE FOREIGN MINISTER THIS AFTERNOON. HE HAS CANCELLED A PROPOSED VISIT TO KENYA IN ORDER TO REMAIN IN CONSTANT CONTACT WITH US DURING THE NEXT WEEK.

THIS TELEGRAM
WAS NOT
ADVANCED

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PS/PUS
MR BULLARD
MR FERGUSSON

ADDITIONAL DIST:
GIBRALTAR

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FM MADRID 281230Z DEC 81
TO IMMEDIATE FCC
TELEGRAM NUMBER 530 OF 28 DECEMBER
INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

Prime minister

*This is the exchange of letters
that Lord Carrington mentioned
to you yesterday.*

*Wm
20/12*

YOUR TELNO 274: GIBRALTAR .

1. I WAS VERY GRATEFUL FOR THESE HELPFUL INSTRUCTIONS WHICH MAUD AND I CARRIED OUT TODAY WITH DURAN. I BEGAN BY SAYING THAT IT WAS UNTHINKABLE, AGAINST THE WIDER BACKGROUND OF THE SITUATION IN POLAND AND THE UNCERTAINTIES IN THE ALLIANCE AND THE COMMUNITY WHERE THE SPANISH DIMENSION WAS IMPORTANT, THAT MINISTERS IN EITHER COUNTRY WOULD BE WILLING TO LET OUR CURRENT COOPERATION COLLAPSE AT THIS LATE STAGE. FOR THIS REASON WE WERE PREPARED TO FOREGO OUR STRONG PREFERENCE FOR A TEXT WHICH THE SPANIARDS COULD USE IN PUBLIC, KNOWING THAT WE WOULD NOT CONTRADICT IT. I THEN SPOKE AS INSTRUCTED. DURAN EXPRESSED GRATITUDE FOR YOUR WILLINGNESS TO ACCEPT AN EXCHANGE OF LETTERS WHICH COULD BE PUBLISHED IF REQUIRED. HE MADE NO (NO) DIFFICULTY ABOUT THE REFERENCE TO COMMUNICATIONS OR TO THE NEED FOR A FINAL LEGAL CHECK AFTER THE HOLIDAY.

2. ON THE SPA DURAN ACCEPTED THAT OUR FORMULA DID NO MORE THAN REFER TO PRACTICAL STEPS TO ADJUST ITS APPLICATION. NEVERTHELESS HE THOUGHT THAT HIS MINISTERS WOULD FIND IT VERY DIFFICULT TO PUT THIS IN THE SPANISH LETTER, IN VIEW OF A PARLIAMENTARY STATEMENT BY PEREZ-LLORCA THAT THE SPA HAD NOTHING TO DO WITH THE APPLICATION OF THE LISBON AGREEMENT. I THEN FELL BACK ON YOUR ALTERNATIVE SUGGESTION THAT THE POINT WOULD HAVE TO BE COVERED IN MY REPLY. DURAN SEEMED TO UNDERSTAND THAT THIS WAS THE MINIMUM WE COULD ACCEPT.

3. WE ACCORDINGLY LEFT IT THAT, DURING HIS TALK TONIGHT WITH THE SPANISH PRIME MINISTER AND FOREIGN MINISTER, DURAN WOULD RECOMMEND THEM TO ACCEPT IN PRINCIPLE (SUBJECT TO FINAL LEGAL CHECKING) AN EXCHANGE ON THE LINES DISCUSSED. THIS WOULD CONSIST OF THE SPANISH LETTER (TEXT IN MY TELNO 498) AND A REPLY BY ME ALONG THE FOLLOWING LINES:

Text attached

BEGINS:

THANK YOU FOR YOUR LETTER OF DECEMBER/JANUARY BEGIN SQUARE
BRACKETS DATE END SQUARE BRACKETS.

I CONFIRM THAT HMG ACCEPT THIS AS A CORRECT STATEMENT OF THE UNDERSTANDINGS REACHED ON MATTERS RAISED BY THE SPANISH GOVERNMENT.

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/ I ALSO

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I ALSO UNDERSTAND THAT PRACTICAL STEPS WILL BE TAKEN, IN THE INTERESTS OF AIR SAFETY, TO ADJUST THE APPLICATION OF THE SPANISH PROHIBITED AREA.

ENDS.

4. I ADDED QUITE FRANKLY THAT WE SHOULD BE BACK INTO IMMENSE DIFFICULTIES IF HIS MINISTERS TRIED TO DELETE FROM THIS EXCHANGE THE REFERENCE TO POINTS OF INTEREST TO US, NAMELY THE RESTORATION OF COMMUNICATIONS AND THE SPA. DURAN SAID HE FULLY UNDERSTOOD THIS AND WOULD PRESS HIS MINISTERS TO ACCEPT THE EXCHANGE IN ITS PRESENT FORM. HE THOUGHT IT WAS MORE IMPORTANT FOR THE SPANISH GOVERNMENT TO HAVE THE EXCHANGE OF LETTERS ITSELF THAN ACTUALLY TO PUBLISH IT. (I SUSPECT THAT THE REFERENCES TO COMMUNICATIONS AND THE SPA MAY POSSIBLY PUT CALVO SOTELC OFF PUBLICATION OF THE ACTUAL TEXTS. THIS WOULD BE NO BAD THING).

5. I EMPHASISED PARTICULARLY THE POINT IN YOUR PARAGRAPH 5 AND REFERRED TO THE NEED FOR AN EARLY DATE BOTH FOR IMPLEMENTING THE LISBON AGREEMENT AND FOR MAKING THE ANNOUNCEMENT. THE EXCHANGE OF LETTERS COULD NOT, OF COURSE, BE COMPLETED UNTIL THE NECESSARY DATES HAD BEEN AGREED.

6. FINALLY, BEARING IN MIND PARAGRAPH 1 (A) OF THE EXTREMELY HELPFUL TELNO PERSONAL 103 FROM THE GOVERNOR OF GIBRALTAR, BUT WITHOUT SPECIFICALLY MENTIONING OPINION THERE, I POINTED OUT THAT IT WAS ESSENTIAL FOR THE PUBLIC IN GENERAL TO REALISE THAT THIS UNDERSTANDING HAD ONLY BEEN ACHIEVED IN RECENT WEEKS AND WAS NOW BEING RATIFIED AT MINISTERIAL LEVEL. DURAN AGREED THAT THIS WAS IMPORTANT, NOT LEAST FROM THE STANDPOINT OF SPANISH OPINION. OTHERWISE IT WOULD BE HARD TO EXPLAIN WHY THE LISBON AGREEMENT HAD NOT BEEN IMPLEMENTED MUCH EARLIER. (I ANTICIPATE NO (NO) DIFFICULTY WITH THE SPANIARDS ON THIS POINT).

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MR BULLARD
MR FERGUSSON

ADDITIONAL DISTN.
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FM MADRID 261608Z DEC 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 498 OF 26 DECEMBER

AND TO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

MY TELNO 497: GIBRALTAR.

FOR EASE OF REFERENCE FOLLOWING IS TEXT IN MY TELNO 495, AS AMENDED IN ACCORDANCE WITH PARAGRAPH 3 OF MY TEL UNDER REFERENCE:

1. I SUMMARISE IN THIS LETTER THE UNDERSTANDING WE HAVE REACHED IN OUR CONVERSATIONS.

2. THE SPANISH AND BRITISH GOVERNMENTS HAVE AGREED TO START NEGOTIATIONS AIMED AT OVERCOMING ALL THE DIFFERENCES BETWEEN THEM ON GIBRALTAR ON (DATE) . SIMULTANEOUSLY, AND IN IMPLEMENTATION OF THE LISBON DECLARATION, DIRECT COMMUNICATIONS WILL BE RE-ESTABLISHED ON THE SAME DAY. BY THE RESTORATION OF COMMUNICATIONS IS MEANT THE OPENING OF THE LAND FRONTIER TO BOTH VEHICLES AND PEDESTRIANS AND THE ABSENCE OF GOVERNMENTAL RESTRICTIONS ON MARITIME AND AIR COMMUNICATIONS.

3. THE TWO GOVERNMENTS, IN ACCORDANCE WITH THE LISBON DECLARATION, HAVE CONFIRMED THEIR OBJECTIVE OF PROMOTING CLOSE UNDERSTANDING BETWEEN THE INHABITANTS OF THE AREA ON THE BASIS OF RECIPROCITY AND FULL EQUALITY OF RIGHTS. TO THIS END THE SPANISH GOVERNMENT NOTE THAT THE NEW REGIME MODIFIES THE SITUATION WHICH EXISTED BEFORE 1969, REMOVING ELEMENTS WHICH IN THE VIEW OF THE SPANISH GOVERNMENT WERE DISCRIMINATORY AND WHICH THEY CONSIDER FUNDAMENTAL. SPECIFICALLY, EQUALITY FOR SPANIARDS WHO WORK IN GIBRALTAR AS REGARDS THE RIGHT TO STAY OVERNIGHT AND IN MATTERS OF EMPLOYMENT, SOCIAL SECURITY AND SALARIES AND THE RIGHT TO JOIN TRADE UNIONS IS ASSURED.

4. THE OTHER ASPECTS OF THE SITUATION OF SPANIARDS IN GIBRALTAR WILL BE DEALT WITH IN PARALLEL TO THE INITIAL PHASE OF THE NEGOTIATIONS, IN ACCORDANCE WITH THE PRINCIPLES OF RECIPROCITY AND FULL EQUALITY OF RIGHTS LAID DOWN IN LISBON. THE FUTURE ROLE AND CHARACTER OF THE FENCE ERECTED BY THE BRITISH IN 1909 WILL EQUALLY BE DEALT WITH.

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/5. BOTH

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5. BOTH SIDES RECOGNISE THAT AGREEMENTS REACHED WILL HAVE TO BE GIVEN EFFECT AS SOON AS POSSIBLE BY THE NECESSARY MEASURES WHICH WILL IF NECESSARY INCLUDE THE INTRODUCTION OF NEW LEGISLATION.

6. THE SPANISH SIDE UNDERTAKES, IN THE SPIRIT OF RECIPROCITY AND FULL EQUALITY OF RIGHTS OF THE LISBON DECLARATION, TO CARRY OUT THE NECESSARY LEGISLATIVE MODIFICATIONS TO ENABLE GIBRLATARIANS TO ENJOY IN SPAIN THE SAME RIGHTS AS SPANISH CITIZENS, WITH THE EXCEPTION OF POLITICAL RIGHTS.

7. IN IMPLEMENTING THE COMMITMENT TO GENERAL CO-OPERATION IN THE AREA WHICH WAS AGREED UPON IN LISBON, BOTH GOVERNMENTS WILL BEAR IN MIND THE PROSPECTS OF SPAIN'S EARLY ENTRY INTO THE EUROPEAN ECONOMIC COMMUNITY.

PLEASE PASS URGENTLY TO RECIPIENTS OF TUR.

PARSONS

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SIR E YOUDE
MR BULLARD
SIR A ACLAND
MR FERGUSSON
MR GILLMORE
MR HANNAY

ADDITIONAL DISTRIBUTION
GIBRALTAR



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~9387022~~ 218 6169

MO 5/16

24th December 1981

Alan John,

CLOSURE OF GIBRALTAR DOCKYARD

Thank you for your letter of 11th December to David Omand enclosing correspondence from Mr Kitson of the TGWU asking the Prime Minister to receive a delegation to present a case for keeping the Dockyard open.

We do not consider that there is any need for the Prime Minister to receive this delegation. Mr Peter Blaker, the Minister of State for the Armed Forces intends to invite Trade Union officials to meet him in an effort to persuade them to withdraw their opposition to any local initiatives on commercialisation of the dockyards, and this meeting would be a suitable opportunity for the TGWU delegation to make representations on issues about which they have written to the Prime Minister.

/ Subject to your agreement to this proposal I attach a draft reply to Mr Kitson.

A copy of this letter goes to Roderic Lyne (FCO) whose officials may wish to inform the Governor of Gibraltar of this approach.

Yours ever

Henry Piper

(D T PIPER)

A J Coles Esq

DRAFT REPLY FROM PS/PRIME MINISTER TO MR A H KITSON
DEPUTY GENERAL SECRETARY TRANSPORT AND GENERAL WORKERS UNION

CLOSURE OF GIBRALTAR DOCKYARD

The Prime Minister has asked me to ~~reply on her behalf~~ ^{thank you for} to your letter of 9th December about the closure of Gibraltar Dockyard.

~~She~~ ^{must} fully appreciates the concern which has been expressed about the effect of the closure on the Gibraltar economy and the dockyard workforce. Consultations between the Government and Gibraltar Ministers are taking place to consider alternative ways to support the economy.

You will be aware that the decision to close the dockyard was taken against the background of the major and radical examination of the defence programme which was announced in the Secretary of State for Defence's White Paper in June (Cmnd 8288). The main thrust of this review was to concentrate resources on our front line forces. Inevitably this allocation of resources has ~~involved curtailment in~~ ^{meant that} support facilities ^{have had to be cut back.}

Prime Minister
The ~~cannot~~, therefore, hold out any hope that the decision to close Gibraltar Dockyard can be reversed, but ~~considers~~ ^{she feels} that it would be useful if you and your colleagues could meet the Minister of State for the Armed Forces, Mr Peter Blaker, at the Ministry of Defence to discuss the position. If ~~this proposal is acceptable~~ ^{you agree} to you, perhaps you ~~would~~ contact Mr Blaker's Private Secretary (on 01-218 6326) to arrange a ~~mutually convenient~~ date.

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MT Gibraltar

PRIME MINISTER

GIBRALTAR

You will recall that the Foreign Secretary mentioned this morning the concern of the Chief Minister of Gibraltar that the Gibraltar Government might have to pay for some of the defence assets in Gibraltar dockyard.

I attach the minutes of the OD meeting on 12 November. You will see that it was decided that appropriate concessions could be made if it appeared that difficulties with the Gibraltarians could be mitigated by offering transfer of dockyard land and assets and of surplus Ministry of Defence buildings and reclaimed land outside the dockyard. But the Committee decided that it would be premature to agree to such concessions at the outset.

Parliamentary authority will be needed in order to make any gift of Government property. While I am in little doubt that Sir Joshua Hassan knows that he can obtain this concession at the end of the day, our negotiating team, headed by Mr. Peter Blaker, do not wish to make the concession too early. It is one of the few cards we have to play in a negotiation which we hope will result in our handing over the dockyard at minimum cost to ourselves.

A.S.C. 14/12

p.a.

15/12

14 December 1981

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Chased 22/12
will be here
on 24/12



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21/12

10 DOWNING STREET

MR. KITSON

From the Private Secretary

11 December 1981

Closure of Naval Dockyard,
Gibraltar

I enclose a copy of a letter which the Prime Minister has received from the Deputy General Secretary of the Transport and General Workers Union.

I should be grateful for your advice on Mr. Kitson's request that the Prime Minister should receive a delegation of the unions concerned, together with an appropriate draft reply.

I am copying this letter and enclosure to Roderic Lyne (Foreign and Commonwealth Office).

David Omand Esq
Ministry of Defence.

A. J. COLES

lo

MFJ

11 December 1981

I am writing on behalf of the
Prime Minister to thank you for your
letter of 9 December.

Your letter is receiving attention
and a reply will be sent to you as soon
as possible.

AJC

A.H. Kitson, Esq.

su

Transport and General Workers Union



TRANSPORT HOUSE · SMITH SQUARE · WESTMINSTER · LONDON S.W.1P 3JB.

OUR REF AK/MBM/EM

TELEPHONE 01-828 7788 TELEGRAMS TRANSUNION LONDON SW1 TELEX No 919009

YOUR REF

9th December 1981

Rt. Hon. M. Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London S.W.1.

Dear Prime Minister,

Closure of Naval Dockyard, Gibraltar

On Monday, 23rd November 1981 we were informed by letter of your Government's decision to close the Royal Naval Dockyard in Gibraltar.

As a union we represent some 6,000-plus of the workforce on the 'Rock' and, therefore, are vitally concerned with the future of Gibraltar and the prospects for the Gibraltarian people.

Together with our National Secretary for Public Services, I visited Gibraltar for three days last week and had a series of meetings with all concerned including the Governor and Chief Minister and we are very concerned that the Royal Naval Dockyard, which is the jugular vein of the Gibraltarian economy, stays open and to this end I would request that you receive a delegation of the joint unions concerned, together with some local representatives of the trade unions in Gibraltar in order that we can put to you our case for keeping the Dockyard open.

Yours very sincerely,

A.H. KITSON,
Deputy General Secretary

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FM GIBRALTAR

TO RBDW DFA/FCO

INFO RBDWCR/MODUK

RBDW DFA/ODA

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R E S T R I C T E D UK COMMS ONLY

TO FCO TEL NO 97 OF 3 DECEMBER 1981

INFO PRIORITY MOD FOR DS12 INFO PRIORITY ODA

VISIT OF SIR JOSHUA HASSAN

1. THE CHIEF MINISTER HAS BEEN GRATEFUL FOR THE PROMPT AGREEMENT OF YOURSELF AND MR ATKINS TO RECEIVE HIM ON 14 DECEMBER

2. WITH A VIEW TO EXPEDITING DISCUSSION IN THOSE MEETINGS WE HAVE ASKED HIM FOR A NOTE ABOUT HIS OBJECTIVES IN THE TALKS. A COPY OF THIS LEAVES BY BAG TODAY FOR CULVER, SED. MAIN POINTS ARE AS FOLLOWS:-

- (A) NO REPLY HAS BEEN RECEIVED TO DEVELOPMENT AID SUOMISSION OF FEBRUARY 1981 OR DESPATCH ON LANDS OF 1 JULY 1981 NOR IN A FORMAL SENSE TO HIS LETTER OF 7 AUGUST FORWARDED UNDER COVER OF A DESPATCH.
- (B) MEETINGS WITH TEAM LED BY FERGUSSON WERE INCONCLUSIVE.
- (C) MEETING ON 14 DECEMBER IS NOT REPEAT NOT SEEN IN ANY WAY AS A SUBSTITUTE FOR EARLY AND DETAILED TALKS WITH THE DELEGATION FROM GIBRALTAR. NOR WERE THE TALKS WITH FERGUSSONS TEAM SUCH A SUBSTITUTE.
- (D) HASSAN WISHES
 - (1) TO EXPLAIN PERSONALLY SERIOUS PROBLEMS FACING GIBRALTAR AND EXTENT TO WHICH TRUST AND MORALE HAVE BEEN SHAKEN;
 - (2) TO SEEK A MORE SYMPATHETIC RESPONSES THAN HERETOFORE ON THE VARIOUS ISSUES OUTSTANDING;
 - (3) TO DISENTANGLE DEVELOPMENT AID AND CROWN LAND QUESTIONS FROM THE DOCKYARD PACKAGE AND SEEK EARLY AND DETAILED DISCUSSIONS ON THEM.

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- (4) TO SEEK A MINIMUM INTERIM ALLOCATION OF AID AMOUNTING TO £8.5M OF WHICH THE MAJOR PART (£7.5M) WOULD BE SPENT IN 1982/83 AND 1983/84 ON:
- T E REPLACEMENT DISTILLER:
 - VIADUCT CAUSEWAY
 - HOUSING:
 - RETICULATION SYSTEM:
 - ROADS AND PARKING.
- (5) IN RESPECT OF DOCKYARD TO URGE THAT A DECISION ON COMMERCIALISATION BE TAKEN BY MARCH 1982 AND TO SEEK AGREEMENT TO THE TRANSFER TO THE GIBRALTAR GOVERNMENT FREE OF CHARGE OF THE LAND AND SURPLUS ASSETS INVOLVED.
- (6) TO PRESS THE CASE FOR NO REPEAT NO CHANGE IN THE HOURS OF AIRFIELD OPERATION.

3. SEE MIFT (PERSONAL SERIES)

JACKSON

FCO PLEASE PASS

BT

[THIS TELEGRAM WAS NOT ADVANCED]

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TO PRIORITY FCO TEL NO PERSONAL 94 OF 3 DECEMBER 1981
INFO PRIORITY MOD FOR DS 12 INFO PRIORITY ODA

MIPT (NOT IN PERSONAL SERIES)

1. THERE IS EVERYTHING TO BE SAID POLITICALLY FOR ENSURING THAT THE GIBRALTARIAN RESPONSE TO THE DEFENCE REVIEW CONTINUES TO LIE IN HASSANS HANDS. IF HE RETURNS FROM HIS DISCUSSION WITH YOU AND MR ATKINS EMPTY HANDED HE WILL BE WEAKENED POLITICALLY AND THE PROSPECT OF BOSSANO MAKING HEADWAY WILL BE INCREASED. GIVEN BOSSANOS INTENTIONS THIS CANNOT BE IN THE LONG TERM INTEREST OF EITHER GIBRALTAR OR HMG

2. AS I JUDGE IT THE MINIMUM POLITICAL REQUIREMENT WHICH HASSAN WILL NEED IS:

(A) AN AGREEMENT TO AN INTERIM TRANCHE OF AID:

(B) AN AGREEMENT IN PRINCIPLE (EVEN IF DETAILS ARE LEFT TO BE WORKED OUT BY OFFICIALS) THAT CROWN LAND AND THE BUILDINGS AND FIXTURES UPON THEM AND WHEN SURPLUS TO DEFENCE REQUIREMENTS BE TRANSFERRED FREE TO THE GIBRALTAR GOVERNMENT. AN AGREEMENT ON THE NORTH MOLE/VIADUCT COMPLEX WOULD BE A USEFUL START.

(C) AN AGREEMENT TO SHELVE THE RAF PLANS TO RESTRICT THE HOURS OF AIRFIELD OPENING: AND

(D) AN AGREEMENT TO REACH MINISTERIAL DECISIONS RELEVANT TO COMMERCIALISATION BY MARCH 1982 OR SHORTLY THEREAFTER.

