

5
807

PREM 19/770

PART TWO

SECRET

Confidential file

Policy towards Gibraltar.

closure of Gibraltar Dockyard.

GIBRALTAR.

Part 1: July 1979

Part 2: February 1982.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
23-2-82.		1-10-82					
25-3-82		11-10-82.					
31-3-82							
10-4-82		21-10-82					
20-4-82		22-10-82					
21-4-82		25-10-82					
30-4-82		27-10-82					
1-6-82		28-10-82					
4-6-82		3-11-82					
7-6-82							
10-6-82		28-10-82					
24-6-82							
30-6-82		- GDS -					
2-7-82							
5-7-82							
8-7-82							
12-7-82							
23-7-82							
29-7-82							
4-8-82							
6-8-82							

PREM 19/770

PART 2 ends:-

OCTOBER 1982

PART 3 begins:-

NOVEMBER 1982



Gibraltar
CC MED
CO
HU
29

10 DOWNING STREET

From the Private Secretary

28 October 1982

SECRET AND PERSONAL

Spain/Gibraltar

DK
Thank you for your letter of 27 October on this subject. The Prime Minister has noted the precautions which we are taking to obtain early intelligence of possible Spanish action against Gibraltar but does not find the picture very reassuring. She would therefore welcome a further word with the Foreign and Commonwealth Secretary and with "C". It might also be helpful if the Defence Secretary were able to join the discussion. I shall be in touch separately about the timing for the meeting.

I am copying this letter to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

A. J. COLES

Brian Fall, Esq.,
Foreign and Commonwealth Office.

28



Ref. AO9869

MR COLES ✓

AR 28
10
f.a.Spain/Gibraltar

✓
f.c.c. Thank you for your minutes of 25th and 26th October.

2. A reassessment of the Spanish threat to Gibraltar and the resolution with which the Spanish Government might respond to any plotting against Gibraltar will be put in hand as soon as the result of the Spanish General Election is known. I hope that the assessment will be available in time to be read before the OD meeting now scheduled for 4th November.

3. I am sending copies of this minute to Mr Fall and Mr Mottram.

RA

ROBERT ARMSTRONG

27th October 1982



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>770</i> (one piece/item number)	
Extract/Item details: <i>Letter from Fall to Coles dated 27 October 1982</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>11 October 2012 A Wayland</i>
TEMPORARILY RETAINED	
MISSING ON TRANSFER	
MISSING	
NUMBER NOT USED	

CONFIDENTIAL

Boe



file

Gibraltar

10 DOWNING STREET

From the Private Secretary

27 October 1982

SPANISH CONSTRUCTION IN GIBRALTAR WATERS

In my letter of 26 October I conveyed the Prime Minister's agreement to the delivery of a formal note of protest to the Spanish Government on this matter.

At an earlier stage, the Prime Minister said that she would wish to have a discussion with her Ministerial colleagues as soon as the Attorney General's advice was available. I have since advised Mrs. Thatcher, following contacts with the Cabinet Office, that an OD discussion of Gibraltar (in particular, the question of aid) is planned for the early part of November. The Prime Minister is content to wait for this meeting, which she is assuming will take place before about 10 November, and will not now wish to have an earlier discussion.

I am copying this letter to Jim Nursaw (Attorney General's Office), Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

CONFIDENTIAL

①.

PRIME MINISTER

SPANISH CONSTRUCTION IN GIBRALTAR WATERS

You minuted over the weekend that when the Attorney's advice was available you wanted to discuss this question with some of your Ministerial colleagues.

You today approved the formal note of protest which is being delivered to the Spanish Government.

Following the exchanges in the House this afternoon about aid to Gibraltar I have suggested to the Cabinet Office that they should bring forward the OD discussion which is planned. I think that Sir Robert Armstrong will be proposing a meeting before 10 November for this.

In the light of this arrangement, do you still want to have an earlier Ministerial discussion about Gibraltar?

No
ms

A.S.C.

26 October, 1982

CONFIDENTIAL

fwz

64



10 DOWNING STREET

From the Private Secretary

26 October, 1982

SPANISH CONSTRUCTION IN GIBRALTAR WATERS

Thank you for your letter of 26 October. Subject to the views of the Foreign and Commonwealth Secretary, the Prime Minister agrees that the Embassy in Madrid should deliver a formal note of protest to the Spanish Government in the terms suggested by your letter.

I am copying this letter to Jim Nursaw (Attorney General's Office), Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

A. I. DOLES

B.J.P. Fall, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL



Prime Minister

Agree that we should
deliver a formal protest
(subject to Mr. Pym's views)?

Foreign and Commonwealth Office

London SW1A 2AH

26 October 1982

Dear John

A-J-C. 26. 10.

Yes

Spanish Construction in Gibraltar Waters

In your letter of 25 October you said that the Prime Minister would wish to discuss this topic with other Ministers when Sir Michael Havers' opinion was available.

I now enclose a copy of a letter dated 25 October from the Attorney General's Chambers to Sir I Sinclair which records that the Attorney General agrees that our legal position should be protected by lodging a formal protest with the Spanish Government.