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3. AFTER THE INITIAL EMOTIONAL OUTBURST WHICH CHARACTERISED THE FIRST PART OF THE GIBRALTAR GOVERNMENTS MEETING WITH FERGUSSON, HASSAN HAS RESUMED HIS TRADITIONAL POSTURE OF SEEKING TO FIND AN ACCOMMODATION WITH HMG. HE HAS HOWEVER BEEN UNDER CONSIDERABLE PRESSURE TO ADOPT A LESS RESPONSIBLE ATTITUDE AND THERE IS NO DOUBT ABOUT THE PLITICAL IMPORTANCE OF THE TALKS ON 14 DECEMBER TO HIM. HE IS BOUND TO APPROACH THEM IN A MORE WARY AND SUSPICIOUS FRAME OF MIND THAN HAS CHARACTERISED PREVIOUS MEETINGS WITH HMG.

JACKSON

FCO PLEASE PASS

[THIS TELEGRAM WAS NOT ADVANCED]

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Gibraltar

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1 December 1981

Gibraltar

The Prime Minister has seen and taken note of the Foreign and Commonwealth Secretary's minute to her of 30 November about our recent discussions with the Gibraltar Government.

I am sending copies of this letter to the Private Secretaries to other members of OD and to David Wright (Cabinet Office).

MODBA

F.N. Richards, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

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PM/81/56

PRIME MINISTER

Prime Minister

To note.

(2)

Gibraltar

Handwritten initials and date:
 [Handwritten initials] 30/x/1

1. At our meeting in OD on 12 November, we agreed that the Gibraltarians should be consulted on the future of the dockyard, the closure of which was to start by the beginning of 1983. A team of officials led by the Foreign and Commonwealth Office was in Gibraltar from 24 to 26 November in order to start the consultations.
2. The Gibraltarians had hoped that, although that was not how the pledge in last June's Defence White Paper was phrased, they would have been consulted over possible closure of the Dockyard. And they wanted a firm offer of help, in line with our support and sustain commitment, to finance alternative economic activity including dockyard commercialisation. There were demonstrations and a token strike during the team's visit. Public concern was running high. The discussions were nonetheless amicable and an agreed joint record and communique were produced.
3. The principal issue discussed was the closure and possible commercialisation of the naval dockyard. The Gibraltarians have done considerable preparatory work. They will now approach potential civilian operators: there were encouraging signs of commercial interest. It will take some months before the cost of commercialisation is established, but it is already clear it would not be feasible unless dockyard lands and assets were made available free of charge.

/4.



4. Proposals to reduce the hours of operation of the airfield provoked a strong reaction. The Gibraltar Government see the airfield as providing their vital links with the outside world; and it is essential to the tourist trade. The extra cost of operating the hours required by the Gibraltarians is now being established.

5. The Gibraltar Government were discontented that their request for £18 million of aid for the first three years of their 1981-86 development programme had not been answered. The uncertainty and reduced capital expenditure were affecting the economy. They were offered additional ODA-funded consultancies and may need to be given a small amount of additional aid ahead of any package deal involving the dockyard. Despite the fact Gibraltar is not 'aid-worthy' by any normal development standards, we do, of course, have our continuing commitment to 'support and sustain'.

6. The Chief Minister of Gibraltar, who remains very balanced in his approach to consultations, has asked for an early visit to London. The Lord Privy Seal and I have agreed to see him ahead of the visit which the Spanish Prime Minister may be making for talks with you on 18 December. Sir Joshua Hassan's visit and the current discussion of the technical issues at the official level should hold the position for the time being. Much will depend on how negotiation goes with potential commercial operators of the dockyard. The main difficulty will continue to lie in the absence of any indication of what finance, if any, will be available from the British Government to aid the transition. We may need to consider that early next year should Gibraltar confidence look like breaking down.

Now 8 Jan.

/7.



7. I am copying this minute to other OD colleagues and Sir R Armstrong.

C

(CARRINGTON)

Foreign and Commonwealth Office

30 November 1981

30 NOV 1984



CONFIDENTIAL

PRIME MINISTER

Future of the Gibraltar Dockyard
(OD(81) 50)

BACKGROUND

The future of the Gibraltar Dockyard was one of the issues arising out of the Defence Programme Review in the summer which was not settled by OD then. The June White Paper (Cmnd 8288) said "Consideration will be given to alternative ways of fulfilling the Government's obligation to support the economy of Gibraltar if it is decided that the dockyard work there cannot be kept up indefinitely"; and the Secretary of State for Defence (his minute of 27th July) agreed with the Foreign and Commonwealth Secretary that officials should consider the problem.

2. Foreign and Commonwealth Office and Ministry of Defence officials were unable to agree on proposals for Ministers to consider, and an official group under Cabinet Office chairmanship was set up to try to resolve the problem. A report from private consultants was also commissioned by the Gibraltar Government. The paper before OD is the Official Group's report.

3. The consultants' report is summarised at Annex A to the Note by Officials. Officials' findings are summarised in paragraphs 25-29; alternative courses of action are set out in paragraph 30; and officials' conclusions are in paragraphs 31-33.

4. The Government is committed to consultations with the Gibraltar Government before taking final decisions. The decision required now is on the basis on which consultations with the Gibraltar Government are to take place. Officials were unable to reach an agreed recommendation. All but one Department wished to recommend Course a. of paragraph 30 of the note by the Foreign and Commonwealth Office preferred not to commit themselves.

5. The central difficulty is that neither the consultants nor officials have identified any alternative activity, if the naval dockyard is closed, which would support the Gibraltar economy (at least until the border with Spain re-opens), other than converting the dockyard to commercial ship-repairing; and conversion would be expensive in capital terms, would require operating subsidies initially,

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and could be viable only if there were major changes in working practices and a fall in real wages: even then its long term viability is uncertain. Prospects of attracting private risk capital look poor (see paragraphs 13 - 16).

6. The Secretary of State for Defence, in his minute of 9th November, has reiterated the importance to the defence programme of a decision to close the Gibraltar dockyard by the end of 1982, and has expressed a strong preference for Course a. He points out that the domestic difficulties of large-scale redundancies in the home dockyards would be aggravated if it was decided not to close Gibraltar. One of the necessary elements in any scheme to commercialise the dockyard is likely to be the provision of naval repair and refit work in the first few, perhaps five, years of the transition to full commercial operation. Mr. Nott argues that the extra cost of placing this work in Gibraltar should not be a charge to the Defence Budget.

7. Officials did not attempt to submit a recommendation on the question of Departmental responsibility for future expenditure on Gibraltar, partly because most of the figures are still hypothetical. But the sums at stake could, as adding Items 1, 2 and 3 in Annex B to the paper shows, amount to £17.1 million in 1983-84 and £15.8 million in 1984-85 if the dockyard is commercialised. Apart from the redundancy and early pension payments, and a relatively small amount of aid, (totalling £2.7 million in 1983-84 and £0.2 million in 1984-85) Departments have made no provision in their programmes to meet these costs. The Secretary of State for Defence has already made his position clear. The Foreign and Commonwealth Secretary can be expected to argue that, if unbudgeted costs are to be charged to the Aid Programme, the size of the programme will have to be increased accordingly. The Chief Secretary, Treasury will resist this, arguing that savings in public expenditure resulting from the closure should be preserved intact.

HANDLING

8. You will wish to invite the Secretary of State for Defence to open the discussion and the Foreign and Commonwealth Secretary to give his views.

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9. In the ensuing discussion, you will wish to focus the Committee's attention on the alternative courses of action (paragraph 30 of the Note by Officials), and to cover the following points:-

- (a) Is it agreed that closure of the naval dockyard should be the Government's aim?

There is no point in maintaining a dockyard in Gibraltar for which there is no defence requirement. The change in naval ship-repair policy announced in June means that the principal type of work for which the Gibraltar dockyard is equipped is no longer to be carried out. And it will be hard to defend taking work out of British yards (whether naval dockyards or British Shipbuilders) simply in order to sustain employment in Gibraltar which has a far lower level of unemployment than Britain. But further consultations are needed on whether any commercial operator is interested in running the facility as a commercial yard, whether a scheme can be devised which offers a better prospect of achieving profitability than the one drawn up by the consultants, and whether limits could be placed on the British Government's financial responsibility for the yard.

- (b) Which of alternatives a. and b. is to be preferred?

In both cases the necessary consultations with the Gibraltar Government and with potential commercial operators of the dockyard will take some six months, though a. will inject a greater sense of realism and urgency. Under a. the Ministry of Defence would not have to wait until the completion of this process before declaring some of the workforce redundant, namely those specialists who will no longer be required after the last frigate refit has been completed in January or February 1982.

- (c) How far is it necessary to go, politically, to support the Gibraltar economy?

What are the risks of provoking unrest in Gibraltar, and how strong are domestic political pressures likely to be?

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10. Because the cost (as well as the feasibility) of commercialising the dockyard cannot be accurately assessed until further discussions involving commercial firms take place, any decision now on which Department should bear the cost of supporting Gibraltar would have to be taken without being able to assess the full consequences for either the defence or aid programmes. The practical consequences would be felt largely in 1983-84 and the succeeding years, since it is in these years that Departmental budgets do not include any provision relating to the Gibraltar dockyard. But whether a decision on funding is taken now or later, Mr. Nott might be asked to accept a practical compromise on the lines that the future costs of any naval work should be borne in full by the Defence Budget and Lord Carrington to accept that the costs of commercialisation (other than transfer of dockyard assets) and other expenditure on aid should be found from the aid budget.

CONCLUSION

11. Subject to the discussion you will wish to guide the Committee to endorse alternative a. in paragraph 30 of the Note by Officials.

REA

Robert Armstrong

11th November 1981

CONFIDENTIAL



for O.S.

MO 5/16

PRIME MINISTERGIBRALTAR RUNDOWN - CABINET OFFICIAL GROUP REPORT

I thought I should let you know my position on the Officials' report on the Gibraltar dockyard closure.

2. In previous discussions and in correspondence with the Foreign and Commonwealth Secretary I have made clear the need to proceed with this measure, which relates to the overall plan to reduce the dockyard service from 5 to 2 yards, sufficient to support the future Naval fleet. It is therefore necessary for me to insist on the first course of action identified in the report's conclusions, for it is the only way in which we can avoid significant delay or even indefinite postponement of the closure.

3. I realise that we have to take account of the uncertainties about ways of maintaining Gibraltar's economy following the closure and the possibility that this could mean an open-ended commitment of UK aid. But there is a clear danger that, if we do not start consultations with the Gibraltar Government on the basis of a firm intention to close the dockyard in 1982, they will have very little incentive to find alternatives for the future, and we shall be left with a Naval dockyard which is already beyond our requirements.

4. The Officials' report makes reference to the likelihood of industrial and political effects in the UK if we are seen to be maintaining Navy work in Gibraltar when Chatham and Portsmouth dockyards are to close. Until now there has been no protest, on the assumption by the UK workforce that closure of the Mediterranean



yard will take place, but if it is learned this is not to be, those who are fighting for the home yards will point to the contrast of Chatham's current unemployment rate of 15% (rising to over 20% when the yard closes) and Portsmouth's of 11% with Gibraltar's 3%. Any aid to Gibraltar will be seen as just that, for there is no justification for it in defence terms. It goes without saying that the large scale redundancies which start early next year are still a matter of considerable political controversy - and we are probably talking here of more than 10,000 job losses in the dockyard area.

5. I recognise the Government's commitment to consult with the Gibraltar Government on alternative ways to support their economy if it is decided that the dockyard work cannot be kept up indefinitely. And if OD can agree on the plan of closure at the end of 1982, I might be able to suggest some minor measures to alleviate the position. But I see little chance that the Defence Budget can bear any extra costs of a transitional work package when the work could be done more cheaply in the UK yards. At a time when I may face a massive cash squeeze on the defence programme approved in volume terms by the Cabinet last summer - an acute problem which I shall have to place before my Cabinet colleagues in the current discussion on public expenditure - I cannot afford to take on extra commitments which do not serve a defence purpose - and which would add still further to the severe problems which the Government may have to face.

6. I am sending copies of this minute to OD colleagues, the Chief Secretary and Sir Robert Armstrong.

Ministry of Defence

9th November 1981

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Faint, mostly illegible text covering the majority of the page, appearing to be a typed document or letter.

Gibraltar

CONFIDENTIAL

seen

GRS 120
CONFIDENTIAL
FM MADRID 171535Z AUG 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 275 OF 17 AUGUST

M.I.P.T. : SECRETARY OF STATE'S DINNER WITH PEREZ-LLORCA

1. THE SECRETARY OF STATE FLOATED THE IDEA OF CALVO SOTELO VISITING LONDON LATER THIS YEAR, ASKING WHETHER THIS WOULD BE HELPFUL OR OTHERWISE IN THE NATO AND GIBRALTAR CONTEXT. HE WAS SURE THAT THE PRIME MINISTER WOULD BE GLAD TO SEE HIM DESPITE THE EXPECTED PRESS OF BUSINESS AFTER THE HOLIDAYS. AFTER CONSULTING CALVO SOTELO PEREZ-LLORCA SAID THAT SUCH AN INVITATION WOULD BE VERY WELCOME. BUT CALVO SOTELO HAD ASKED THAT DATES BOTH OF THE VISIT AND OF ITS ANNOUNCEMENT SHOULD BE CAREFULLY CONCERTED.

2. THE SPANIARDS HAVE MADE NO MENTION OF THIS IN THEIR BRIEFING ON THE MEETING.

MAUD

[COPIES SENT TO NO 10 DOWNING STREET]

LIMITED	
SED	PS/LPS
WED	PS/PUS
NAD	MR FERGUSSON
EESD	MR URE
ECD	MR BRAITHWAITE
MED	MR GILMORE
NENAD	SIR J GRAHAM
NEWS D	LORD N G LENNOX
INFORMATION DEPT	
PS	

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CS

Prime minister ✓

GRS 733
CONFIDENTIAL

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You will also wish to see
the attached telegram about
the possibility of a visit
to the UK by Calvo Sotelo.

FM MADRID 171437Z AUG 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 274 OF 17 AUGUST
INFO PRIORITY GIBRALTAR (PERSONAL)

mo

INFO ROUTINE UKDEL NATO PARIS LISBON WASHINGTON MOSCOW
SECRETARY OF STATE'S DINNER WITH PEREZ-LLORCA : GIBRALTAR

mm
18/8

1. THE SECRETARY OF STATE BROKE HIS HOLIDAY TO DINE INFORMALLY WITH PEREZ-LLORCA ON 16 AUGUST. DURAN AND I ALSO ATTENDED. THE TALK WAS FRANK AND AMICABLE AND THE SPANIARDS HAVE BRIEFED THE PRESS POSITIVELY. THOUGH A WIDE RANGE OF TOPICS WAS COVERED, GIBRALTAR TOOK UP MORE THAN HALF THE EVENING.

2. THE SECRETARY OF STATE BEGAN BY WARNING PEREZ-LLORCA NOT TO MISREAD BRITISH PRESS REACTIONS TO THE PRINCE OF WALES' VISIT TO GIBRALTAR: THEY WOULD HAVE HOWLED JUST AS LOUDLY HAD GIBRALTAR BEEN AVOIDED. THOUGH KING JUAN CARLOS' ABSENCE HAD BEEN REGRETTED THE MOOD OF PARLIAMENT HAD BEEN UNMISTAKABLE. WE MUST NOW LOOK FOR WAYS OF CARRYING MATTERS FORWARD: WHAT ABOUT OPENING THE FRONTIER?

3. PEREZ-LLORCA MADE MUCH PLAY WITH THE IMPENDING PARLIAMENTARY DEBATE ON NATO ENTRY. ATTENTION WOULD NOW BE MORE CLOSELY FOCUSED ON GIBRALTAR. THE GOVERNMENT EXPECTED TO BE ATTACKED BY THE SOCIALISTS FOR ACCEPTING GIBRALTAR'S CONTINUING STATUS AS A MILITARY BASE. THEY WOULD THEREFORE WISH TO DEMONSTRATE SOME MOVEMENT ON THIS ASPECT. COULD WE THEREFORE AGREE TO THE SPANISH GOVERNMENT'S USING LANGUAGE IN THE PARLIAMENTARY DEBATE STATING BRITAIN'S READINESS TO COLLABORATE ON DEFENCE QUESTIONS IN GIBRALTAR ONCE THE FRONTIER WAS RE-OPENED, IN THE CONTEXT OF SPANISH MEMBERSHIP OF NATO? TO DO SO WOULD DISPLACE ATTENTION IN GIBRALTAR FROM THE ISSUE OF SOVEREIGNTY, TO WHICH GIBRALTARIAN OPINION WAS OBVIOUSLY ALLERGIC TO THAT OF DEFENCE, FOR WHICH BRITAIN ALONE WAS RESPONSIBLE. SPAIN ALSO WANTED TO REASSURE GIBRALTARIAN OPINION ABOUT HER POLITICAL INTENTIONS. TO THIS END HE AND CALVO SOTELO HAD BEEN CONSIDERING A SPECTACULAR GESTURE LIKE A VISIT BY HIMSELF OR EVEN THE PRIME MINISTER TO GIBRALTAR TO DISCUSS THE FUTURE STATUS OF GIBRALTARIANS WITH SIR J HASSAN.

4. THE SECRETARY OF STATE WARNED PEREZ-LLORCA OFF THE LATTER IDEA. SUCH A VISIT RISKED LOOKING FORCED AND ARTIFICIAL AFTER SO MANY YEARS' CLOSURE OF THE FRONTIER. IT WOULD BE BETTER TO TALK ABOUT THIS TO US IN THE NEGOTIATIONS FOR WHICH THE LISBON AGREEMENT PROVIDED. BUT HE SAID THAT IN THE CIRCUMSTANCES OF A RE-OPENED FRONTIER AND SPANISH MEMBERSHIP OF NATO, DEFENCE COOPERATION WOULD CLEARLY MAKE SENSE. THE EXPERTS SHOULD THEREFORE BE CHARGED WITH DRAWING UP LANGUAGE FOR USE IN THE SPANISH PARLIAMENTARY DEBATE. BUT HE ALSO EMPHASISED STRONGLY BOTH THE NEED FOR SPAIN TO USE NATO ENTRY AS THE RIGHT MOMENT FOR RE-OPENING THE FRONTIER, WHICH IF MISSED COULD /LEAD

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LEAD SPAIN INTO REAL TROUBLE ON BOTH THE NATO AND EUROPEAN COMMUNITY FRONTS LATER ON. HE ALSO SAID THAT THERE WAS NO WAY THAT THE BRITISH GOVERNMENT COULD DEFEND THEIR SUPPORT FOR SPANISH MEMBERSHIP OF NATO AND FOR NEW FORMS OF DEFENCE COLLABORATION IN GIBRALTAR SAVE IN THE CONTEXT OF SPAIN'S IMPLEMENTING THE LISBON AGREEMENT AND THE OPENING OF NEGOTIATIONS.

5. PEREZ-LLORCA SAID THAT SPAIN WAS DETERMINED TO RE-OPEN THE FRONTIER AND THAT PREPARATIONS FOR THIS WERE NOW COMPLETE. HE GAVE NO DATES, HOWEVER, AND LEFT THE IMPRESSION THAT TIMING WOULD DEPEND ON THE TIMETABLE OF HER JOINING NATO. HE DID NOT EXPECT NATO'S PROCEDURES TO BE COMPLETED BEFORE EARLY NEXT YEAR. HE REPEATED THAT SPAIN'S SIGNATURE OF THE NATO TREATY WOULD BE UNCONDITIONAL. HAVING JOINED, SHE WOULD SETTLE THE DETAILS OF HER INTEGRATION INTO THE MILITARY STRUCTURE. THESE SHOULD INCLUDE NEW ARRANGEMENTS FOR MILITARY COMMANDS WHICH WOULD HAVE TO EMBRACE THE GIBRALTAR AREA.

6. IT WAS AGREED THAT LANGUAGE ON DEFENCE COOPERATION SHOULD BE WORKED OUT BY EXPERTS IN TIME FOR THIS TO BE USED BY THE SPANISH GOVERNMENT IN THE NATO DEBATE NEXT MONTH. THE SECRETARY OF STATE SUGGESTED AT THE AIRPORT THAT THIS SHOULD BE PUT IN HAND SOON. DURAN HAD ALREADY SUGGESTED THAT DISCUSSION COULD PERHAPS BEGIN NEXT THURSDAY 20 AUGUST.

7. MINISTERS ALSO DISCUSSED SPAIN'S EC NEGOTIATIONS AND RELATIONS WITH FRANCE, AS WELL AS THE MIDDLE-EAST, NORTH AFRICA AND POLAND. NOTHING STARTLING EMERGED. DETAILED RECORD FOLLOWS BY BAG.

MAUD

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LIMITED

SED	PS
WED	PS/LPS
NAD	PS/PUS
EESD	MR FERGUSSON
ECD	MR URE
MED	MR BRAITHWAITE
NENAD	MR GILLMORE
NEWS D	SIR J GRAHAM
INFORMATION DEPT	LORD N G LENNOX



Prime Minister 2
Gibraltar
W
4/8

Secretary of State for Defence

MS

GIBRALTAR

Thank you for your minute of 27 July to the Foreign and Commonwealth Secretary in whose absence I am replying.

2. I am grateful for your indication that you are conscious of our difficulties. I agree of course that officials should have a closer look at the implications before we come to decisions. Our officials have in fact already proposed to the Treasury and your Department that discussion should begin as soon as possible.

3. You mention the question of the transfer of land to the Government of Gibraltar. As the Foreign Secretary said in his minute of 9 July, transfer of surplus MOD land without charge would go some way to ameliorating Gibraltar's problems, but we shall need to do more than this. As you know, we cannot accept that the extra aid which will be needed if the dockyard is to be closed or naval activity there drastically reduced should be found within the existing Aid Programme. We would expect that these considerations would be in mind when our officials get together to formulate proposals for us. I think we should discuss again when proposals are a little firmer.

4. I am copying this minute to the Prime Minister and the Chancellor of the Exchequer.

1.4.7.

5 August 1981

6 AUG 1957

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MO 5/16



SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

GIBRALTAR

We had a word about your minute of 9th July.

2. As you know, I am very conscious of your difficulties over this complicated question. You, I think, are well aware of mine. I realise that the dockyard has considerable importance to Gibraltar's economy but, from my point of view, I have to make savings in the Defence Programme. There are also complicated and long standing questions over the transfer of land to the Gibraltar government.

3. I do not think that we can easily rush into decisions on these problems. By far the best thing, from my point of view, would be for our officials, together with those of the Treasury, to get together and work out a sensible series of proposals which we could all consider. I am sure we can come to a solution which will recognise your concerns.

4. Would you agree that we should proceed on this basis?

5. I am copying this minute, as you did yours, to the Prime Minister and the Chancellor of the Exchequer.

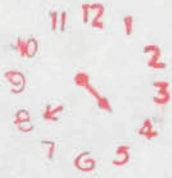
Ministry of Defence
27th July 1981

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Gibraltar
Prime Minister.
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28 JUL 1981





Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Presumably, the going is provingvery slow.

Pmt 3/6

2 June 1980

L. Pmt

MS

Dear Michael,

Gibraltar

You may wish to be brought up to date on developments over Gibraltar since the Foreign and Commonwealth Secretary's minute to the Prime Minister of 15 April describing the agreement which he had reached with the Spanish Foreign Minister in Lisbon on 10 April.

Two rounds of technical talks between officials were held in Madrid during May. There was no ground to accuse the Spaniards of reneging on the Lisbon agreement, but they were extremely slow in making practical arrangements for the lifting of restrictions on the Gibraltar frontier. And it was evident that the Spanish Foreign Minister was anxious to be able to show that he had secured an undertaking over equal treatment for Spanish nationals in Gibraltar once communication was restored.

The Lisbon agreement envisaged that preparation for opening the frontier and starting negotiations would be completed by 1 June. Lord Carrington therefore asked Senor Oreja to agree that, whatever the practical inconveniences, it should be announced this week that the frontier would be opened on a specific date later in the month. Meanwhile they should meet in London, as already provisionally arranged, on 9 June. The Home Secretary, who was in Madrid on 29 May, delivered this message himself, stressing the importance of maintaining the momentum of the Lisbon agreement and also mentioning the parliamentary background here. The text of the announcement to be made in London was put to the Chief Minister of Gibraltar and the Leader of the Opposition by the Governor. Their initial reactions were mixed but, after consulting their colleagues, Sir J Hassan and Mr Isola sent Lord Carrington a message on 31 May in which they said that negotiations with the Spaniards should not be opened, no matter how brief or formal the first Ministerial meeting might be, on the mere promise of restrictions being lifted: they were subject to such domestic pressures that they could not attend a meeting in advance of the frontier being opened.

/On 1 June,

M O'D B Alexander Esq
10 Downing Street



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On 1 June, Lord Carrington instructed the Ambassador at Madrid to tell the Spaniards that it was quite impossible for him to open negotiation without restrictions being lifted. He asked Senor Oreja to reconsider amendments to the public statement which would have made it clear that the meeting on 9 June would not constitute the formal opening of negotiations on Gibraltar; this would have to await the lifting of restrictions. Although his officials were prepared to recommend acceptance, Senor Oreja himself today told the Ambassador that he could not secure the agreement of his colleagues to such an arrangement. The Ambassador then put to him Lord Carrington's ideas on how in those circumstances the substance of the Lisbon agreement might be preserved: the Ministerial meeting would be postponed until the Spanish side could restore communications, the two sides then acting together by opening the frontier and starting negotiations. It was suggested that 30 June might be a possible date. Senor Oreja undertook to put the matter to the Spanish Cabinet on 6 June and to speak to the Ambassador again the following day.

It very nearly proved possible to reach agreement on the basis that the lifting of restrictions would be announced this week and a Ministerial meeting held on 9 June, it being understood that that meeting was not for 'negotiation'. The failure on the Spanish side to make the necessary practical arrangements, which required a degree of co-ordination between Ministries which proved to be lacking, together with the deep suspicion of Spanish intentions amongst Gibraltar leaders, made it impossible to clinch the arrangement at the last moment. Lord Carrington was not willing to go ahead over the objections of the Gibraltar leaders.

The aim will now be to avoid things slipping back to the impasse in which they were stuck prior to the Lisbon agreement in April. The Spaniards will be pressed to accept that the border should be opened and a Ministerial meeting to open negotiations held simultaneously at the end of the month.

I am sending copies of this minute to the Private Secretaries of other OD Members and to David Wright (Cabinet Office).

Yours etc

Paul

(P Lever)
Private Secretary

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7-2 JULY 1980

Gibraltar

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cc	HO	LCO
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	MOD	LPO
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10 DOWNING STREET

From the Private Secretary

17 April 1980

Gibraltar

The Prime Minister has seen and taken note of the Foreign and Commonwealth Secretary's minute to her of 15 April describing the outcome of his meeting with the Spanish Foreign Minister in Lisbon and the next steps which he proposes to take.

I am sending copies of this letter to the Private Secretaries to the members of OD and to David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

2/8



PRIME MINISTER

PM/80/28

Prime Minister

So far, so good.

 Phil
- 16/4

②

Gibraltar

1. You have seen the statement that the Spanish Foreign Minister and I issued on 10 April (Lisbon telegram No 117, copy attached).
2. Contrary to expectations, it proved possible to go further than I had anticipated in my minute of 2 April. At our meeting on 9 April, Sr Oreja made no secret of his desire to solve the problem, which he saw as an obstacle to Spain's full reintegration into Western Europe. For the first time, he conceded (at least in private) that the wishes, not just the interests, of the Gibraltarians would have to be taken into account, and recognized that 'negotiations', which were a prime Spanish requirement, would take a long time; he himself said perhaps 20 years.
3. I left Sr Oreja in no doubt about the implications that the restrictions had for Spanish entry into the European Community, and emphasized the inability of the British Government to 'deliver' Gibraltarian opinion. Any British declaration would have to restate our commitment to the Gibraltarians. Sr Oreja indicated that agreement on these lines should prove attainable. After I had heard from London that you were broadly content, I reached agreement with Sr Oreja on 10 April on a joint text, an earlier draft of which the Governor had cleared with the Chief Minister and the Leader of the Opposition in Gibraltar.
4. The text is a compromise containing elements which both sides regarded as indispensable. But the Spanish agreement to lift all the restrictions in advance of negotiations is a significant breakthrough. The difficult point for us was the use of the word 'negotiations'. The Spanish side and critics in the UK will argue that this means a compromise on sovereignty. It does of course mean that the Spaniards can raise the issue. But Gibraltarian concerns are more than adequately covered by the clear restatement of our pledge to the people of Gibraltar. The agreement is well within the framework outlined in my minute of 13 August 1979. In particular, restrictions will be lifted at once, rather than on a step by step basis



basis against parallel concessions from our/the Gibraltar side, which had hitherto been the Spanish position, and which had effectively stood in the way of progress.

5. The next step is to embark on talks with the Spaniards on technical aspects of lifting the restrictions, eg documentation, customs arrangements etc, and on the modalities for holding negotiations. We aim to complete these preparations not later than 1 June. The restrictions should be lifted and a start made on negotiations soon after that. Gibraltar representatives will be in the British delegation. A good many loose ends were still left untied after our talks in Lisbon and, if the Spaniards are not sincere they will have the opportunity to exploit a number of options for sliding back; but Oreja showed enough good-will and understanding for me to be cautiously optimistic that the agreement reflects a genuine change of policy and that the Spaniards will now try to woo, rather than bludgeon, the Gibraltarians. If they do try to renege, we retain the lever of the EC negotiations; and, once restrictions are lifted, it would be very difficult indeed for the Spaniards to reimpose them.

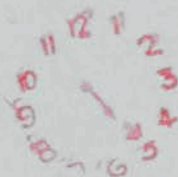
6. I am sending a copy of this minute to the other members of OD and to Sir Robert Armstrong.

(CARRINGTON)

Foreign and Commonwealth Office

15 April 1980

17 15 APRR 1968



cc DSIA, MCD
cc ODA - MEMD
MCD
SAMD
CRE 3 - 101

CONFIDENTIAL

GRS 300

CONFIDENTIAL

FM LISBON 121815Z APR 82

TO F L A S H FCO

TELEGRAM NUMBER 117 OF 10 APRIL 1982

AND TO F L A S H MADRID, GIBRALTAR (FOR GOVERNOR) AND UKMIS NEW YORK

LISBON TELNO 108: SECRETARY OF STATE'S SECOND MEETING WITH SPANISH FOREIGN MINISTER.

1. THE AGREED TEXT OF THE JOINT ANGLO/SPANISH STATEMENT IS AS FOLLOWS:

BEGINS

JOINT ANGLO/SPANISH STATEMENT

1. THE BRITISH AND SPANISH GOVERNMENTS, DESIRING TO STRENGTHEN THEIR BILATERAL RELATIONS AND THUS TO CONTRIBUTE TO EUROPEAN AND WESTERN SOLIDARITY, INTEND, IN ACCORDANCE WITH THE RELEVANT UN RESOLUTIONS, TO RESOLVE, IN A SPIRIT OF FRIENDSHIP, THE GIBRALTAR PROBLEM.
2. BOTH GOVERNMENTS HAVE THEREFORE AGREED TO START NEGOTIATIONS AIMED AT OVERCOMING ALL THE DIFFERENCES BETWEEN THEM ON GIBRALTAR.
2. BOTH GOVERNMENTS HAVE REACHED AGREEMENT ON THE RE-ESTABLISHMENT OF DIRECT COMMUNICATIONS IN THE REGION. THE SPANISH GOVERNMENT HAS DECIDED TO SUSPEND THE APPLICATION OF THE MEASURES AT PRESENT IN FORCE. BOTH GOVERNMENTS HAVE AGREED THAT FUTURE CO-OPERATION SHOULD BE ON THE BASIS OF RECIPROCITY AND FULL EQUALITY OF RIGHTS. THEY LOOK FORWARD TO THE FURTHER STEPS WHICH WILL BE TAKEN ON BOTH SIDES WHICH THEY BELIEVE WILL OPEN THE WAY TO CLOSER UNDERSTANDING BETWEEN THOSE DIRECTLY CONCERNED IN THE AREA.
4. TO THIS END BOTH GOVERNMENTS WILL BE PREPARED TO CONSIDER ANY PROPOSALS WHICH THE OTHER MAY WISH TO MAKE, RECOGNISING THE NEED TO DEVELOP PRACTICAL CO-OPERATION ON A MUTUALLY BENEFICIAL BASIS.
5. THE SPANISH GOVERNMENT, IN REAFFIRMING ITS POSITION ON THE RE-ESTABLISHMENT OF THE TERRITORIAL INTEGRITY OF SPAIN, RESTATED ITS INTENTION THAT, IN THE OUTCOME OF THE NEGOTIATIONS, THE INTERESTS

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/ OF THE

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OF THE GIBRALTARIANS SHOULD BE FULLY SAFEGUARDED. FOR ITS PART THE BRITISH GOVERNMENT WILL FULLY MAINTAIN ITS COMMITMENT TO HONOUR THE FREELY AND DEMOCRATICALLY EXPRESSED WISHES OF THE PEOPLE OF GIBRALTAR AS SET OUT IN THE PREAMBLE TO THE GIBRALTAR CONSTITUTION.

6. OFFICIALS ON BOTH SIDES WILL MEET AS SOON AS POSSIBLE TO PREPARE THE NECESSARY PRACTICAL STEPS WHICH WILL PERMIT THE IMPLEMENTATION OF THE PROPOSALS AGREED TO ABOVE. IT IS ENVISAGED THAT THESE PREPARATIONS WILL BE COMPLETED NOT LATER THAN 1 JUNE. B

ENDS.

MORAN

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DEPARTMENTAL DISTRIBUTION

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NEWS D
CABINET OFFICE

- 2 -

CONFIDENTIAL

STATEMENT ON GIBRALTAR MADE BY THE RIGHT HONOURABLE SIR IAN
WILMOUR, MP, LORD PRIVY SEAL, IN THE HOUSE OF COMMONS ON
MONDAY 14 APRIL 1980

I. Wilmour

With your permission, Mr Speaker, I will make a statement on Gibraltar.

I am pleased to report that the Spanish Foreign Minister and my right honourable and noble Friend reached agreement on 10 April on the re-establishment of direct communications between Spain and Gibraltar. It is envisaged that the practical preparations will be completed not later than 1 June which will then allow the agreement to be speedily implemented. A copy of the joint Anglo/Spanish statement has been placed in the Library of the House.

This is a very important step, and one I am sure that the House will wish to welcome, though I should emphasise that this is only the beginning of what is likely to be a very long process. The Spanish decision represents another milestone for democratic Spain and the Government pay tribute to Senor Oreja's statesmanship and the goodwill which he has shown in his approach to this problem. Our agreement makes a significant contribution towards the strengthening of the United Kingdom's bilateral relations with Spain, to whose early membership of the European Community we look forward.

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It is also a move of great significance for the people of Gibraltar, who have been cut off from Spain for eleven years. My right honourable and noble Friend and I discussed the implications with the Chief Minister and leader of the Opposition in London earlier today.

I should like to stress that the Anglo/Spanish statement reaffirms the Government's commitment never to enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another state against their freely and democratically expressed wishes.

The Prime Minister: I agree with my hon. Friend. We also want wide international support. If sanctions are to be effective, they must command wide international support. They cannot be effective if applied by only one or two nations. From that arises the need to consult widely and to take action together.

Mr. Ennals: Does the Prime Minister agree that while there have been some differences about what sort of action should be taken, it should be clearly known and understood in the United States that the House of Commons is absolutely united in condemnation of what has been done by the terrorists in Iran and in the right of the United States' President to come before this House and ask us to co-operate? Secondly, would it not be helpful if further initiatives were taken in those other countries that voted in the United Nations in condemnation of what has happened?

The Prime Minister: We would, of course, expect the President of the United States, in his great difficulty, to ask his friends for their support. In the same circumstances, I believe that we should do the same thing. He is naturally entitled to expect us to respond, as we should be entitled to expect him to respond to us. I think that the right hon. Gentleman and I are at one on this matter. I am very grateful to him for making it perfectly clear that we are so.

GIBRALTAR

The Lord Privy Seal (Sir Ian Gilmour): With your permission, Mr. Speaker, I will make a statement on Gibraltar.

I am pleased to report that the Spanish Foreign Minister and my right hon. and noble Friend reached agreement on 10 April on the re-establishment of direct communications between Spain and Gibraltar. It is envisaged that the practical preparations will be completed not later than 1 June. This will then allow the agreement to be speedily implemented. A copy of the joint Anglo-Spanish statement has been placed in the Library of the House.

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It is also a move of great significance for the people of Gibraltar, who have been cut off from Spain for 11 years. My right hon. and noble Friend and I discussed the implications with the Chief Minister and Leader of the Opposition in London earlier today.

I should like to stress that the Anglo-Spanish statement reaffirms the Government's commitment never to enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another State against their freely and democratically expressed wishes.

Mr. Shore: The House will welcome the removal of restrictions on movements and the opening of the border between Gibraltar and Spain, all the more so since the 11-year siege of Gibraltar was wholly unjustified from beginning to end. The right hon. Gentleman has rightly stated—we welcome this, too—the Government's commitment, as he puts it,

[Mr. Shore.] never to enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another State against their freely and democratically expressed wishes. That is absolutely right.

I have only two questions to put. The communiqué of 10 April referred to

"the forthcoming negotiations aimed at overcoming all the differences between Spain and Britain on Gibraltar."

Can the Lord Privy Seal say what subjects are to be covered in these negotiations or talks? Will he confirm that they will not include the question of the sovereignty of Gibraltar?

Sir I. Gilmour: I am grateful to the right hon. Gentleman for what he said about re-emphasising the Government's firm commitment which I stated at the end of my statement.

With regard to the right hon. Gentleman's question about the communiqué that was issued at the end of my right hon. and noble Friend's conversations with Senor Oreja, we agreed to talk about anything. It is a part of the agreement that nothing is barred. We shall discuss anything. But, as I say, that must be read in the context of our firm commitment to the people of Gibraltar which I mentioned earlier.

Sir Derek Walker-Smith: Will my right hon. Friend say whether the Spaniards are still insisting that, under the correct interpretation of the Treaty of Utrecht, any change in the status of Gibraltar would necessarily involve a reversion to Spanish sovereignty? Will he say whether Her Majesty's Government accept or reject that as a matter of law and as being outwith the spirit of the age?

Sir I. Gilmour: As my right hon. and learned Friend will know, the Spanish Government stated in the agreed text that they believed that Gibraltar was part of the territorial integrity of Spain. As I have said, we do not take that view. Our position is as I have stated—that there can be no change in the position of Gibraltar without the freely and democratically stated wishes of the people of Gibraltar.

Mr. Stephen Ross: I welcome the Lord Privy Seal's statement, particularly the last paragraph. Can he say anything about

lifting restrictions on flight paths into Gibraltar? I understand that those restrictions are still in force. Can he comment on employment in the dockyards? I understand that Moroccans have now replaced Spaniards. Is that subject still open for discussion, and what is the likely outcome?

Sir I. Gilmour: The restrictions on flight paths were referred to in the statement and should come to an end. That will be beneficial to anyone flying into or out of Gibraltar. The dockyards will be discussed in the negotiations. As the hon. Gentleman has rightly said, Spanish workers have been replaced by Moroccan workers. However, future employment is a matter for commercial negotiation.

Mr. Rippon: With respect to my right hon. Friend, I do not think that he has fully answered the question put to him by my right hon. and learned Friend the Member for Hertfordshire, East (Sir D. Walker-Smith) about the effect of the Treaty of Utrecht. Do the Government agree that, although there is no question of unilaterally abrogating British sovereignty, or doing anything without the approval of the people of Gibraltar, if we were to leave Gibraltar for any reason the sovereignty of the island would revert to Spain?

Sir I. Gilmour: I cannot agree with my right hon. and learned Friend. We have no intention of leaving Gibraltar and therefore the question does not arise. As I have said, any change in the constitutional arrangements of Gibraltar—that means any giving up of British sovereignty over Gibraltar—can take place only after the free and democratic wishes of the people of Gibraltar have been stated.

Dr. Gilbert: As one of the proposals mooted in the past has been that there should be joint administration with Spain of the dockyard and airfield, will the right hon. Gentleman confirm that such proposals would be far easier to implement if Spain were to become a member of NATO? Will he confirm also that the considerations applying to those two sets of installations are totally different?

Sir I. Gilmour: I agree with the right hon. Gentleman. The question of Spanish membership of NATO is entirely

a matter for Spain and is some way in the future.

Mr. Maxwell-Hyslop : What action is my right hon. Friend taking in his negotiations with Spain to safeguard the interests of the many Moroccan workers who have provided indispensable support for the Gibraltarian economy for 10 years and who may now have no employment in Morocco? Will he bear their interests in mind in return for the valuable service that they have performed for the economy of Gibraltar and its territorial integrity?

Sir I. Gilmour : I entirely agree with my hon. Friend. Moroccan workers have played during the past few years an indispensable part in the preservation of Gibraltar. Their interests will be safeguarded. As I have already said, all these issues are for future discussion by the Gibraltarians. I should make plain that in all future negotiations the Gibraltarians will be represented.

Mr. English : If the right hon. Gentleman thinks that he can fob off his right hon. and learned Friends as he has done, he is wrong. They are right. Will the right hon. Gentleman publish, or at least put in the Library, the legal case made on behalf of the British Government answering that put by a previous Spanish Government? For example, a previous Spanish Government pointed out that by admitting Jews to Gibraltar we had broken the express provisions of the Treaty of Utrecht. That might be something that we would all wish to do. However, the point needs answering and no answer has yet been given. Will the right hon. Gentleman do that?

Sir I. Gilmour : At present, I do not think so. It is not an issue that is being put forward in the present negotiations. I do not see any great advantage in answering such points if they are not being put forward. If they are put forward, we shall answer them.

Several Hon. Members *rose*—

Mr. Speaker : Order. I propose to call those hon. Members who have stood throughout questions on the statement, if they will co-operate.

Mr. Eldon Griffiths : In the light of my right hon. Friend's announcement, will he state that there is no excuse for the

inordinately high air fares which impede the tourist development of the Rock? As has been stated, there is British sovereignty and Spanish sovereignty and a third option called "independence". Will my right hon. Friend categorically state his position?

Sir I. Gilmour : I have already stated my position. British sovereignty will not be altered without the expressly and democratically stated wish of Gibraltarians. Surely that is as clear as it can be. I cannot go any further. The inordinately high air fares to Gibraltar are a subject for my right hon. Friend the Secretary of State for Trade. I hope that one of the beneficial results of the agreement will be that such fares will come down.

Mr. Dalyell : Are we quite sure that there is no misunderstanding in the minds of those negotiating on the Spanish side? Are they clear that we have no intention of leaving, according to the terms of the Lord Privy Seal's statement? A second and lesser question is whether anything has yet been said about the possibilities of British Servicemen being allowed to travel in southern Spain when stationed on the Rock.

Sir I. Gilmour : Nothing has yet been said as regards the second question. As regards the first, if the hon. Gentleman reads the joint declaration he will see the answer.

Mr. Shersby : Do the Government intend to propose to the Spanish Government that a referendum should take place to determine the wishes of the people of Gibraltar concerning their future status?

Sir I. Gilmour : As my hon. Friend will know, a referendum took place some time ago. To have another referendum now would be to rush things. There is a long way to go before any question of another referendum arises.

Mr. Stanbrook : Since the previous position of the Spanish Government was understood to be that restrictions would not be lifted until there had been an agreement to enter into meaningful discussions and negotiations about sovereignty, can my right hon. Friend say whether that condition has been fulfilled?

Sir I. Gilmour : I have already told the House that, as was made clear in the joint Anglo-Spanish statement, which my hon.

[Sir I. Gilmour.]

Friend will have read, we have agreed to discuss everything. That seems a perfectly reasonable thing to agree to. We have agreed to do so in the context, which I have stated many times, of the 1969 declaration.

Mr. Garel-Jones: Does my right hon. Friend agree that the atmosphere in which the discussions will take place will be enhanced because the Spanish Government have not only applied to join the EEC but have also stated their intention to join the NATO Alliance? If he agrees, will he, to enhance the atmosphere of those talks, go further by stating that were Gibraltarians to choose to change their status and to move closer to Spain, the British Government would not stand in their way? Will he also confirm the point already made that under the terms of the Treaty of Utrecht it is not possible for Gibraltar to resort to independence and that, were the United Kingdom to withdraw, Gibraltar would automatically become subject to Spain's sovereignty?

Sir I. Gilmour: I cannot continue to repeat my remarks or make them any more meaningful. I have already said that we have no intention of withdrawing, and therefore the question does not arise.

Of course we should welcome any decision by Spain to join NATO. However, that is some years ahead and is an issue for Spain, and not us, to decide.

Mr. van Straubenzee: Was not one of the contributory factors to this most welcome advance the sturdy conduct of the Gibraltarian people under the leadership of their Chief Minister? Does not Gibraltar now require a period of calm and reflection during which confidence can be re-established and relationships cemented between Spain and Gibraltar?

Sir I. Gilmour: I agree with those remarks, particularly those concerning the leadership given to Gibraltar by the Chief Minister. It is natural that after 11 years of blockade and isolation there should be some apprehension in Gibraltar about the future. It is therefore right and proper to have a period of calmness.

Mr. McQuarrie: I welcome the decision to have talks. I am sure that my right hon. Friend's attention will have

been drawn to the large demonstration in Gibraltar expressing considerable opposition to the decision to have the talks. Having experienced this for six years, I can tell my right hon. Friend that an emotiveness has been created in Gibraltar. I welcome my right hon. Friend's view that there should be a period of calm before negotiations are started. I also welcome that the Chief Minister and the Leader of the Opposition in Gibraltar will be present during the negotiations because that will give the Gibraltarians an opportunity to see that both sides are considered. Is my right hon. Friend aware—

Mr. Speaker: Order. I hope that the hon. Gentleman will ask his question. I have extended the time allowed in order to permit him to ask his question. We want to move on at some stage.

Mr. McQuarrie: Is my right hon. Friend aware of the joint communiqué by the Chief Minister and the Leader of the Opposition issued on 12 April? It said:

"We further reiterate the position of the people of Gibraltar for their part they are opposed to any negotiations on sovereignty over Gibraltar, a view expressed in a unanimous resolution of the House of Assembly in November 1977."

Sir I. Gilmour: As my hon. Friend knows, the Chief Minister and the Leader of the Opposition were at the Foreign Office today and the Foreign Secretary and I had talks with them. They seemed to be fully satisfied by what we said. There can be no possible objection to our agreeing to discuss everything with Spain. That must be right, provided that it is recognised that it is in the context of the 1969 declaration. That is our firm position.

Rev. Ian Paisley: Is the Lord Privy Seal aware that the President of the Council of Ministers, when answering a question that I put to him, said that the British Government, during negotiations on the Spanish application to join the Common Market, had never raised the issue of sovereignty over the Rock of Gibraltar? Is it not time that the issue was raised? Should not the Government spell out to the Council of Ministers and to Europe where the British Government stand?

Sir I. Gilmour: The hon. Gentleman is slightly behind events. The agreement

appears to make his suggestion unnecessary.

Mr. Shore: One aspect of the scope of negotiations worries me. Given the clear statements by the Spanish and British Governments, there can be no merit or benefit in picking over that particular sore in the talks. Will the Lord Privy Seal therefore do his utmost to steer away from the sovereignty issue and discuss such important and practical issues as the flight path and other matters which are of concern to the people of Gibraltar?

Sir I. Gilmour: I think that the right hon. Gentleman slightly misunderstands. I hope that issues such as the flight path will be agreed before negotiations start. It must be right, in the context of the agreement, to agree to the Spaniards raising any matter that they wish. That is normal. We have discussed that with the Chief Minister and the Leader of the Opposition today. They have said that they are satisfied. It is unduly suspicious of the right hon. Gentleman to object to the terms of the agreement.

NORTHERN IRELAND (SECURITY)

Rev. Ian Paisley: I beg to ask leave to move the Adjournment of the House, under Standing Order No. 9, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the security situation in Northern Ireland with the murder of three police officers and the serious wounding of others by the Provisional IRA and the unofficial strike at the Royal Victoria hospital, aimed at getting the troops out of the hospital complex and resulting in attacks on hospital workers and serious risk to critically ill patients."

The House should be aware of the serious situation that has arisen in Northern Ireland since the House went into recess. The House is the only place where Northern Ireland elected representatives can discuss these matters. In view of the deplorable absence of a ministerial statement we should have an emergency debate.

When the House was going into recess a police officer, Constable Stokes, was blown up in his car by the type of bomb that killed our much lamented colleague, Mr. Airey Neave. That constable was seriously injured. On Good Friday a

Royal Ulster Constabulary reserve constable, one of my constituents, Bernard Montgomery, aged 33, who was married, with a 4-year-old son, was shot in the back and murdered by IRA thugs.

Just after the holiday weekend another young police officer, who had been one of my constituents for almost all his life—RUC Constable Stephen Magill, aged 24, who had been married for only four months—was murdered in an IRA ambush in which three of his colleagues were injured. On Friday RUC Reserve Constable Fred Wilson, aged 43, married with two children, was murdered by the IRA in the city centre. Mr. Fred Wilson was well known as an able and efficient Housing Executive administrator. My colleagues who represent Belfast constituencies are absent, because they are attending his funeral. Mr. Wilson was held in high esteem by all sections of the community as an officer of the Housing Executive who sought to serve the whole community impartially.

A new ingredient has entered the security situation in Northern Ireland—the unofficial strike in progress at the Royal Victoria hospital. The National Union of Public Employees has officially condemned the strike, and rightly. The aim is to have the troops removed from the hospital complex. The troops guard those who have been injured by terrorists and prevent their being further attacked. They also guard terrorists injured while being captured by security forces.

The strike is orchestrated by the Provisional IRA. Many sinister incidents have taken place. Attacks have been made on workers preparing food for patients. Food has been thrown on the floor and a porter attacked and seized by the throat by those involved in the unofficial protest. A cardiac ambulance has had difficulty in taking a critically ill patient to the hospital. Grave difficulties are being experienced in supplying food to patients. The situation is highly dangerous and there is a build up of resentment. The House should have the opportunity to debate the issues as soon as possible.

Mr. Speaker: The hon. Gentleman gave me notice before 12 o'clock that he would seek leave to move the Adjournment of the House, under Standing Order No. 9, for the purpose of discussing a specific and important matter that he

[Mr. Speaker.]
thinks should have urgent consideration,
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"the security situation in Northern Ireland with the murder of three police officers and the serious wounding of others by the Provisional IRA, and the unofficial strike at the Royal Victoria hospital, aimed at getting the troops out of the hospital complex and resulting in attacks on hospital workers and serious risk to critically ill patients."

The House will have listened with deep concern to the hon. Gentleman, who has brought to our attention once again the serious situation in Northern Ireland. As the House knows, I do not decide whether this matter should be debated. I merely decide whether it should be debated to-night or tomorrow night as an emergency debate.

As the House also knows, under Standing Order No. 9 I am directed to take into account the several factors set out in the order but to give no reasons for my decision. After listening carefully to the hon. Gentleman, I have to rule that his submission does not fall within the provisions of the Standing Order and I cannot, therefore, submit his application to the House.

STATUTORY INSTRUMENTS, &c.

Mr. Speaker: By the leave of the House, I will put together the eight

Questions on the motions relating to statutory instruments.

Ordered,

That the draft Double Taxation Relief (Taxes on Income) (Australia) Order 1980 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Double Taxation Relief (Taxes on Income) (Bangladesh) Order 1980 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Double Taxation Relief (Taxes on Income) (Egypt) Order 1980 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Double Taxation Relief (Taxes on Income) (Finland) Order 1980 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Double Taxation Relief (Taxes on Income) (Norway) (No. 1) Order 1980 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Double Taxation Relief (Taxes on Income) (Norway) (No. 2) Order 1980 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Double Taxation Relief (Taxes on Income) (Sri Lanka) Order 1980 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Double Taxation Relief (Taxes on Estates of Deceased Persons and Inheritance and on Gifts) (Netherlands) Order 1980 be referred to a Standing Committee on Statutory Instruments, &c.—[Mr. Brooke.]

PA

STATEMENT ON GIBRALTAR MADE BY THE RIGHT HONOURABLE SIR IAN GILMOUR, MP, LORD PRIVY SEAL, IN THE HOUSE OF COMMONS ON MONDAY 14 APRIL 1980 MS

With your permission, Mr Speaker, I will make a statement on Gibraltar.

I am pleased to report that the Spanish Foreign Minister and my right honourable and noble Friend reached agreement on 10 April on the re-establishment of direct communications between Spain and Gibraltar. It is envisaged that the practical preparations will be completed not later than 1 June which will then allow the agreement to be speedily implemented. A copy of the joint Anglo/Spanish statement has been placed in the Library of the House.

This is a very important step, and one I am sure that the House will wish to welcome, though I should emphasise that this is only the beginning of what is likely to be a very long process. The Spanish decision represents another milestone for democratic Spain and the Government pay tribute to Senor Oreja's statesmanship and the goodwill which he has shown in his approach to this problem. Our agreement makes a significant contribution towards the strengthening of the United Kingdom's bilateral relations with Spain, to whose early membership of the European Community we look forward.

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It is also a move of great significance for the people of Gibraltar, who have been cut off from Spain for eleven years. My right honourable and noble Friend and I discussed the implications with the Chief Minister and leader of the Opposition in London earlier today.

I should like to stress that the Anglo/Spanish statement reaffirms the Government's commitment never to enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another state against their freely and democratically expressed wishes.

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TO ROUTINE CERTAIN MISSIONS AND DEPENDENT TERRITORIES
GUIDANCE TELEGRAM NUMBER 38 OF 11 APRIL 1980

GIBRALTAR

1. YOU WILL HAVE SEEN PRESS REPORTS OF THE AGREEMENT REACHED IN LISBON ON 10 APRIL BETWEEN MYSELF AND THE SPANISH FOREIGN MINISTER. THE FULL TEXT IS IN VS 036. THERE WILL BE A STATEMENT IN PARLIAMENT ON 14 OR 15 APRIL BY WHICH YOU SHOULD BE GUIDED. PARAGRAPHS 2 - 6 BELOW MAY BE DRAWN ON IN DISCUSSION WITH RELIABLE CONTACTS. PARAGRAPH 7 IS FOR YOUR OWN INFORMATION. PLEASE REPORT TO SED ANY EVIDENCE OF SPANISH LOBBYING OF FOREIGN GOVERNMENTS.

GENERAL

2. 1 JUNE IS THE TARGET DATE BY WHICH ALL RESTRICTIONS ON GIBRALTAR ARE TO BE LIFTED AND NEGOTIATIONS TO OVERCOME ALL DIFFERENCES BETWEEN BRITAIN AND SPAIN OVER GIBRALTAR OPENED. THE AGREEMENT IS THUS AN IMPORTANT FIRST STEP TOWARDS REMOVING A POTENTIAL DIFFICULTY OVER SPAIN'S CLOSER ASSOCIATION WITH BRITAIN, EG IN MEMBERSHIP OF THE EUROPEAN COMMUNITY.
3. BEFORE 1 JUNE IT WILL BE NECESSARY TO DISCUSS PRACTICAL ASPECTS. EG DOCUMENTATION. CUSTOMS ARRANGEMENTS ETC AS WELL AS ARRANGEMENTS FOR THE NEGOTIATIONS.
4. THE JOINT ANGLO-SPANISH STATEMENT SPECIFICALLY REAFFIRMED THE BRITISH COMMITMENT THAT THE PEOPLE OF GIBRALTAR WILL NOT PASS UNDER THE SOVEREIGNTY OF ANOTHER STATE AGAINST THEIR FREELY AND DEMOCRATICALLY EXPRESSED WISHES. THE CHIEF MINISTER AND

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/ LEADER

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LEADER OF THE OPPOSITION WERE CONSULTED THROUGHOUT: BOTH ARE CALLING ON ME ON 14 APRIL. GIBALTARIAN REPRESENTATIVES WILL PARTICIPATE IN THE BRITISH DELEGATION AT THE NEGOTIATIONS.

NEGOTIATIONS

5. THESE WILL NOT BE 'NEGOTIATIONS ON SOVEREIGNTY'. THE ANGLO-SPANISH STATEMENT MAKES THIS CLEAR. WE ARE HOWEVER PREPARED TO DISCUSS ANYTHING THE SPANIARDS WISH TO RAISE, INCLUDING SOVEREIGNTY. WITHIN THE FRAMEWORK OF THE BRITISH COMMITMENT TO THE GIBALTARIANS. IN ADDITION TO THIS POLITICAL ELEMENT, WHICH WILL NEED CAREFUL HANDLING GIVEN THE FACT THAT NO EARLY CHANGE IS LIKELY TO BE ACCEPTABLE TO THE PEOPLE OF GIBALTAR. NEGOTIATIONS SEEM LIKELY TO COVER SUCH MATTERS AS JOINT ECONOMIC COOPERATION IN THE AREA, TOURISM, JOINT USE OF CIVIL PORT AND AIRFIELD. POSSIBILITIES FOR SPANISH USE OF MILITARY INSTALLATIONS ETC. WE SEE PROGRESS ON MATTERS OF THIS SORT AS ESSENTIAL IN ORDER TO RE-ESTABLISH THE CONFIDENCE AND GOODWILL WITHOUT WHICH NO MEETING OF MINDS ON POLITICAL QUESTIONS WILL BE POSSIBLE.

SPAIN/NATO

6. AN EARLY SPANISH MOVE IS UNLIKELY: BUT BRITAIN WOULD WELCOME SPANISH MEMBERSHIP. SPANIARDS CERTAINLY SEE GIBALTAR AS A COMPLICATING FACTOR.

THE FUTURE

7. IT IS NOT YET CLEAR WHETHER THE AGREEMENT REPRESENTS A GENUINE CHANGE IN SPANISH POLICY, OR IS A TACTICAL MOVE ACCEPTED IN ANTICIPATION OF PRESSURE IN THE NEGOTIATIONS FOR EC ACCESSION. THERE MAY BE A TEMPTATION ON THE SPANISH SIDE TO MAKE DIFFICULTIES DURING DISCUSSIONS ON THE PRACTICAL ASPECTS OF LIFTING THE RESTRICTIONS: THERE IS PLENTY OF SCOPE FOR THE AGREEMENT TO FOUNDER. WE AGREED TO 'NEGOTIATIONS' AS A FACE-SAVER: THE WORD COULD RAISE FALSE HOPES. WE ARE NOT SURE HOW FAR THE SPANIARDS

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ACCEPT THAT THE RESULTS THEY WANT ARE DEPENDENT UPON GIBRALTARIAN
ACQUIESCENCE: THE PROCESS, IF NOT THE NEGOTIATIONS THEMSELVES.
WILL TAKE DECADES.

CARRINGTON

BY TELEGRAPH:

BONN

BRUSSELS

BRUSSELS (UKREP, EEC)

THE HAGUE

PARIS

ROME

MADRID

WASHINGTON

GIBRALTAR (PERSONAL)

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GUIDANCE

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PRIME MINISTER

cc Mr. Alexander
Mr. Sanders

Statements on Rhodesia and Gibraltar

The Foreign Secretary and the Lord Privy Seal are proposing to make statements on Monday on Rhodesia, and then on Gibraltar. I have checked with the Whips' Office and the Chancellor of the Duchy's, and they see no objection in terms of the Parliamentary Business.

Attached are the drafts, though these still have to be cleared with Lord Carrington.

J. P. LANKESTER

11 April 1980

PARLIAMENTARY STATEMENT

My Lords, with your Lordships' permission, I should like to make a statement on Gibraltar.

I am pleased to be able to report that the Spanish Foreign Minister and I reached agreement on 10 April on the re-establishment of direct communications between Spain and Gibraltar. We also agreed to start negotiations aimed at overcoming all the differences between us on Gibraltar. It is envisaged that the practical preparations will be completed in time to allow the agreement to be implemented not later than 1 June. I have had a copy of the joint Anglo/Spanish statement placed in your Lordships' Library.

This is a very important step, and one I am sure that your Lordships will wish to welcome. It represents another milestone for democratic Spain and I pay tribute to Senor Oreja's statesmanship. It makes a significant contribution towards the strengthening of our bilateral relations with Spain, to whose early membership of the European Community we look forward.

It is also a move of great significance for the people of Gibraltar, who have been cut off from Spain for eleven years. I discussed the implications with the Chief Minister and Leader of the Opposition in London earlier today [yesterday]. I look forward to seeing the growth of cooperation between the people of Gibraltar and Spain, not least in the economic field.

I would emphasise to your Lordships that the Anglo/Spanish statement reaffirms the Government's commitment never to enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another state against their freely and democratically expressed wishes.

REFERENCES

NOTES FOR SUPPLEMENTARIES

SIGNIFICANCE

1. I regard the Lisbon agreement as an important step. There is much follow-up work to be done. But I am confident of the goodwill of a Spain whose full integration into Western World and early accession to EC is firmly supported by the Government.

2. The text contains points essential to both sides. The reimposition of restrictions is technically a possibility; but I am confident that in practice it is very unlikely.

NEGOTIATIONS

3. The objective is to overcome all differences between Britain and Spain over Gibraltar. Details remain to be worked out by 1 June. I see practical cooperation, including joint economic development, as the key to building confidence.

SOVEREIGNTY

4. It will not be a 'negotiation on sovereignty'; the text of the statement is clear on what the negotiations are. We are prepared to discuss anything.

5. I know that a Gibraltar House of Assembly motion in 1977 opposed discussions or negotiations on sovereignty. I do not regard the Anglo-Spanish agreement as incompatible with this.

/TIMINGS

TIMINGS

6. Agreed date 1 June for preparing the way for lifting of all restrictions and opening negotiations. Discussions necessary on technical aspects, such as documentation, customs arrangements, ferry services, etc.

GIBRALTARIAN LEADERS

7. There has always been very close consultation with the Chief Minister and the Leader of Opposition. The Governor consulted them on 10 April over the text.

GIBRALTARIAN PARTICIPATION IN NEGOTIATIONS

8. Gibraltarian representatives will of course be in the British delegation.

GIBRALTARIAN REACTION TO DECLARATION/ANNOUNCEMENT

9. After over ten years of a sealed border and what has been called another seige, it is not suprising that there should be hesitations and misgivings in Gibraltar. The Campo de Gibraltar very much Gibraltar's natural hinterland. I have no doubt that the good sense, friendliness and commercial flair of the Gibraltarians will ensure that they cheerfully make the best of their opportunities.

FUTURE OF MILITARY INSTALLATIONS

10. Spanish use of the dockyard and airfield is welcome in principle. The facilities are already used by Allied Forces. Spanish membership of NATO would be welcomed by Britain.

SPANISH USE OF CIVIL PORT AND AIRFIELD

11. Joint use would be welcome.

GIBRALTAR: NUCLEAR WEAPONS

12. It is Government policy neither to confirm nor to deny that nuclear weapons are deployed to a particular place. The matter was not in any case discussed with Senor Oreja.

Prime Minister
Gibraltar

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TO F L A S H FCO

TELEGRAM NUMBER 117 OF 10 APRIL 1980

AND TO F L A S H MADRID, GIBRALTAR (FOR GOVERNOR) AND UKMIS NEW YORK

LISBON TELNO 108: SECRETARY OF STATE'S SECOND MEETING WITH SPANISH FOREIGN MINISTER.

1. THE AGREED TEXT OF THE JOINT ANGLO/SPANISH STATEMENT IS AS FOLLOWS:

BEGINS

JOINT ANGLO/SPANISH STATEMENT

1. THE BRITISH AND SPANISH GOVERNMENTS, DESIRING TO STRENGTHEN THEIR BILATERAL RELATIONS AND THUS TO CONTRIBUTE TO EUROPEAN AND WESTERN SOLIDARITY, INTEND, IN ACCORDANCE WITH THE RELEVANT UN RESOLUTIONS, TO RESOLVE, IN A SPIRIT OF FRIENDSHIP, THE GIBRALTAR PROBLEM.
2. BOTH GOVERNMENTS HAVE THEREFORE AGREED TO START NEGOTIATIONS AIMED AT OVERCOMING ALL THE DIFFERENCES BETWEEN THEM ON GIBRALTAR.
3. BOTH GOVERNMENTS HAVE REACHED AGREEMENT ON THE RE-ESTABLISHMENT OF DIRECT COMMUNICATIONS IN THE REGION. THE SPANISH GOVERNMENT HAS DECIDED TO SUSPEND THE APPLICATION OF THE MEASURES AT PRESENT IN FORCE. BOTH GOVERNMENTS HAVE AGREED THAT FUTURE CO-OPERATION SHOULD BE ON THE BASIS OF RECIPROCITY AND FULL EQUALITY OF RIGHTS. THEY LOOK FORWARD TO THE FURTHER STEPS WHICH WILL BE TAKEN ON BOTH SIDES WHICH THEY BELIEVE WILL OPEN THE WAY TO CLOSER UNDERSTANDING BETWEEN THOSE DIRECTLY CONCERNED IN THE AREA.
4. TO THIS END BOTH GOVERNMENTS WILL BE PREPARED TO CONSIDER ANY PROPOSALS WHICH THE OTHER MAY WISH TO MAKE, RECOGNISING THE NEED TO DEVELOP PRACTICAL CO-OPERATION ON A MUTUALLY BENEFICIAL BASIS.
5. THE SPANISH GOVERNMENT, IN REAFFIRMING ITS POSITION ON THE RE-ESTABLISHMENT OF THE TERRITORIAL INTEGRITY OF SPAIN, RESTATED ITS INTENTION THAT, IN THE OUTCOME OF THE NEGOTIATIONS, THE INTERESTS

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OF THE GIBRALTARIANS SHOULD BE FULLY SAFEGUARDED. FOR ITS PART THE BRITISH GOVERNMENT WILL FULLY MAINTAIN ITS COMMITMENT TO HONOUR THE FREELY AND DEMOCRATICALLY EXPRESSED WISHES OF THE PEOPLE OF GIBRALTAR AS SET OUT IN THE PREAMBLE TO THE GIBRALTAR CONSTITUTION.

6. OFFICIALS ON BOTH SIDES WILL MEET AS SOON AS POSSIBLE TO PREPARE THE NECESSARY PRACTICAL STEPS WHICH WILL PERMIT THE IMPLEMENTATION OF THE PROPOSALS AGREED TO ABOVE. IT IS ENVISAGED THAT THESE PREPARATIONS WILL BE COMPLETED NOT LATER THAN 1 JUNE.

ENDS.

MORAN

[COPIES SENT TO NO 10 DOWNING STREET]

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SIR D MAITLAND
MR BULLARD
~~MR FERGUSSON~~

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FM LISBON 091155Z

DESKBY 100730Z FCO

DESKBY 100630Z GOVERNOR GIBRALTAR

TO IMMEDIATE FCO

TELEGRAM NUMBER 109 OF 10 APRIL 1980

AND TO IMMEDIATE MADRID, AND PERSONAL FOR GOVERNOR GIBRALTAR

MIPT GIBRALTAR

FROM FERGUSSON

1. FOLLOWING THE SECRETARY OF STATE'S TALK WITH OREJA, DURAN, CUENCA AND I WORKED ON THE TEXT OF A JOINT STATEMENT, USING THE DRAFT PREPARED BY SED AS WORKING TEXT. MIFT GIVES THE LATEST TEXT WHICH WE SHALL LOOK AT AGAIN AT 1000 LOCAL TOMORROW SEMI COLON MINISTERS WILL MEET PROBABLY IN THE AFTERNOON TO CONSIDER FINAL TEXT AND DECIDE WHETHER IT CAN BE MADE PUBLIC THEREAFTER. GRATEFUL FOR YOUR URGENT COMMENTS. GOVERNOR GIBRALTAR SHOULD CLEAR THE TEXT IMMEDIATELY WITH HASSAN AND ISOLA (PARA 2E OF FCO

CLEAR THE TEXT IMMEDIATELY WITH HASSAN AND ISOLA (PARA 2E OF FCC
TEL TO GIBRALTAR PERSONAL NO 14).

2. DETAILED COMMENTS:-

A) THE SPANISH SIDE WERE PREOCCUPIED WITH THE NEED TO FIND LANGUAGE WHICH WOULD NOT CAUSE THEM FURTHER DIFFICULTIES WITH THE CORTES ETC IF THEY WERE TO CONCEDE THE FULL LIFTING OF RESTRICTIONS. DURAN AND CUNCA WERE ALSO WORRIED AT THE CONSEQUENCES IN SPAIN IF GIBRALTARIANS WERE TO QUOTE GLOAT UNQUOTE OVER SPANISH DEFEAT.

B) PARAGRAPH 1, THEY WANTED THE POSITIVE TONE OF THE LEAD-IN STRENGTHENED AND WERE INSISTENT ON SOME REFERENCE TO THE UN. AT PRESENT THIS IS SQUARE BRACKETED. BUT, GRANTED THAT WE HAVE IN FACT GONE ALONG WITH UN CONSENSUS RESOLUTIONS BRACKETS WILL BE DROPPED UNLESS THERE IS MAJOR OBJECTION TO DOING SO.

C) PARAGRAPH 2, VARIANT 1 - THIS IS SHORTER BUT IS STILL CLOSE TO THE FORMULATION IN GIBRALTAR TELEGRAM PERSONAL NO 13. HOWEVER THE SPANIARDS ARE PRESSING FOR QUOTE ALL ASPECTS UNQUOTE AS IN VARIANT 2. THE SECRETARY OF STATE'S INITIAL REACTION IS THAT THIS SHOULD NOT BE ALLOWED TO BE A STICKING POINT.

D) PARAGRAPH 3, BOTH VARIANTS GIVE US THE LIFTING OF RESTRICTIONS SEMI COLON THE LANGUAGE OF THE FIRST SENTENCE OF VARIANT 1 REFLECTS THE SPANISH VIEW OF THE SITUATION AND IS PREFERABLE TO THEIR ALTERNATIVE OF REFERRING DIRECTLY TO ARTICLE 10 OF THE TREATY OF UTRECHT. VARIANT 2 AVOIDS THIS LANGUAGE THOUGH IT MIGHT SEEM TO SUGGEST THAT WE TOO HAD A RESPONSIBILITY FOR BLOCKING COMMUNICATIONS. HOWEVER, BOTH TEXTS GIVE US WHAT WE WANT. REFERENCES TO RECIPROCITY ETC FOLLOW THE DEPARTMENT'S LANGUAGE. WE SHALL NOT GET ORDER OF PARAS 2 AND 3 TRANSPOSED.

E) PARAGRAPH 5 - WE HAVE A CLEAR STATEMENT OF OUR POSITION AND, WHILE THE SPANISH PASSAGE DOES NOT REFER TO GIBRALTARIAN QUOTE WISHES UNQUOTE, THE LANGUAGE AND CONCLUSION OF THE WORD QUOTE ULTIMATE UNQUOTE (WHICH REFLECTS OREJA'S REFERENCE TO THE LONG RUN) ARE AS FAR IN OUR DIRECTION AS I CAN GET THE SPANIARDS TO GO.

F) WE HAVE YET TO DRAFT A FINAL PARAGRAPH ON FOLLOW UP ARRANGEMENTS, WHICH COULD INCLUDE TIMING OF THE LIFTING OF RESTRICTIONS AND THE START OF THE NEGOTIATING PROCESS. THE SPANIARDS RECOGNISE THAT SOME QUITE COMPLICATED PRACTICAL MATTERS WILL HAVE TO BE SORTED OUT ON BOTH SIDES. IT WILL BE ESSENTIAL, HOWEVER, NOT TO DELAY A PRE-NEGOTIATION WHICH WILL BE HELD

F) WE HAVE YET TO DRAFT A FINAL PARAGRAPH ON FOLLOW UP ARRANGEMENTS, WHICH COULD INCLUDE TIMING OF THE LIFTING OF RESTRICTIONS AND THE START OF THE NEGOTIATING PROCESS. THE SPANIARDS RECOGNISE THAT SOME QUITE COMPLICATED PRACTICAL MATTERS WILL HAVE TO BE SORTED OUT ON BOTH SIDES. IT WILL BE ESSENTIAL, HOWEVER, NOT TO PERMIT A PRE-NEGOTIATION WHICH WOULD PERMIT UNNECESSARY DELAY IN THE IMPLEMENTATION OF THE MAIN POINT OF THE STATEMENT.

MORAN

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RECD 002/004 DESKBYS AT 100135Z TLG

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MR BULLARD
~~MR FERGUSON~~

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FM LISBON 091155Z APRIL

TO IMMEDIATE FCO

TELEGRAM NUMBER 108 OF 29 APRIL 1980

AND TO IMMEDIATE MADRID AND GIBRALTAR(FOR GOVERNOR)

SECRETARY OF STATE'S CONVERSATION WITH SPANISH FOREIGN MINISTER:
GIBRALTAR

1. THE SECRETARY OF STATE HAD AN HOUR'S DISCUSSION WITH THE SPANISH FOREIGN MINISTER THIS AFTERNOON ON GIBRALTAR. OREJA SEEMED WILLING TO CONTEMPLATE THE LIFTING BY SPAIN OF THE RESTRICTIONS (OR, IN HIS TERMINOLOGY THE LIFTING OF THE APPLICATION OF THE ARTICLE 10 OF THE TREATY OF UTRECHT) IN RETURN FOR THE OPENING OF NEGOTIATIONS. HE SAID THAT HE UNDERSTOOD THAT THE BRITISH GOVERNMENT COULD NOT ACCEPT ANY REFERENCE TO SOVEREIGNTY IN THE DESCRIPTION OF THESE NEGOTIATIONS. HE ADDED THAT, THOUGH THE SPANISH GOVERNMENT WOULD NOT WISH TO REFER TO THE NEED TO CONSULT THE WISHES, AS OPPOSED TO THE INTERESTS OF THE GIBRALTARIANS, HE WOULD UNDERSTAND IF THE BRITISH GOVERNMENT FELT OBLIGED TO DO SO.

2. THE SECRETARY OF STATE EXPLAINED THAT THE KEY TO PROGRESS ON GIBRALTAR LAY IN WINNING THE GIBRALTARIANS. HE EMPHASISED THAT, WHATEVER THE SPANISH GOVERNMENT MIGHT THINK, NO BRITISH GOVERNMENT COULD DELIVER GIBRALTARIAN OPINION AND THAT NO ARRANGEMENT ON

2. THE SECRETARY OF STATE EXPLAINED THAT THE KEY TO GPROGRESS ON GIBRALTAR LAY IN WOOING THE GIBRALTARIANS. HE EMPHASISED THAT, WHATEVER THE SPANISH GOVERNMENT MIGHT THINK, NO BRITISH GOVERNMENT COULD DELIVER GIBRALTARIAN OPINION AND THAT NO ARRANGEMENT ON GIBRALTAR WHICH THE GIBRALTARIANS OPPOSED WOULD BE PASSED BY THE BRITISH PARLIAMENT HE ALSO SAID, IN RESPONSE TO REMARKS BY OREJA ABOUT THE IMPORTANCE OF SPAIN'S FULL EMERGENCE INTO THE WESTERN WORLD INCLUDING MEMBERSHIP OF THE COMMUNITY AND NATO, THAT IT WOULD BE IMPOSSIBLE FOR THE BRITISH PARLIAMENT TO RATIFY A TREATY PROVIDING FOR SPAIN'S ACCESSION TO THE EUROPEAN COMMUNITY SO LONG AS THE RESTRICTIONS ON GIBRALTAR REMAINED IN FORCE. LORD CARRINGTON ADDED HOWEVER THAT, PROVIDED THAT THE REFERENCE TO "NEGOTIATIONS" COULD BE QUALIFIED IN A WAY WHICH TOOK ACCOUNT OF GIBRALTARIAN SENSITIVITIES, AND PROVIDED THAT IT WAS UNDERSTOOD THAT THE BRITISH GOVERNMENT WOULD BE OBLIGED IN ANY DECLARATION ON THE SUBJECT TO REAFFIRM ITS COMMITMENT TO RESPECT THE WISHES OF THE GIBRALTARIAN PEOPLE, A DECLARATION PROVIDING FOR THE OPENING OF "NEGOTIATIONS" AND THE LIFTING OF RESTRICTIONS OUGHT TO BE POSSIBLE.

3. IT WAS AGREED THAT OFFICIALS WOULD WORK ON THE DRAFTING OF THE TEXT OF SUCH A DECLARATION AND THAT THE SECRETARY OF STATE AND OREJA WOULD MEET AGAIN ON 10 APRIL.

4. SEE MY TWO IFTS.

MORAN

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cc: HO
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Gibraltar

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From the Private Secretary

3 April 1980

Gibraltar

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute to her of 2 April on this subject. She is content with the line the Foreign and Commonwealth Secretary proposes to take.

I am sending copies of this letter to the Private Secretaries to members of OD Committee and to David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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RdH



PM/80/25

THE PRIME MINISTER

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Premier Amador

The Foreign & Commonwealth Secretary mentioned this to you yesterday. He intends to stick to well trodden ground. The Gibraltarans are content.

Gibraltar

ms

Amador 2/4

1. My minutes of 13 August and 6 September 1979 set out the main lines for my exchange with the Spanish Foreign Minister last Autumn.
2. The present situation is unsatisfactory. As you will have seen from the main telegrams, which have been circulated to members of OD, matters have moved a good deal more slowly than I then anticipated. The Spanish restrictions on Gibraltar, the medium-term effects of which are becoming evident, remain in force. We are still a long way from concluding a package under which the restrictions would be lifted and political talks initiated without compromising our commitment to the people of Gibraltar that there will be no change in sovereignty against their freely and democratically expressed wishes.
3. After a reasonably satisfactory exploratory meeting with Senor Oreja in New York last September, subsequent attempts through the Ambassador at Madrid to build on Senor Oreja's own proposals got nowhere. At the end of January the Spanish Government produced a "document on Gibraltar" which was generally unhelpful and again tried to trade the gradual lifting of restrictions against progress towards the restoration of Spanish sovereignty; they did not concede the essential point that Gibraltarian wishes must be decisive. Whilst no doors have been slammed, subsequent exchanges at official level have made little progress. Meanwhile Spanish negotiation for accession to the European Community is moving towards the detailed stage and already we have arranged for markers to be put down which will enable us at the appropriate time to ensure that the Community raises with Spain the incompatibility,

/as we see it

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as we see it, between the restrictions on Gibraltar and Community membership. The time when all these issues should be set out clearly at the political level has now come and I have therefore agreed to meet Senor Oreja in Lisbon on 10 April when we shall both be attending a meeting of the Council of Europe.

4. Developments in Brussels are unlikely by themselves to change Spanish policy. A package agreement under which restrictions would be lifted, talks or negotiations initiated and practical cooperation between Gibraltarians and Spaniards set in train remains the only way in which progress is likely to be made and a row damaging to the interests of both countries avoided. The Spaniards lay much stress on using the term 'negotiations'. I believe that it may be possible to reach agreement to qualify this in a way acceptable to the Gibraltarians.

5. Matters having moved more slowly than I had hoped, there will be no need at my talks with Senor Oreja in Lisbon to go beyond the framework suggested in my earlier minutes. I would not expect at this stage to go into details over practical matters of cooperation on the ground at Gibraltar over such issues as joint use of the airfield and port. I shall tell Senor Oreja without reservation that no British Parliament would ratify Spanish Accession to the EC if by that time restrictions were not lifted. I shall hope to establish whether the package approach, under which restrictions would be lifted and political talks initiated without compromising on sovereignty, might be negotiated.

6. I have been in touch over the foregoing through the Governor with the Chief Minister and leader of the Opposition at Gibraltar, who are now firmly reinstated after the recent general election. They are content.

/7.

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7. I am copying this minute to other members of OD and to Sir Robert Armstrong.

A handwritten signature in blue ink, consisting of a large, stylized letter 'C' with a horizontal line extending to the right from its base.

(CARRINGTON)

Foreign and Commonwealth Office

2 April 1980

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Gibraltar

FM MADRID 310830Z

TO PRIORITY FCO

TELNO 33 OF 31 JANUARY 1980

INFO ROUTINE (PERSONAL) GOVERNOR OF GIBRALTAR

CALL ON SPANISH FOREIGN MINISTER

1. SR OREJA RECEIVED ME THIS MORNING ALONE FOR AN UNUSUALLY LONG INTRODUCTORY VISIT. HE SPOKE FORCIBLY ABOUT HIS ADMIRATION FOR BRITAIN, HIS CONVICTION THAT OUR TWO COUNTRIES HAVE A GREAT DEAL IN COMMON, AND HIS ADMIRATION FOR THE LEADERSHIP GIVEN BY THE PRIME MINISTER AND YOURSELF IN THE WESTERN REACTION TOWARDS SOVIET AGGRESSION. HE SAID HE WAS EXTREMELY ANXIOUS TO MAKE PROGRESS OVER THE GIBRALTAR ISSUE, THE ONLY CLOUD IN THE RELATIONSHIP BETWEEN OUR COUNTRIES. HE WAS CONVINCED THAT TOO MUCH ATTENTION SHOULD NOT BE PAID TO STATEMENTS OF THE LEGAL POSITION ON BOTH SIDES. THESE MUST BE ALLOWED TO LIE ON THE TABLE WHILE OUR TWO GOVERNMENTS SHOWED PRIVATELY THE POLITICAL WILL TO ENGENDER THE NECESSARY MUTUAL CONFIDENCE. HE HAD TAKEN HEART FROM HIS CONVERSATION WITH YOU IN NEW YORK LAST SEPTEMBER AND ALSO LOOKED FORWARD TO CONTINUING WITH ME THE FRIENDLY RELATIONS HE HAD ESTABLISHED WITH MY PREDECESSOR.

2. OREJA SAID THAT SINCE WE HAD PUT OUR POSITION DOWN IN A PIECE OF PAPER, THE SPANISH AMBASSADOR IN LONDON WOULD ALSO BE COMMUNICATING A STATEMENT OF SPANISH VIEWS. BUT HIS MAIN EMPHASIS WAS NOT ON THIS ASPECT. HE WENT ON TO SPEAK FORCIBLY ABOUT HIS EARNEST HOPE TO MEET YOU IN PERSON AGAIN AS SOON AS POSSIBLE. IT WOULD BE BEST TO ARRANGE THIS IN NEITHER MADRID NOR LONDON BECAUSE, ONCE THE PRESS GOT WIND OF IT, IT WOULD BE EXTREMELY DIFFICULT TO AVOID GIVING REPLIES WHICH WOULD NOT MAKE PROGRESS EASIER. I SAID THAT I HAD SEEN YOU BEFORE LEAVING LONDON AND COULD ASSURE OREJA THAT YOUR POSITION REMAINED EXACTLY AS IT HAD BEEN LAST SEPTEMBER IN NEW YORK, NAMELY THAT YOU WERE READY TO CONSIDER WITH HIM POSSIBLE WAYS OF MAKING PROGRESS OVER GIBRALTAR. WE THEN PARTED WITH FRIENDLY PROTESTATIONS ON THE MINISTER'S PART OF HIS STRONG PERSONAL DESIRE TO MAKE PROGRESS OVER THE GIBRALTAR ISSUE THROUGH PATIENT DIPLOMACY BASED ON MUTUAL CONFIDENCE.

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3. AT NO POINT DID OREJA REFER, AS DID THE SPANISH AMBASSADOR IN LONDON TO ME TWO WEEKS AGO, TO THE ALLEGED SPANISH DISAPPOINTMENT WITH THE PAPER HANDED OVER BY MY PREDECESSOR ON 28 DECEMBER. INDEED HE GAVE ME A STRONG HINT THAT THE SPANISH COMMENTS ON OUR PAPER WERE NOT TO BE TAKEN TOO LITERALLY. HIS WHOLE EMPHASIS WAS ON THE IMPORTANCE OF AN EARLY PERSONAL MEETING WITH YOU. HE AGAIN MENTIONED THE POSSIBILITY OF A MEETING IN THE CONTEXT OF THE COUNCIL OF EUROPE MEETING IN LISBON VON ABOUT 9 OR 10 APRIL. HE SUGGESTED, FOR EXAMPLE, THAT THE TWO FOREIGN MINISTERS MIGHT TAKE A SHORT TRIP TO ESTORIL ONE AFTERNOON WITH ONLY A COUPLE OF ADVISERS ON EITHER SIDE.
4. EVEN ALLOWING FOR THE NORMAL COURTESY SHOWN TO A NEW AMBASSADOR OREJA'S RECEPTION OF ME WAS REMARKABLY FRIENDLY. I THINK IT WAS DELIBERATELY DESIGNED TO INDICATE HIS PERSONAL WISH TO CONTINUE DISCUSSIONS WITH YOU AS SOON AS POSSIBLE OVER THE GIBRALTAR ISSUE WITHOUT BECOMING INVOLVED IN PUBLIC STATEMENTS ON GOVERNMENTAL POSITIONS KNOWN ONLY TOO WELL ALREADY.
5. PLEASE SEE MY TWO IMMEDIATELY FOLLOWING TELEGRAMS ON OTHER SUBJECTS, NOT TO GOVERNOR OF GIBRALTAR.
PARSONS

Repetition to Govt. GIBRALTAR
referred for departmental decision,
repeated as requested to other posts.

FILES
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SIR B. MAITLAND
MR BULLARD
MR FERGUSON
MR HANNAY

Copies to:-
PS/No. 10 ✓
PS/Chancellor of Exchequer
PS/Ld President
PS/Ld Chancellor
PS/Home Sec
PS/Defence Sec
PS/Trade Sec
PS/Sir R. Armstrong, Cab. Off.

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Lg. Gibraltar
22/1



Foreign and Commonwealth Office

London SW1A 2AH

21 January 1980

The Hon Humphrey Maud
British Embassy
MADRID

bcc: Private Secretary
PS/LPS
Mr Alexander (No.10)

Dear Humphrey,

THE ARMERO AFFAIR

1. Afghanistan has delayed my telling you what I did. But, to put your and the Governor's minds at rest, the answer is very little.

2. It was possible to establish without difficulty that Sr Armero's credibility as a forecaster of events was not very high; no message or invitation to the Prime Minister to attend talks in Gibraltar had, or has, been received at Number 10. Following what one might call the Hassan-related exaggerations (untruths), one is led not to take Sr Armero all that seriously as interlocutor or potential go-between. And Antony Acland, with whom I discussed the question, confirmed that Armero (well known to him and to the Embassy and, indeed, even to me since he had a chat with Dr Owen in September 1977) was inclined to claim a greater involvement in affairs than might in practice be the case, and suggested that, in the perfectly reasonable aim of making progress over Gibraltar, Armero was trying the trick of telling the various parties things about the others' intentions which, if not true at the time, might become so if all simultaneously believed what he was saying (a sort of mini-Kissinger ploy). Anyway, we have fallen at the first fence.

3. I told Lord Shackleton that there had been no Prime Ministerial message, and that, as he would well understand (this with Michael Alexander's assent), Mrs Thatcher would not be likely to respond on an issue of this kind without her Foreign Secretary's advice, whatever might be possible in Spain - and, though I did not say this, if Sr Suarez had wanted to bypass Sr Oreja he could easily have asked Antony for a private farewell call. Lord Shackleton could, if he wanted to, speak on these lines to Sr Armero and tell him that if Armero had any clarifications to make he would be welcome to call to see Timothy Daunt or me. In the event, Sr Armero had returned to Spain; Lord Shackleton seemed disinclined to do anything further. I told him that we saw no reason to press him. Lord Shackleton has also had a brief word about this with Richard Parsons. I am inclined to leave things be; you are now fully briefed in case Armero makes contact. And perhaps a call on Sr Suarez will be included in the new Ambassador's introductory calls?

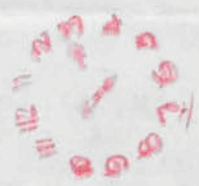
Yours ever,
E A J

cc: The Governor (Gibraltar)

E A J Fergusson

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As from: 6, St. James's Square, London SW1.



Office Tel. No.
930 2399

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8th January, 1980.

E. A. J. Fergusson Esq.,
Foreign and Commonwealth Office,
London SW1A 2AH.

M. K...
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Dear E.A.J.

I am sending you urgently a copy of a memorandum which arises out of a discussion between David Avery, who is our historian at RTZ, and Don Jose Mario Armero, who is vice president of the Instituto de Cuestiones Internacionales. Mr. Armero arrived in this country without any advance warning - although I have since received a letter dated December 19th saying he wished to see me. Unfortunately, I was not able to see him myself so I asked David Avery, who helped to set up the Segovia Meeting to see him.

It would appear that Armero was a special emissary on behalf of the Prime Minister of Spain, making proposals for a meeting between him and Mrs. Thatcher in Gibraltar. The proposed arrangements seem to be rather unlikely, but it does denote goodwill and I gather the King is involved also with Mr. Suarez in proposing this meeting.

To complicate matters, Armero said that they did not wish to fix these particular arrangements through the Spanish Foreign Office because they did not want the Spanish Foreign Minister to know about the matter! (See paragraph 5 of David Avery's memorandum.)

I think all I can do is pass this matter on to you, but since it seems that the Prime Minister may already have had an invitation, I am copying this letter to Clive Whitmore at No. 10. I suppose either David Avery or I should make a response quite quickly to Armero, if only to say that the message has been passed on. I would welcome any guidance on this fairly urgently. Perhaps I should mention that I shall be away skiing from January 17 - 31st!

[Handwritten signature]
Clive Shackleton

SHACKLETON

RTZ

London office memorandum

Reference DA/br Date 4 January 1980
From D. Avery Copies to
To Lord Shackleton

- 1) Today I had lunch with José Mario Armero. You will remember that Mr Armero is a Spanish commercial lawyer, vice president of the Instituto de Cuestiones Internacionales. He also appears to be very close to Mr Suarez, the Spanish prime minister. (He has acted as go-between in a number of delicate matters for Mr Suarez including the talks in Paris which led to the legalisation of the Spanish Communist Party.)
- 2) Before leaving Spain Mr Armero informed the king of the meeting at Segovia. Apparently the king is greatly interested in this matter and according to Mr Armero it is he and Mr Suarez who are the principal figures in the Spanish government in this connection. At a recent meeting of the council of ministers Mr Suarez proposed that the blockade at La Linea should be raised. Mr Armero informs me that while the cabinet was in general agreement with this there were objections to implementing this for the Christmas period on two grounds: firstly, that the blockade when raised should be lifted permanently and not be seen as a three-day wonder; and secondly that insufficient preparations had been made with regard to the implications of freedom of commerce and travel across the frontier with Gibraltar.
- 3) Mr Armero has also been to Gibraltar to see Sir Joshua Hassan the chief minister. He found that Sir Joshua was privately in a very accommodating mood and anxious for talks to take place at government level. It seems he took Sir Joshua a message from Mr Suarez. Mr Suarez would be willing to go to Gibraltar for a meeting with the chief minister of Gibraltar provided it was attended by the prime minister of the United Kingdom. Mr Suarez apparently has a need to be seen by the Spanish electorate as a successful politician and he would have a precondition that at the end of the meeting with himself, Mrs Thatcher and Sir Joshua he could inform the

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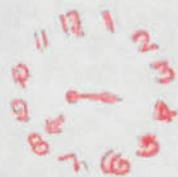
Spanish people that discussions would soon be commencing at government level between the three administrations. It seems that Sir Joshua would expect such talks to take place in Gibraltar in preference to London or Madrid with an eye to his own forthcoming general election in Gibraltar. Mr Suarez would apparently be willing as a gesture of goodwill, and as a result of having a promise of negotiations, to lift the Gibraltar blockade for either a specified period of time or for an unspecified period. Apparently Mr Suarez sees this as the inducement that would persuade Mrs Thatcher to attend such talks. I gather that an invitation has gone to Mrs Thatcher in the last couple of days and that it is hoped by the Spaniards that she will feel able to accept.

- 4) No date has been suggested for this meeting of the two prime ministers and the chief minister of Gibraltar. Armero himself feels that it should not take place too early and preferably after the meeting which is being arranged in Gibraltar for April to continue the discussions which we were holding as unofficial men of good-will in Segovia at the beginning of December. He feels that the temperature of the water needs to be tested in Gibraltar itself before the heads of government get together.
- 5) A complicating factor in this is the fact that until the arrangements are made, if they do indeed materialise, for the meeting for the heads of government Mr Suarez does not wish the Spanish foreign minister to know about them! According to Mr Armero Mr Suarez wishes to keep this as far as possible out of the hands of his own foreign minister; an attitude in which apparently the king of Spain shares. I gather the reasons for this relate both to the desire to appear successful in the eyes of the Spanish public and doubts about the willingness of the foreign minister to achieve the results which Mr Suarez desires with regard to Gibraltar. (Which I am assured by Mr Armero are basically the ones that the British government would endorse of getting away from the old Francist demands for the unification of Gibraltar with Spain.)
- 6) I explained to Mr Armero that I could see considerable difficulties in the British prime minister meeting with Mr Suarez and with Sir Joshua even if it was to lead to the lifting of the blockade at La Linea since first of all it would be more appropriate for the Foreign Office to deal with the matter and secondly, admittedly as someone who knows nothing of such things, I should have doubts as to whether Mrs Thatcher felt that she was the most knowledgeable person to deal with the problem. Nor could I see that she would be willing by her presence to help improve the public images of Mr Suarez or Sir Joshua.

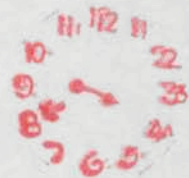
- 7) I felt you would wish to have this information and for this reason I shall not apologise for sending you such a lengthy memorandum. If you feel it is appropriate to pass it on to the Foreign Office please feel free to do so. Perhaps I should add that while I have no strong views one way or the other as to whether the prime minister should attend a meeting with the Spanish prime minister and the chief minister of Gibraltar, because such matters are outside my experience, I still feel very strongly that there is a good case for holding the informal meeting in Gibraltar in April of interested parties under the auspices of Chatham House or the Instituto.

David Avery

JAN 1960



JAN 8 1960



29 Ladbroke Grove
London W11 3BB
01-727 2288

The Prime Minister has Dec 29, 1979

seen - Post 31/11

Dear Michael,

I thought you might like
to see a brief note I did
about the Anglo Soviet round
table 1979.

Yours ever

Augh

Michael Alexander Esq
10 Downing St,
London SW1

SOME IMPRESSIONS OF THE ANGLO-SOVIET ROUND TABLE AT
CHATHAM HOUSE, December 1979

These discussions, between ten Russians and eleven from Britain*, took place in a courteous but sometimes cold atmosphere over two days. The Russians wanted the discussions to have a sequel, however, at least they said they did.

The main points made by the Russians were:-

1. They all expressed horror at the announcements made the day before the Round Table began that NATO was going to take seriously the modernisation of their weapons. All repeatedly said that that would introduce "a new spiral in the arms race". None accepted our arguments that the measures announced were the very minimum commensurate with the menace of the SS20 and the Backfire, and no Russian had anything to say about NATO's complementary proposals for disarmament. The SS20, the Russians said, was merely a modern version of an old missile.
2. The Russians thought that if the U.S. congress were not to ratify the Treaty on SALT 2, it would be a "return to the cold war"; most were disinclined to believe that the Treaty would be ratified. They were sceptical about the idea of beginning SALT 3 before SALT 2 had been ratified.

* see Appendix I

3. They were reluctant to give any real reply to accusations about Cuban and East German activities/and, when pressed, said that both those friends of the Soviet Union were merely helping, by building roads and schools, such countries as Angola and Ethiopia to overthrow colonisation. They were not pressed on Afghanistan (though they should have been) nor on Soviet support, at one remove perhaps, for international terrorism. They did not respond to a suggestion that they were either being lured into adventures by Cuba or were using Cuba to ensure military intimidation in zones in which they had economic interests.

4. The Russians condemned the occupation of the U.S. embassy in Iran and the taking of the American hostages. But their determination to draw any worthwhile conclusions was modest. They said often that they did not want to see a collapse of Iran.

5. They did not at all like the idea of China being a super power at the world's top table. The idea "destabilised" the elaborate arrangements made since 1945 to ensure a "good balance". To assist China with weapons was an "erroneous historical calculation". Russia realised that traditional British policy was to oppose the strongest power - now the Soviet Union - by a constellation of other powers. But to "play this Chinese card" might risk the weapons, which we were supplying, being one day pointed in an unexpected direction.

It would be a good thing if we could dissuade the Chinese from talking any more about their demands for the revision of frontiers. Russia was negotiating with China and they were optimistic that relations would soon be improved: "no ideological questions" divided them.

6. Russia regarded itself as an indispensable part of the world economy. They were making, and would go on making, investments in poor countries. "Backwardness" in the underdeveloped world could cause "conflicts".

7. They themselves had a major place for western investment in their five year plans.

8. Of course, all such arrangements, mentioned under 7 above, could be "jeopardised" by bad relations. They were, therefore, alarmed by the tone of some of the Prime Minister's recent statements - at Luxembourg, for example. They did not, however, pursue this argument at all strongly and seemed appropriately mollified by a reference to the passage in the speech at Luxembourg about the need for contacts at all levels and the immediately preceding paragraph which pointed out that modernisation of weapons and renewal of Western resolve were an essential preliminary for real understanding.

They spent a little time criticising us for apparently reviving an old "policy of strength" which they seemed to think was synonymous with "overweening strength", not merely self-confidence.

9. They had no hesitation at all in thinking of Camp David as being a way of concluding a Middle East peace treaty while excluding the Russians.

10. Mr. A.Y. Bovin, of Izvestiya, sometimes talked eccentrically but it did not seem as if his views carried much weight. The tougher but actually more sympathetic V.I. Koybyh, of Literaturnaya Gazeta, described Bovin as their "unguided missile".

(Signed) HUGH THOMAS

Dec. 28, 1979

APPENDIX I

PARTICIPANTS

RUSSIANS

Academician N.N. Inozemtsev	Director, Institute of World Economy & International Relations, Moscow (IMEMO)
Mrs. Maksimova	IMEMO
Professor O.N. Bykov	Deputy Director, IMEMO
N.A. Kosalapov	IMEMO
A.Y. Bovin	Izvestiya
V.I. Kobysh	Literaturnaya Gazeta
Professor M.A. Milstein	Senior Researcher, United States & Canada Institute
V.V. Mordvinov	Head of Foreign Economic Cooperation Department, GOSPLAN
P.T. Pmenov	Secretary, Central Trades Union Committee
V.N. Cheklin	Deputy Head, Soviet Trade Delegation in London

BRITISH

David Watt	Chatham House, Director
Robert Belgrave	Policy Adviser to Board of British Petroleum Co. Ltd.
Professor Hedley Bull	University of Oxford, Professor of International Relations
Richard Davy	Chief Foreign Leader Writer, The Times
The Rt.Hon. Edmund Dell	Chairman, Guinness Peat Ltd.
Michael Kaser	Reader in Economics, University of Oxford
The Rt.Hon. William Rodgers MP	Opposition Spokesman on defence matters
Lord Roll of Ipsden	Chairman, S.G. Warburg & Co. Ltd.
Professor Hugh Thomas	Chairman, Centre for Policy Studies
William Wallace	Director of Studies, Chatham House

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TO PRIORITY MADRID

TELEGRAM NUMBER 266 OF 21 DECEMBER

INFO ROUTINE GIBRALTAR (PERSONAL FOR GOVERNOR), MCDUK (DS12)

GIBRALTAR

1. I AM NOT ENCOURAGED BY THE LINE WHICH OREJA TOOK ON GIBRALTAR WHEN ADDRESSING THE SENATE EXTERNAL RELATIONS COMMISSION ON 6 DECEMBER. BUT I REALISE THAT OREJA HAS GENUINE DIFFICULTIES WITH SPANISH PARLIAMENTARY AND PUBLIC OPINION, AS WELL AS WITH ENTRENCHED VIEWS IN HIS OWN MINISTRY. I AM THEREFORE PREPARED, ALBEIT WITHOUT GREAT EXPECTANCY OF SUCCESS, TO TRY TO MOVE THINGS FORWARD.

2. THE FIRST ESSENTIAL IS TO ESTABLISH WHETHER THE IDEAS ADVANCED BY SR OREJA IN HIS CONVERSATION WITH ME

ON 24 SEPTEMBER WERE GENUINELY INTENDED
TO ENABLE THE SPANIARDS TO LIFT THE RESTRICTIONS AND EMBARK ON A NEW POLICY INVOLVING FRIENDLY DEALINGS WITH GIBRALTAR, OR WHETHER THE OLD SPANISH TACTICS WERE MERELY BEING EMPLOYED IN A NEW GUISE. THIS IS THE POINT ON WHICH THE CHIEF MINISTER AND THE LEADER OF THE OPPOSITION AT GIBRALTAR UNDERSTANDABLY HAVE MISGIVINGS (GIBRALTAR TELEGRAMS NOS 89 AND 91).

3. THE TEST MAY BE THE ELABORATION OF SR OREJA'S IDEAS ON JOINT USE OF THE AIRFIELD AND MOVING THE FRONTIER FENCE. AN OFFER FOR USE OF THE AIRFIELD BY SPANISH CIVIL AIRCRAFT WAS MADE IN 1976 AND REMAINS ON THE TABLE: THE WORKING GROUPS SET UP IN 1978 WERE INTENDED TO FOSTER CONTACTS OVER PRACTICAL MATTERS. IN NEITHER CASE WERE THE SPANIARDS EVENTUALLY INTERESTED IN ACHIEVING PROGRESS. SR OREJA'S REPETITION OF GENERAL IDEAS WITHOUT REFERENCE TO THIS BACKGROUND MAY INDICATE THAT THE SPANIARDS WILL AGAIN WISH TO SECURE A MEASURE OF CONTROL OVER THE AIRFIELD AND CONCESSIONS WHICH WOULD PREJUDICE THE BRITISH LEGAL AND PHYSICAL POSITION OVER THE ISTHMUS.

4. IF THE SPANISH INTENTION IS TO WIN CONCESSIONS IN ORDER TO PUT BRITISH SOVEREIGNTY OVER THE ISTHMUS AT QUESTION, THERE WILL BE NO MEETING OF MINDS. I HAVE NO INTENTION OF RISKING PREJUDICE TO BRITISH SOVEREIGNTY, WHICH WOULD BE CONTRARY TO THE FIRM ASSURANCE GIVEN TO GIBRALTAR IN 1969 AND FREQUENTLY REITERATED SINCE THEN. NOR AM I PREPARED TO ALLOW THE SPANIARDS TO GET CONTROL OF FACILITIES (SUCH AS THE FRESH WATER WELLS) ESSENTIAL TO GIBRALTAR'S WELL-BEING. WHAT IS ON OFFER IS BRITISH ASSISTANCE TO ENABLE THE SPANISH GOVERNMENT TO CHANGE COURSE WITHOUT UNDUE LOSS OF FACE. IF THAT TURNS OUT TO BE THEIR AIM, WE ON OUR SIDE MUST PLAY OUR PART.

5. PLEASE SPEAK TO SR OREJA ON THE LINES OF PARAGRAPHS 6 TO 16 BELOW, WHICH SHOULD BE INCORPORATED IN A SPEAKING NOTE, A COPY OF WHICH YOU MAY LEAVE WITH HIM.

6. I REGARD AS HELPFUL THE IDEA OF SEPARATE DECLARATIONS BY THE TWO GOVERNMENTS. AT LEAST OUTLINE AGREEMENT ON BOTH TIMING AND TEXTS WOULD BE REQUIRED. THE BRITISH TEXT WOULD NATURALLY HAVE TO BE CLEARED WITH GIBRALTARIAN LEADERS.

7. THE SPANISH GOVERNMENT WOULD PRESUMABLY PREFER AS SHORT A GAP AS POSSIBLE BETWEEN THE ISSUE OF THE TWO STATEMENTS. BUT CLOSE LINKAGE BETWEEN A BRITISH DECLARATION ABOUT FURTHER DISCUSSIONS AND THE LIFTING OF RESTRICTIONS POSES DIFFICULTIES: IT HAS LONG BEEN CONTENDED THAT NO CONCESSION SHOULD BE EXPECTED IN RETURN FOR SUCH A MOVE. THAT REMAINS MY VIEW BUT THERE HAS BEEN A CONSIDERABLE HOLD-UP SINCE MY TALKS WITH SR OREJA ON 24 SEPTEMBER AND I AM ANXIOUS TO PRESS AHEAD WITHOUT ANY AVOIDABLE DELAY. I SUGGEST THAT THE SORT OF TIMING TO AIM AT IS A SPANISH ANNOUNCEMENT THAT RESTRICTIONS ARE TO BE LIFTED FORTHWITH, TO BE FOLLOWED WITHIN SEVEN DAYS BY A BRITISH STATEMENT WELCOMING THAT DEVELOPMENT AND ANNOUNCING FRESH TALKS.

8. THERE IS NO IMMEDIATE URGENCY BUT I HOPE IT WOULD BE FEASIBLE TO MAKE THESE MOVES DURING THE SUMMER.

9. IT IS DIFFICULT TO BE PRECISE ABOUT THE CONTENTS OF THE

BRITISH STATEMENT WITHOUT KNOWING WHAT WOULD BE SAID FROM THE SPANISH SIDE IN ADDITION TO ANNOUNCING THE RESTORATION OF NORMAL CONDITIONS OVER COMMUNICATION BETWEEN SPAIN AND GIBRALTAR. I ASSUME THAT THE SPANISH SIDE WOULD INTER ALIA REFER TO ITS WISH TO PROMOTE SPAIN'S FRIENDLY RELATIONS WITH BRITAIN AND PAY ALL DUE REGARD TO THE RIGHTS, INTERESTS AND IDENTITY OF THE PEOPLE OF GIBRALTAR: SPECIFIC MENTION OF RESPECT FOR THE WISHES OF THE PEOPLE OF GIBRALTAR, ON THE LINES ENDORSED LAST YEAR B) THE UCD, WOULD BE VERY HELPFUL. IN THOSE CIRCUMSTANCES, THE SUBSEQUENT ANNOUNCEMENT FROM THE BRITISH SIDE MIGHT REASONABLY INCLUDE THE FOLLOWING ELEMENTS:

(A) A WARM WELCOME FOR THE ACTION ANNOUNCED BY THE SPANISH GOVERNMENT IN THE CONTEXT OF INCREASINGLY CLOSE RELATIONS AND BRITISH SUPPORT FOR SPAIN'S ACCESSION TO THE EEC.

(B) THE WISH THAT THE SPANISH ACTION WILL OPEN THE WAY TO CLOSER UNDERSTANDING BETWEEN THE PEOPLE OF SPAIN AND GIBRALTAR AND CONTRIBUTE TO SOLVING THE LONG STANDING DIFFERENCES BETWEEN BRITAIN AND SPAIN OVER GIBRALTAR.

(C) BRITISH AGREEMENT TO FRESH TALKS WITH SPAIN OVER THE GIBRALTAR PROBLEM, AT WHICH BOTH GOVERNMENTS WILL BE PREPARED TO CONSIDER ANY PROPOSALS WHICH THE OTHER MAY WISH TO MAKE, INCLUDING CONCRETE SUGGESTIONS FOR INCREASED COOPERATION FOR THE BENEFIT OF THE PEOPLE OF THE AREA.

(D) REAFFIRMATION OF THE BRITISH COMMITMENT OF 1969 TO THE PEOPLE OF GIBRALTAR: CHANGES WILL NOT BE MADE WITHOUT THEIR CONSENT.

10. THE GENERAL IDEAS ADVANCED BY SENOR OREJA ON 24 SEPTEMBER AND 1 NOVEMBER FOR INCREASED COOPERATION BETWEEN SPAIN AND GIBRALTAR ONCE THE LINKS BETWEEN THEM ARE RESTORED ALSO STRUCK ME AS HELPFUL. SUCH COOPERATION COULD PLAY A MAJOR PART IN LEADING TO BETTER MUTUAL UNDERSTANDING. IT WOULD BE HELPFUL IF THE SPANISH GOVERNMENT WERE TO MAKE DETAILED PROPOSALS IN THE LIGHT OF THE COMMENT IN PARAGRAPHS 12-16 BELOW.

11. TO AVOID UNNECESSARY COMPLICATION - AND IN THE SPIRIT

OF SR OREJA'S OWN REMARKS AT OUR NEW YORK MEETING ON THE BARREN NATURE OF LEGALISTIC ARGUMENTS - IT WOULD SEEM BEST TO AGREE TO PROCEED ON THE BASIS THAT DISCUSSION AND ANY RESULTING ACTION WOULD BE AGREED TO BE WITHOUT PREJUDICE TO EITHER SIDE'S LEGAL POSITION AND CLAIMS, WHICH WOULD REMAIN UNAFFECTED.

12. THE IDEA OF SHARED USE OF GIBRALTAR AIRPORT COMPATIBLE WITH THE OPERATING REQUIREMENTS OF A MILITARY AIRFIELD IS ACCEPTABLE TO THE BRITISH SIDE. I AGREE WITH SR OREJA THAT, SO FAR AS CIVIL USE OF THE AIRPORT IS CONCERNED, THE REGIME GOVERNING SWISS AIRPORTS ADJOINING FRANCE, NOTABLY AT GENEVA (COINTRIN) CONSTITUTES A USEFUL EXAMPLE WHICH MIGHT WITH THE NECESSARY MODIFICATION BE APPLIED TO GIBRALTAR.

13. ADJUSTMENTS TO THE NATURE AND POSITION OF THE FRONTIER FENCE COULD BE CONSIDERED. THERE COULD BE SCOPE FOR MINOR REPOSITIONING, ALTERING SOME FEATURES OF THE PRESENT FENCE (EG REDUCTIONS IN HEIGHT) AND RENAMING FOR OFFICIAL PURPOSES (EG AIRPORT PERIMETER FENCE, RATHER THAN THE TERM 'FRONTIER FENCE' WHICH HAS COME TO BE GENERALLY EMPLOYED). THE NEED FOR AN AIRPORT PERIMETER FENCE WOULD REMAIN: THE SCOPE FOR REPOSITIONING THE FENCE WOULD BE SMALL. PUBLIC HEALTH REQUIREMENTS AND THE NEED TO PREVENT THE UNAUTHORISED MOVEMENT OF GOODS ARE ALSO RELEVANT. IF SIGNIFICANT AIRPORT FACILITIES WERE TO BE INSTALLED ON THE SPANISH SIDE FURTHER CONSIDERATION OF THIS QUESTION WOULD BE REQUIRED.

14. THE SUGGESTION THAT SPAIN MIGHT MAKE CIVIL USE OF THE PORT IS WELCOME IN PRINCIPLE. THIS WOULD SEEM TO BE A NATURAL COROLLARY OF DIRECT LINKS BETWEEN GIBRALTAR AND SPAIN: IT COULD BE PARTICULARLY RELEVANT IN THE CONTEXT OF WIDER COOPERATION FOR ECONOMIC DEVELOPMENT ON THE LINES SKETCHED BY SR OREJA ON 1 NOVEMBER.

15. SHOULD THE SPANISH GOVERNMENT WISH TO PROPOSE MILITARY USE OF THE AIRFIELD AND NAVAL BASE (INCLUDING THE DOCKYARD) ON AN OCCASIONAL COURTESY BASIS THE BRITISH GOVERNMENT WOULD HAVE NO OBJECTION IN PRINCIPLE. MORE EXTENSIVE USE OF MILITARY FACILITIES MIGHT BEST BE CONTEMPLATED IN THE CONTEXT OF SPANISH PARTICIPATION IN THE NORTH ATLANTIC

TREATY ORGANISATION, TO WHOSE REQUIREMENTS THE FACILITIES ARE PRIMARILY DEVOTED. THERE COULD BE SCOPE FOR PARALLEL MOVEMENT OVER THE TWO DEVELOPMENTS.

16. AS REGARDS WIDER CO-OPERATION OVER ECONOMIC DEVELOPMENT, THE BRITISH SIDE IS ENTIRELY IN FAVOUR AND WOULD BE PREPARED TO EXAMINE ANY SPECIFIC PROPOSALS IN A POSITIVE SPIRIT.

17. YOU SHOULD ADD ORALLY THAT I HAVE TRIED TO BE AS SPECIFIC AS POSSIBLE IN RESPONDING TO THE GENERAL IDEAS ADVANCED FROM THE SPANISH SIDE. I AM CONSCIOUS OF THE TIME CONSTRAINTS, PARTICULARLY IN THE EEC CONTEXT. I SUGGEST THAT SR OREJA SHOULD NOW REFLECT ON HOW I PROPOSE THAT HIS ORIGINAL IDEAS SHOULD BE DEVELOPED. THEREAFTER I SUGGEST THAT WE MIGHT MEET AGAIN TO DISCUSS THE SUBJECT IN FEBRUARY OR MARCH NEXT YEAR. I MIGHT WISH TO BE ACCOMPANIED BY GIBRALTARIAN REPRESENTATIVES AT SUCH A MEETING.

CARRINGTON

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PS/LPS

PS/PUS

MR BULLARD

MR FERGUSSON

MR MOBERLY

PS / No 1085

PS. Chancellor of Exchequer

PS / Lord President

PS / Lord Chancellor

PS / Home Secretary

PS / Defence Secretary

PS / Trade Secretary

PS / Sir Robert Armstrong



10 DOWNING STREET

From the Private Secretary

12 December 1979

Many thanks for letting me have the note which you have prepared on the Gibraltar Conference at Segovia. I look forward to reading it with interest and will seek an opportune moment to bring it to the Prime Minister's attention.

M. O'D. B. ALEXANDER

Hugh Thomas, Esq.

JS

Submitted to P.M.

Phunt 2/1

KBF

020
 Centre for Policy Studies

8 Wilfred Street • London SW1E 6PL • Telephone 01-828 1176 Cables: Centrepol London

12.XI.1979

Dear Michael

I thought you might be interested in a report I wrote about our Critterator conference

Yours ever

Hugh

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Founders: Rt Hon Mrs Margaret Thatcher MP • Rt Hon Sir Keith Joseph Bt MP

Prime Minister: Hugh Thomas left this
with me before Christmas. You may like to
glance through it.

THE GIBRALTAR CONFERENCE AT SEGOVIA, DECEMBER 1979

Note by Hugh Thomas
11th December 1979

Am 21

f.9.
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1. This conference was organised by the recently founded Spanish "Institute for International Questions". Present were British and Spanish politicians and dons, a few businessmen and some rather unrepresentative usually pro-Spanish Gibraltarians ("doves"). The conference was well-managed, except that, after the appointed hour at which the meeting was due to end, and after most of the British representatives (including myself) had already left for the airport in taxis pre-arranged by the conference staff, a foolish resolution calling for the opening of negotiations was (to my mind improperly) passed by acclamation.

2. The discussions at this conference revolved round the fairly obvious argument put forward by the British speakers that before any serious discussion could begin, the Spaniards would have to remove, or at least modify, the present restrictions; and the complementary demands from the Spaniards that "negotiations" ought to begin without preconditions.

Some Spaniards, however, including General Díaz Alegria, the president of the Institute, hoped that the frontier might be opened for Christmas: a point of view naturally strongly supported by the Gibraltarians. Something may come of this idea.

3. There was one sense in which this conference was a historic occasion since no such tripartite gathering had ever occurred before. On the other hand, it afforded several Spanish politicians, such as Fernando Morán, the socialist senator for Asturias, an all too good opportunity to insist that the question of Gibraltar had to be solved before there could be any question of Spain joining the North Atlantic Alliance (of which policy, Señor Morán is anyway an opponent).

4. It was also difficult to persuade even well-disposed Spaniards present that Britain's position is really determined by our obligations to the Gibraltarian population, which had voted so overwhelmingly in the referendum of 1967, in favour of maintaining the British link. The Spaniards thought these points merely a guileful justification for maintaining a long-term interest in the Rock for strategic reasons.

5. I also tried unsuccessfully to argue that the present restrictions on access, as well as the extremely unpleasant face that the Spaniards have shown to Gibraltar, were all a part of the legacy of General Franco's days. On this subject, the Spaniards showed that continuity in foreign policy between the old and the present regime was almost absolute.

6. The most important point made by the Spaniards seemed to be one which stressed that, whether or no the British had global strategic reasons any more for maintaining Gibraltar, they, the Spaniards, had a legitimate concern for their own security (which we had neglected ^{allegedly} ~~already~~), in the light of possible changes in the military balance in Morocco and North Africa. This was the best of the Spanish arguments and it was quite refreshing to hear, for the first time, serious discussion of real strategic questions by responsible Spanish officers.

7. Four other points are worth mentioning:-

- (i) several Spaniards, including one who read a paper (Professor Campos), said that the people in the area of the Campo de Gibraltar (the immediate hinterland of the Rock) were convinced that nuclear weapons are held at Gibraltar. They argued that this could risk a nuclear explosion and hence loss of life in the zone. I suspect that we have not heard the last of this argument;
- (ii) one Gibraltarian, Tito Benody, said to me privately on several occasions that, if there were ever any consideration by us of a change in the status of Gibraltar, before or after the entry of Spain into the European Economic Community or of NATO, he and all other "doves" (and, of course, all others) would try and insist that the autonomous status, which Spain

has been known for years to be willing to contemplate, should be concerned specifically with them and not considered as one historic act merged in the Campo de Gibraltar.

This is a natural preoccupation for them; La Linea now has a population of 60,000 opposed to Gibraltar's 25,000 or so. This side to the problem might be further complicated when Andalusia (of which the Campo de Gibraltar is, of course, a part) has its own autonomous government. It will probably be a socialist government and perhaps one explicitly hostile to NATO;

(iii) as usual when talking with Spaniards over the past year, Spanish entry into the Community was taken for granted, and thought to be generally desirable (all the Spaniards looked pained when John Roper MP suggested that Britain would hardly be able to give unstinted support to the idea of Spanish entry if the restrictions at the Gibraltarian frontier were maintained*). At the same time all thought that entry into NATO would be a more difficult matter. Most Spaniards think of the idea of joining NATO as something plainly to be in the interests of the other members of the Alliance but have not been persuaded

*And even more when it was rather brutally suggested that Britain might be tempted to raise the question of the restrictions at the Madrid meeting on European security.

that it would be a good way of guaranteeing Spain's own security - perhaps better than the US-Spanish alliance. Aldofo Suárez has made evident that he could not contemplate pressing the question of Spain's membership of NATO till after the conference on European security; even so the opponents of Spanish entry are on the warpath; this is one of the many issues where the Soviet Union and the Spanish communist party see eye to eye. I suppose that it can be assumed that the present Spanish government will have the stomach for the fight which this policy will entail but there are one or two danger signs. (The kidnapping of Javier Rupérez, still kept in presumably brutal confinement after a month, may have some connection with this, for Señor Rupérez, as a foreign policy advisor of Señor Suárez, as well as deputy, must be expected to know what is in the Prime Minister's mind on these questions.) In the debate over Spanish entry into NATO, the question of Gibraltar will certainly be constantly brought up and I suspect that the Spaniards will, one day, start talking seriously to the other allies on the subject of the inter-connection. One of the military persons present at the conference said that most Spaniards would not understand the idea of having an alliance with a country which occupied what they regard as a part of Spain,

(iv) the British rather lightly touched the question of ~~Ceuta~~^{Ceuta} Melilla and the other small Spanish possessions off North Africa but there was not much discussion of them, though it was quite a good idea to show that we knew of those matters.

8. My own contribution to the general debate which occurred in the last day of the conference was to press for the abolition of the restrictions as soon as possible, the formation of a deliberate policy by Spain to be friendly to Gibraltarians and to try thereafter and win their case for recapturing Gibraltar by argument and debate. If a majority of Gibraltarians clearly wanted to join Spain, I doubted whether any British government would stand in their way though Spanish entry into NATO, and perhaps agreement on a jointly operated NATO base, would make that more likely still.

12 DEC 1979



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Gibraltar

GPS 370A

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TO IMMEDIATE FCO

TELNO. 357 OF 7 DECEMBER 1979.

INFO ROUTINE GIBRALTAR (PERSONAL FOR GOVERNOR).

Prime Minister

11.12.

mb

KIPT

GIBRALTAR

1. OREJA TOLD ME RECENTLY THAT HE DID NOT WELCOME HAVING TO MAKE A SPEECH ON GIBRALTAR AT THIS MOMENT. HE REMINDED ME OF HIS PREVIOUS REMARKS ABOUT INCREASING PARLIAMENTARY PRESSURE HERE AND SAID THAT, WITH NO PROGRESS TO REPORT SINCE HIS MEETING WITH YOU LAST SEPTEMBER, HE COULD ONLY SET OUT THE HISTORY OF THE CASE IN TERMS WHICH MIGHT SEEM TO US UNHELPFUL. HE WAS HOWEVER AS KEEN AS EVER TO GET MOVEMENT INTO THE SITUATION AFTER FURTHER DISCUSSION WITH YOU.

2. HIS SPEECH IS LARGELY A TOUGH REHEARSAL OF THE STANDARD SPANISH DEFENCE FOR CLOSING AND KEEPING CLOSED THE FRONTIER, AND FOLLOWS THE OLD CASTIELLA LINE. ON THE OTHER HAND, THERE ARE ALSO NUMEROUS SIGNALS OF OREJA'S PERSONAL READINESS TO APPROACH THE PROBLEM NOW WITH AN OPEN MIND, AND A POINTED REFERENCE TO THE FLEXIBILITY, IMAGINATION AND NEGOTIATING ABILITY BRITAIN HAS SHOWN OVER RHODESIA, AS WELL AS THE ADMISSION THAT THE GIBRALTARIANS HAVE INTERESTS WHICH MUST BE APPROPRIATELY SAFEGUARDED. THERE IS ALSO PUBLIC RECOGNITION THAT THE BRITISH GOVERNMENT TOO APPROACHES THE GIBRALTAR ISSUE IN A CONSTRUCTIVE SPIRIT AND IS WILLING TO MAKE PROGRESS.

3. MY READING OF THIS SPEECH, THEREFORE, IS THAT IT WAS PRIMARILY DESIGNED FOR THE DOMESTIC GALLERY WITH THE AIM OF GUARDING THE SPANISH GOVERNMENT AGAINST CHARGES OF INACTIVITY AND POSSIBLE APPEASEMENT. IN DOMESTIC POLITICAL TERMS HERE, IT WOULD HAVE BEEN DIFFICULT FOR HIM TO SAY LESS. I DO NOT THINK IT REPRESENTS ANY CHANGE IN OREJA'S BASIC POSITION OF WANTING TO FIND A WAY OF EASING THE PROBLEM.

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4. WE HAVE ALSO BEEN ABLE TO GET HOLD OF THE TEXT OF SUPPLEMENTARIES PREPARED FOR CREJA (TRANSLATION BY BAG) WHICH GIVE THE SPANISH GROUNDS FOR CLAIMING THAT THE BORDER RESTRICTIONS ARE COMPATIBLE WITH BOTH THE SPIRIT AND THE LETTER OF THE TREATY OF ROME, CITING MEMBER STATES' RIGHT TO CONTROL AND DESIGNATE THE POINTS OF ENTRY INTO THEIR TERRITORY (5 THOUSAND GIBRALTARIANS ARE SAID TO SPEND THEIR SUMMER HOLIDAYS IN SPAIN). A FURTHER PREPARED SUPPLEMENTARY CLAIMS THAT GIBRALTARIAN ATTENDANCE ANNUALLY AT THE ALGECIRAS FAIR PROVES THAT SPAIN IS NOT IN BREACH OF THE HELSINKI FINAL ACT.

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TO PRIORITY FCO

TELEGRAM NUMBER 307 OF 1 NOVEMBER 1979

REPEATED INFO GOVERNOR GIBRALTAR (PERSONAL)

Prime Minister

②
SOT Duty Clerk
17 MODBA
6.11.79

YOUR TELEGRAM NO 213: GIBRALTAR.

1. I SAW OREJA ALONE THIS MORNING AND WE TALKED FOR MORE THAN AN HOUR.
2. I SAID THAT HE ALREADY KNEW THAT YOU ENVISAGED SOME DELAY BEFORE THE NEXT MEETING ON GIBRALTAR BUT THAT YOU HAD WANTED ME TO EXPLAIN TO HIM PERSONALLY THE PROBLEM IN RELATION TO THE GIBRALTAR ELECTIONS AND TO YOUR OWN INVOLVEMENT WITH THE RHODESIA CONFERENCE. I MADE ALL THE POINTS IN YOUR TUR.
3. OREJA REPLIED THAT THE SPANISH SIDE HAD WAITED A LONG TIME TO GET TO GRIPS WITH THE GIBRALTAR PROBLEM IN DETAILED DISCUSSION WITH US AND COULD WAIT A BIT LONGER. HE WAS HOWEVER BECOMING INCREASINGLY WORRIED ABOUT PARLIAMENTARY AND PUBLIC OPINION HERE. IN THIS RESPECT THE ISSUE HAD BEEN FAIRLY QUIET DURING THE PAST TWO YEARS BUT PRESSURE WAS MOUNTING AGAIN. THE PRESIDENT OF THE SENATE WAS HAVING TO SCHEDULE A DEBATE ON GIBRALTAR BEFORE TOO LONG AND IT COULD PROBABLY NOT BE PUT OFF BEYOND DECEMBER. THE MAYOR OF SAN ROQUE HAD RECENTLY BEEN TO SEE HIM (OREJA) TO URGE ACTION TO EASE THE PROBLEM. THE POLITICAL PARTIES IN ANDALUSIA (ESPECIALLY PSA AND PSOE) WERE ALSO ACTIVE. ALL THIS PUT PRESSURE ON THE GOVERNMENT AND IF NOTHING WAS SEEN TO BE HAPPENING LED TO ACCUSATIONS THAT THEY HAD NO POLICY. OREJA WANTED TO MAINTAIN THE COURSE OF ACTION OUTLINED TO YOU IN NEW YORK AND DID NOT WANT TO BE PUT UNDER PRESSURE TO CHANGE COURSE.
4. OREJA THEN REPEATED HIS IDEAS FOR PROGRESS UNDER THREE AREAS:
 - A) PRACTICAL COOPERATION OVER THE AIRPORT, PORT, DOCKYARD AND BASE. DETAILED DISCUSSIONS ON THESE PRACTICAL MATTERS SHOULD IF POSSIBLE BE INTENSIFIED.

B) JOINT ECONOMIC DEVELOPMENT IN THE AREA. HE HAD ASKED A GREAT FRIEND OF HIS PEDRO SCHWARTZ (WELL KNOWN TO THIS EMBASSY AND CONNECTED WITH THE LONDON SCHOOL OF ECONOMICS) TO MAKE STUDIES FOR HIM.

C) PATTERNS OF AUTONOMY. HE WOULD BE LOOKING FOR IDEAS WHICH WE COULD PERHAPS FLOAT WITH THE GIBRALTARIANS AND WHICH THEY COULD PUT BACK TO THE SPANIARDS AS THEIR OWN PROPOSALS. THE EXTENT OF AUTONOMY SHOULD BE AS WIDE AND GENEROUS AS POSSIBLE. THE IDENTITY OF THE GIBRALTARIANS MUST BE RESPECTED.

5. OREJA SAID THAT THIS LEFT THE QUESTION OF TERRITORIAL STATUS. FOR HIS PART HE UNDERSTOOD THAT WE WOULD ALWAYS HAVE TO ASK THE GIBRALTARIANS BEFORE THERE COULD BE ANY CHANGE THOUGH HE MIGHT NOT BE ABLE TO SAY SO PUBLICLY OR QUITE SO SPECIFICALLY.

6. TO GET PROGRESS RUNNING IT WAS NECESSARY TO HAVE A PUBLIC DECLARATION OR PERHAPS TWO PARALLEL DECLARATIONS WHICH WOULD PERMIT THE LIFTING OF RESTRICTIONS FOR EXAMPLE IN RELATION TO THE AIRPORT. HE REALISED THAT THESE DECLARATIONS COULD NOT MENTION SOVEREIGNTY.

7. THE FORGOING APPEARS VERY SIMILAR TO WHAT HE SAID TO YOU IN NEW YORK. BUT IT SEEMED WORTH REPORTING IT IN DETAIL AS CONFIRMATION OF OREJA'S OWN POSITION.

8. OREJA THEN SAID THAT HE GREATLY HOPED THAT WE COULD PROCEED ON THIS BASIS. IT WOULD BE EASY, FOR EXAMPLE FOR THE SPANIARDS TO CHANGE TACTICS AND TO START A PROPAGANDA ATTACK AGAINST THE PRESENCE OF THE BASE IN GIBRALTAR. HE COULD WELL COME UNDER PRESSURE TO DO THIS. BUT THIS WOULD COMPLICATE THE FUTURE NEGOTIATIONS OVER THE US/SPANISH DEFENCE ARRANGEMENTS AND POSSIBLY SPAIN'S ENTRY INTO NATO. HE HIMSELF WAS IN FAVOUR OF BASES INCLUDING THE PRESENT AMERICAN ONES ON SPANISH TERRITORY. IT WAS ALSO HIS FIRM POLICY THAT SPAIN SHOULD ENTER NATO AFTER

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● THE 1987 CSCE CONFERENCE BUT DURING THE LIFE OF THE PRESENT GOVERNMENT. HE AND THE MINISTER OF DEFENCE HAD RECENTLY HAD A MEETING WITH SPANISH ARMY OFFICERS AND HE HAD BEEN ASTONISHED BY THEIR VERY FIRM POSITION. THEY HAD SAID THAT IT WAS IMPOSSIBLE FOR SPAIN TO CONTEMPLATE NATO MEMBERSHIP IF THE GIBRALTAR PROBLEM WAS NOT (NOT) ON THE WAY TO SOLUTION. OREJA FELT THAT A NUMBER OF IMPORTANT STRANDS OF SPANISH FOREIGN POLICY WERE THUS COMING TOGETHER (HE REFERRED ALSO TO EEC MEMBERSHIP) AND HE HOPED THAT WE WOULD SEE IT IN THIS LIGHT TOO. GIBRALTAR WAS NO LONGER AN ISSUE OF RELATIVELY MINOR IMPORTANCE IN TERMS OF PARLIAMENTARY AND PUBLIC OPINION OR IN TERMS OF ITS RELEVANCE TO SPANISH FOREIGN POLICY AS A WHOLE.

9. I SAID THAT YOU DEFINITELY WANTED TO FIND A WAY FORWARD (OREJA HAD PREVIOUSLY REPEATED HIS FREQUENT QUERY AS TO WHETHER BRITAIN REALLY WANTED TO RESOLVE THE PROBLEM OR NOT). WE WERE NOT WASTING TIME BUT STUDIES OF THE VARIOUS PROPOSALS RAISED BY HIM IN NEW YORK WERE BEING CARRIED OUT.

10. OREJA THEN SAID THAT HE WOULD LIKE TO THINK THAT THERE COULD BE SOME FURTHER PREPARATION DURING THE NEXT TWO MONTHS BEFORE I LEFT MADRID. COULD I, FOR EXAMPLE, HAVE DETAILED DISCUSSIONS ON SOME ASPECTS OF THE PROBLEM WITH SAY DURAN, CUENCA AND CARRILLO. THE LATTER'S INVOLVEMENT DID NOT IMPLY A JURIDICAL APPROACH. HE WAS IN FACT ONE OF OREJA'S OLDEST FRIENDS AND HIS SPEECH WRITER RATHER THAN LEGAL ADVISER. I SAID THAT THERE WAS THE PROBLEM OF BRINGING THE GIBRALTARIANS ALONG. WE DID NOT WANT TO MISLEAD THE SPANISH SIDE AND NEEDED TO CONSULT THE GIBRALTARIANS BEFORE WE COULD PUT MORE PRECISE SUGGESTIONS. I WAS NOT SURE WHETHER THIS WOULD BE POSSIBLE DURING THE RUN UP TO THE GIBRALTARIAN ELECTIONS. YOUR IDEA WAS TO HAVE A MEETING QUOTE AT THE TURN OF THE YEAR UNQUOTE, THAT I SHOULD FEED IN SOME IDEAS FIRST AND THAT THEY SHOULD BE DISCUSSED WITH THE GIBRALTARIANS IN ADVANCE. THE TIMING OF ALL THIS DEPENDED TO SOME EXTENT ON THE DATE OF THE GIBRALTARIAN ELECTIONS AND CAMPAIGN: BUT I WOULD REPORT WHAT HE SAID.

11. AS REGARDS THE STATE VISIT AND FOR MY GENERAL COMMENTS SEE MY TWO MIFTS.

ACLAND

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EID (E)

1987/001: PS/PS

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SAND

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SIA S GRAMM

MR GULLARD

MR FERGUSON

S/S Home Office e.g. P.M.

Lord Chancellor

S/S Trade

PS Defence

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Gibraltar

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TO PRIORITY FCOO

TELEGRAM NUMBER 1102 OF 24 SEPTEMBER

INFO PRIORITY MADRID GIBRALTAR (PERSONAL FOR GOVERNOR)

(2)

FOLLOWING FROM SECRETARY OF STATE

GIBRALTAR

ans *Prime Minister* *Ans - 26/9*

1. I SAW THE SPANISH FOREIGN MINISTER FOR 45 MINUTES TODAY. HE WAS ACCOMPANIED BY A LEGAL EXPERT DR CARVILLO, AND BY SR CUERIA HIS PRIVATE SECRETARY. AFTER PRELIMINARY REMARKS ON OTHER SUBJECTS (SEE MY TWO IFTS) OREJA EXPLAINED THAT HE AND HIS GOVERNMENT AND PARTY WERE RESOLVED TO BRING SPAIN INTO THE COMMUNITY BY 1 JANUARY 1983 AND INTO NATO IN ROUGHLY THE SAME TIME FRAME. I SAID THAT IN MY VIEW THIS WAS SPAIN'S RIGHTFUL PLACE AND WE WOULD DO ALL WE COULD TO HELP HER ASSUME IT.

2. TURNING TO GIBRALTAR, I SAID THAT WE WERE BOTH IN DIFFICULT POSITIONS. FOR BRITAIN THE STARTING POINT WAS THE WISHES OF THE GIBRALTARIANS, AND THESE WERE NOT LIKELY TO CHANGE SO LONG AS THE SITUATION ON THE BORDER REMAINED AS IT WAS: THE KEY THUS RESTED IN OUR EYES WITH SPAIN. FOR SPAIN, I GATHERED, IT WOULD BE IMPOSSIBLE TO REMOVE THE RESTRICTIONS WITHOUT SOME POLITICAL ADVANCE. SPAIN'S PROGRESS TOWARDS ENTRY INTO THE COMMUNITY MADE IT NECESSARY TO SEEK A WAY OUT: BUT AT THE MOMENT I FOUND IT DIFFICULT TO SEE WHAT THIS COULD BE. I ASKED WHETHER OREJA HAD ANY IDEAS.

3. OREJA REPLIED THAT THE SAME IMAGINATION SHOULD BE APPLIED TO THIS SUBJECT AS HAD BEEN BROUGHT TO BEAR ON EG THE PROBLEMS OF THE PANAMA CANAL AND RHODESIA. THE APPROACH SHOULD BE POLITICAL, NOT JURIDICAL. MISTAKES HAD PERHAPS BEEN MADE IN THE PAST, BUT THE CLOCK COULD NOT BE PUT BACK. OREJA SUGGESTED THAT THERE SHOULD BE PARALLEL BUT NOT NECESSARILY SIMULTANEOUS DECLARATIONS. SPAIN WOULD DECLARE ITS INTENTION TO PUT AN END TO WHAT BRITAIN CALLED THE RESTRICTIONS ON THE BORDER WITH GIBRALTAR. BRITAIN WOULD DECLARE HER WILLINGNESS TO NEGOTIATE ON QUESTIONS CONNECTED WITH GIBRALTAR AND ALSO ON, FOR EXAMPLE, QUOTE TERRITORIAL STATUS UNQUOTE. (OREJA REALISED THAT THE WORD QUOTE SOVEREIGNTY UNQUOTE COULD NOT BE USED). BRITAIN COULD ALSO, IF WE

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/WISHED

WISHED, DECLARE THAT SHE COULD MAKE NO CHANGE WITHOUT THE AGREEMENT OF THE PEOPLE OF GIBRALTAR.

4. AS OREJA SAW IT, THESE DECLARATIONS WOULD OPEN THE WAY TO A BREAK-THROUGH. SPAIN WOULD THEN BE ABLE TO LIFT RESTRICTIONS ON THE BORDER, PROVIDED THAT BRITAIN ALSO REMOVED THE FENCE. BRITAIN AND SPAIN COULD PERHAPS SHARE USE OF THE AIRPORT, OR ESTABLISH A REGIME LIKE THAT GOVERNING THE SWISS AIRPORTS ADJOINING FRENCH TERRITORY. THERE COULD BE JOINT USE OF THE GIBRALTAR BASE, PORT AND DOCKYARD. OREJA EMPHASISED THAT SPAIN RESPECTED THE IDENTITY OF GIBRALTAR AND HAD NO WISH TO DAMAGE IT: AS THE BASQUE AND CATALAN EXAMPLES HAD SHOWN, THE SPANISH CONSTITUTION MADE IT PERFECTLY POSSIBLE TO RECOGNISE REGIONAL IDENTITIES AND EVEN NATIONALITIES.

5. AS TO PROCEDURE, OREJA SAID IT WAS EASY ENOUGH FOR US TO MEET LIKE THIS IN NEW YORK, BUT ANY SPECIAL MEETING, WITH ATTENDANT PUBLICITY, MIGHT MERELY DO HARM. HE SUGGESTED A MEETING AT THE NEXT SESSION OF THE COUNCIL OF EUROPE ON 22 NOVEMBER.

6. I SAID THAT I WOULD LIKE TO THINK ABOUT OREJA'S SUGGESTIONS AND BUILD ON THEM. I EMPHASISED THE BRITISH DESIRE TO SETTLE THE PROBLEM IN AN AMICABLE WAY. IT WOULD BE VERY DIFFICULT INDEED FOR BRITAIN TO ANNOUNCE TALKS WITH SPAIN WHICH INCLUDED SOVEREIGNTY AS SUCH: NOT ONLY THE GIBRALTARIANS, BUT MANY IN THE BRITISH PARLIAMENT, WOULD CALL THIS A SELL-OUT. WE COULD PERHAPS DEVISE A FORMULA WHICH EXCLUDED SOVEREIGNTY, FOR THE TIME BEING AT LEAST. OREJA SAID THAT HE WOULD LIKE TO SEE A FORMULA WHICH NEITHER EXCLUDED SOVEREIGNTY NOR INCLUDED IT.

7. I SAID THERE COULD BE NO QUESTION OF TALKING TO SPAIN BEHIND THE BACKS OF THE GIBRALTARIANS, I ASKED ABOUT SPANISH CONTACTS WITH GIBRALTAR: IT WAS A QUESTION NOT JUST OF SPAIN SPEAKING TO SIR J HASSAN, WHICH OREJA INDICATED HE HAD IN MIND, BUT OF SPAIN FINDING WAYS TO INFLUENCE PUBLIC OPINION IN GIBRALTAR IN SUCH A WAY THAT HASSAN WOULD TAKE ACCOUNT OF IT.

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8. THE CONVERSATION ENDED ON THE NOTE THAT CONTACT COULD BE CONTINUED BETWEEN OFFICIALS FROM THE TWO SIDES. I SAID THAT SO FAR AS I WAS CONCERNED THIS WOULD BE THROUGH SIR A ACLAND.

9. WE AGREED THAT IF QUESTIONED BY THE PRESS WE SHOULD BE GUIDED BY THE LINE IN MY THIRD IFT.

PARSONS

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PS

PS/HPS

PS/PUS

SIR A. DUFF

MR BULLARD

MR FERLUSON

LORD N. G. LENNOX

COPIES TO:

~~PS/PRIME MINISTER'S~~ OFFICE

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PS/S OF S DOT

PS/LORD PRESIDENT OF THE COUNCIL

PS/CHANCELLOR OF THE EXCHEQUER

PS/LORD CHANCELLOR'S OFFICE

PS/THE HOME SECRETARY

Gibraltar

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10 DOWNING STREET

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From the Private Secretary

10 September 1979

GIBRALTAR

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute of 6 September on this subject. She has made no comment.

I am sending copies of this minute to the Private Secretaries to the other members of OD and to Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

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TMP



PRIME MINISTER

PM/79/75

Gibraltar

1. I am most grateful for your approval (recorded in your Private Secretary's letter of 14 August) and that of other OD colleagues for the broad approach to the Gibraltar problem outlined in my minute of 13 August. Unless I receive comments to the contrary, I propose to proceed on this basis. Meanwhile, a number of points have been raised which call for comment.

2. First, I might repeat my underlying thinking. This is that it is not in the UK's broader interests to have a major quarrel with Spain over Gibraltar. The Spaniards are certainly on a hook; the rational and sensible course for them would be to get themselves off it by lifting the restrictions and beginning to woo the Gibraltarians. We shall press them to do this - but with not much hope of success. Our best assessment is that their own public opinion will not let them and that for us to insist upon this course would lead us not to a solution but to further quarrels. For the UK to sit back in such circumstances could lead to serious damage to our wider EEC interests and our bilateral trading interests (particularly in such areas as large scale arms sales, when the Gibraltar problem has done much to inhibit our chances in a promising market). Aid to Gibraltar would have to be continued at a substantial level - possibly, in view of the rundown nature of the territory's economy and infrastructure, increased.

3. We must, therefore, for our own national reasons, be prepared to help the Spaniards. Of course the basic political point is that our guarantee to the Gibraltarians on sovereignty is absolute until they release us from it. On the other hand this does not exclude political talks, including talks about sovereignty, with full safeguards. In view of the wider interests at stake, I do not think that we should be unwilling to move if the Gibraltarians are willing to do so.

/4. Nothing



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4. Nothing may come out of these talks. But the mere fact of offering them, combined with an offer to introduce legislation on the lines suggested in paragraph 6 of my earlier minute, would be concrete signs of good faith on our part which would help the Spaniards to explain to their public opinion any "concessions" they might make.

5. John Nott argued in his letter of 20 August that the Spain/EEC negotiation may give us a lever to get the restrictions lifted. I am not so sure. The EEC point cuts both ways: in particular it would give the French (for whom Spanish membership of the EEC poses serious economic difficulties) an opportunity to hold up the accession negotiations while putting the blame for the delay on the UK. Moreover the removal of the restrictions by itself, however welcome, would be only a partial solution; an overall understanding would still be necessary. This is what the political talks would aim to achieve. But there should be no doubt about the strength of the British commitment to the Gibraltarians.

6. You raised the question of the Treaty of Utrecht. Your understanding that Gibraltar would, under the Treaty, revert to Spain if Britain ever wished to alienate sovereignty is quite right. What I had meant, however, by the reference in paragraph 4 of my minute of 13 August, was that it was the legal incompatibility of the restrictions, with the obligations Spain would assume as a member of the EEC, which was not clear cut. That a continuation of the present situation would be politically unacceptable is of course self-evident.

7. I am copying this minute to other members of OD and to Sir John Hunt.

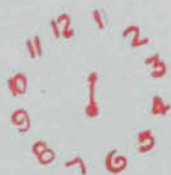
C

(CARRINGTON)

Foreign and Commonwealth Office
6 September 1979

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-6 SEP 1979



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Gibraltar



Civil Service Department
Whitehall London SW1A 2AZ
01-273 4400

4 September 1979

George Walden Esq
Private Secretary to the
Foreign and Commonwealth Secretary
Foreign Office
LONDON SW1A 2AH

NBPN

Plans 4/5

Dear George,

GIBRALTAR.

The Lord President has seen Lord Carrington's minute of 13 August to the Prime Minister and the further correspondence on this subject. He takes the view that it will be a mistake for internal political purposes to go further at this stage than we can carry the Gibraltarian leaders with us.

Copies of this go to Michael Alexander at Downing Street, Private Secretaries to the other members of OD and to Martin Vile in Sir John Hunt's office.

Yours sincerely,
Jim Buckley.

J BUCKLEY
Private Secretary

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4 SEP 1979



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Gibraltar



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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FOREIGN AND COMMONWEALTH SECRETARY

GIBRALTAR

*NSPM
GJM
28/8*

I am content with the proposals for discussions with the Spanish Foreign Minister which you outlined in your minute of 13th August to the Prime Minister.

2. I know that I do not need to elaborate to you the importance of Gibraltar for our defence interests, especially in support of NATO. Gibraltar's strategic position with its harbours and airfield makes it an extremely valuable base particularly for maritime surveillance and the control of the Strait in tension and war, and obviously the airfield is also critical for the reinforcement of Gibraltar itself.

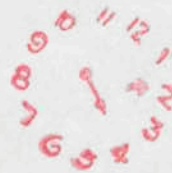
3. I am sending a copy of this minute to the Prime Minister and to the other recipients of yours.

28th August 1979

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28 AUG 1979



FROM THE PRIVATE SECRETARY

Gibraltar



HOUSE OF LORDS,
SW1A 0PW

24 August 1979

Dear George,

*NJPM
GJM
25/8*

The Lord Chancellor has seen a copy of the Foreign and Commonwealth Secretary's minute to the Prime Minister about Gibraltar dated 13 August 1979, and also copies of the ensuing correspondence.

The Lord Chancellor agrees with the comments made by the Secretary of State for Trade in his letter to the Foreign and Commonwealth Secretary of 20 August. He thinks that the political implications at home of talks about "a new political status" would be not inconsiderable, both in the Conservative party and with the general public. He believes the only way to make progress on this issue is for the Spanish Government to start wooing the Gibraltarians, and that in any talks with the Spanish we ought to make this plain to them.

I am sending copies of this letter to the Private Secretaries to the Prime Minister, the other members of OD and Sir John Hunt.

*Yours sincerely
Ian Maxwell*

I H MAXWELL

G G H Walden Esq
Private Secretary to the
Secretary of State for Foreign Affairs
Foreign and Commonwealth Office
Downing Street
LONDON

SW1A 2AL

20 AUG 1979



Gibraltar

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DEPARTMENT OF TRADE

1 VICTORIA STREET LONDON SW1H 0ET

Telephone 01-215 7877



From the Secretary of State

WJH
GJH
21/8

The Rt Hon Lord Carrington PC KCMG MC
Secretary of State for
Foreign Affairs
Foreign and Commonwealth Office
Downing Street
LONDON
SW1

20 August 1979

Dear Secretary of State

Thank you for sending me a copy of your minute of 13 August to the Prime Minister about Gibraltar. I have also seen a copy of the reply from Number 10 dated 14 August.

I have no objection to the broad approach that you propose to follow on this but I am more than a little concerned, in a political sense, about "the initiation of talks about a new political status" with the British Government undertaking to introduce legislation which would come into effect only when the people of Gibraltar had signified agreement by referendum. What does this mean?

Since as you say opinion in Gibraltar about a change in status is unlikely to be favourable for many years, will not the proposals create suspicion and acrimony in Parliament and in this country for little gain? Are we not now in an extremely strong position to argue for the restoration of Gibraltar's links with Spain as part of the EEC negotiation, without giving away in return talks on a new political status? There is nothing that causes more annoyance in the country than a hint that HMG is resiling, albeit delicately, from support for small but

Contd...



From the Secretary of State

loyal friends of Great Britain. The Falkland Islands and Gibraltar are particular cases in point. I do not think this issue is a case for diplomacy but for standing firm.

I would certainly not wish to delay any action on the matter but I also think we should be clear at the outset just what we mean by a new political status.

I am sending copies of this letter to the Prime Minister, other members of OD and to Sir John Hunt.

Yours sincerely

J Nott

JN

JOHN NOTT

(approved by the Secretary of State
and signed in his absence)

20 AUG 1979



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HO
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LSD

TRADE
CO
Gibraltar

10 DOWNING STREET

From the Private Secretary

14 August 1979

GIBRALTAR

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute (PM/79/71) of 13 August about Gibraltar.

Subject to the views of her colleagues in OD, the Prime Minister agrees with the approach to further negotiations on Gibraltar which Lord Carrington outlines in his minute.

The Prime Minister has noted the statement in paragraph 4 of the minute that "The legal position is by no means clear cut": she has commented that her impression had been that the legal position is indeed clear cut, namely that under the Treaty of Utrecht Gibraltar reverts to Spain if it ceases to be British.

I am sending copies of this letter to the Private Secretaries to the other members of OD and to Martin Vile (Cabinet Office).

B. G. CARTLEDGE

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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PM/79/71

PRIME MINISTER

Gibraltar

Prime Minister

Agree with his approach,
subject to colleagues'
views?

Yes
13/8

1. I have been reviewing policy over the Gibraltar problem in advance of a first meeting with the Spanish Foreign Minister in September. The Lord Privy Seal visited the colony on 15 - 17 July for consultations and to gauge Gibraltarian opinion.
2. The talks with Spain initiated by our predecessors were held with Gibraltarian participation at both Ministerial and technical level. They petered out last December with little result. It was clear that the Spaniards would not willingly lift the main restrictions on Gibraltar without British agreement to political talks, not excluding discussion of sovereignty.
3. In Gibraltar the Lord Privy Seal confirmed the commitment that the people of Gibraltar would not pass under the sovereignty of another state against their freely and democratically expressed wishes. Moreover he repeatedly emphasised that, although there was no formal link between restrictions on Gibraltar and Spanish accession to the European Community, it was inconceivable that a border between two parts of EEC territory could remain closed: restrictions should be lifted before the crucial stage of the negotiations was reached. Gibraltar leaders stressed that the commitment over sovereignty was for them the crucial issue. They were willing to see talks with Spain resumed without pre-conditions but hoped to be consulted closely.
4. If the main Spanish restrictions on Gibraltar are maintained, we shall have to raise the issue during the negotiations for Spain's accession to the EEC. The opportunity to do so is likely to occur before the end of this year. The legal position is by no means clear cut but our contention would be that restrictions would be incompatible with the obligations Spain would assume over the free movement of people and goods. Unless the Spanish gave way, this would complicate the negotiations; relations with Spain and commercial interests there might be damaged. The French

I thought it was mainly under the Treaty of Utrecht & Gibraltar which seems to be British, it would revert to Spain.

/ might



might secretly welcome a delay but our other partners would be looking to both sides to make a genuine effort, in parallel with the Spain/EEC negotiation, to reach an accommodation over Gibraltar.

5. The continuation of the restrictions is bad for Gibraltar, which is running down. The Spain/EEC negotiation, if exploited skilfully, offers the best prospect we shall have in the foreseeable future to put Spain under sufficient pressure to get the restrictions lifted and reach an overall understanding.

6. The obvious way forward would be for Spain to lift the restrictions and start to woo the Gibraltarians while British aid (to which we are committed as part of the "support and sustain" commitment while the restrictions are maintained) was wound down. I intend again to press Senor Oreja to adopt this course and to stress that there can be no going back on the commitment to respect Gibraltarian wishes over sovereignty: democratic Spain must accept that. But the Spaniards are unlikely to move unilaterally. I therefore would see advantage, in order to avoid the EEC complication and wider damage to British interests in Spain, in exploring with Senor Oreja whether a package approach might be possible whereby the restrictions could be gradually lifted and political talks initiated without compromising the commitment on sovereignty. The sort of package which I envisage is the phased restoration of Gibraltar's links with Spain and the initiation of talks about a new political status, with the British Government undertaking to introduce legislation which would come into effect only when the people of Gibraltar had signified their agreement in a referendum. To judge by the present state of opinion in Gibraltar, any such agreement to a change of status by the Gibraltarians is unlikely for many years.

7. If a solution along some such lines seemed feasible, it would be necessary to put more detailed proposals to Gibraltar leaders before any formal negotiation with Spain was initiated; Gibraltarian participation in at least some phases might again be desirable. The Chief Minister and his colleagues would dislike the whole idea: they are very nervous about any early move on the

/ sovereignty



sovereignty issue until the restrictions have been lifted for long enough for their own public opinion to evolve. Although they agree to talks without preconditions, they would evidently prefer that no sort of initiative was taken beyond threatening to veto Spanish entry to the EEC. But the present impasse suits neither us nor the Gibraltarians. Important British and European issues are at stake ; and so long as we continue to make it clear that the decision over any change in sovereignty remains for the Gibraltarians, I believe that we should have a good defence, in Parliament and in public, for the course which I advocate exploring.

8. I should be grateful to know whether you and our colleagues on OD agree that I should be guided by the foregoing when I meet Senor Oreja on 24 September.

9. I am copying this minute to other members of OD and to Sir John Hunt.

C

(CARRINGTON)

Foreign and Commonwealth Office

13 August 1979

13 AUG 1979