Subject to the views of the Foreign and Commonwealth Secretary on his return from Luxembourg we intend to instruct the Embassy at Madrid to put our position on record with a formal Note. The text of this has now been agreed in substance by the Attorney General. I enclose a copy of the draft telegram of instructions to the Embassy at Madrid.

We think it important to deliver the protest before the Spanish elections on 28 October. We may of course have to follow up with any new government but it would be preferable not to initiate relations by delivering a protest. Furthermore, it is under the present government that the work was undertaken. We would therefore hope to take action as soon as possible on 27 October.

Yours ever

(B J P Fall)
Private Secretary

A J Coles Esq
10 Downing Street

cc: PS/Attorney General
PS/Secretary of State
for Defence
PS/Sir R Armstrong



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>770</i> (one piece/item number)	
Extract/Item details: <i>Letter from Steel, AGO, to Sindair, FCO, dated 25 October 1982 (Enclosure to letter from Fall to Coles dated 26 October 1982)</i>	
CLOSED FOR <i>40</i> YEARS UNDER FOI EXEMPTION	<i>11 October 2012 Wayland</i>
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING ON TRANSFER	
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Abstract

CONFIDENTIAL

CM



FUE

10 DOWNING STREET

From the Private Secretary

25 October, 1982

BF

SPANISH CONSTRUCTION IN GIBRALTAR WATERS

Thank you for your letter of 22 October.

The Prime Minister has noted its contents, and she hopes that the Attorney General's advice will be available quickly. Mrs Thatcher will want to discuss the matter with those Ministers primarily concerned as soon as Sir Michael Havers' opinion is available.

I am copying this letter to the Private Secretaries to the Attorney General, the Secretary of State for Defence and Sir Robert Armstrong.

A. J. COLES

R Bone, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL



cc FCO
TLOD

HU 26

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Gibraltar - internal stability

The Prime Minister saw over the weekend the passage on this subject in JIC (82) (WSI) 42. I had informed her, on advice from the Cabinet Office, that OD were likely to consider plans for aid to Gibraltar in mid-November. The Prime Minister commented that it might be necessary to bring forward this date. Could you please take account of this in considering Cabinet Committee business.

I am copying this minute to Mr. Holmes (Foreign and Commonwealth Office) and Mr. Mottram (Ministry of Defence).

E. J. COLES

25 October 1982

SECRET

S E C R E T

UK EYES

R.M. 25



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG
CABINET OFFICE

SPAIN/GIBRALTAR

Thank you for your minute of 21 October in which you state that the JIC believes that the Spanish Government could be expected to act with resolution if, between now and the Spanish General Election, it were to discover plotting within the Spanish Armed Forces against Gibraltar. You further state that the question of the resolution of whatever Government comes to power in Spain after 28 October must await the result of the General Election, and the JIC will be looking at the threat to Gibraltar once again when the result of the Election is known.

The Prime Minister has commented: "28 October is now close. We may need to act very quickly after that". I think that the Prime Minister will be grateful if you could arrange for a very early JIC assessment, after 28 October, of the new Spanish Government and the implications for the threat to Gibraltar.

I am copying this minute to Brian Fall (FCO) and Richard Mottram (Ministry of Defence).

A. J. COLES

25 October, 1982

↗

Mujeres & Chequers
22/10

CONFIDENTIAL

Premi Minister
To Mr



Foreign and Commonwealth Office *Andy Clark*
London SW1A 2AH *22/10*

22 October 1982

John

*P. N. has seen. See
my letter.*

A.J.C. 3/11

Spanish Construction in Gibraltar
Waters

The Spanish authorities have constructed a Mole near La Linea which encroaches on Gibraltar's territorial waters. You may wish to have a note of the action in hand.

The enclosed sketch map shows the position of the Mole in relation to Gibraltar's territorial waters. Construction has proceeded rapidly in the period since Gibraltar first reported an encroachment in September. The length of that part of the jetty within Gibraltar's waters is now about 500m. In effect, the Mole cuts a slice about 150m wide off the northern-most edge of Gibraltar waters.

This encroachment is a serious and unwelcome development. A protest to the Spaniards is clearly necessary, if for nothing else, to protect our legal position. But we shall have to move fast, since we should if at all possible take action with the present Government, since the encroachment occurred under their administration. Elections take place, as you know, on 28 October. In order to show that we are not deliberately waiting until the eve of the elections before taking action, we have informally drawn the matter to the attention of the Spanish Embassy here. The Ambassador in Madrid has also mentioned the problem to the Spanish Foreign Minister.

We are considering what further action we might take. There are two complications. The first is that it is in our interest to avoid major controversy with Spain over Gibraltar at a time when a new Government might possibly be considering the lifting of restrictions on the Rock.

complication is that the
The second encroachment occurs inside 'the Loop', an area which both we and Spain claim as territorial waters, and to which our claim is somewhat vulnerable, depending as it does on a median line which takes into account the projection of the airport runway into Gibraltar Bay (second sketch map enclosed). In reinforcing our claim we should need to stress our historical right to the area in question. Our claim to territorial waters in the Loop has a complicated legal history, and we are therefore consulting the Law Officers about the terms of the protest

/to

CONFIDENTIAL

CONFIDENTIAL



to the Spaniards. The papers are now with the Attorney-General.

I shall keep you informed of developments.

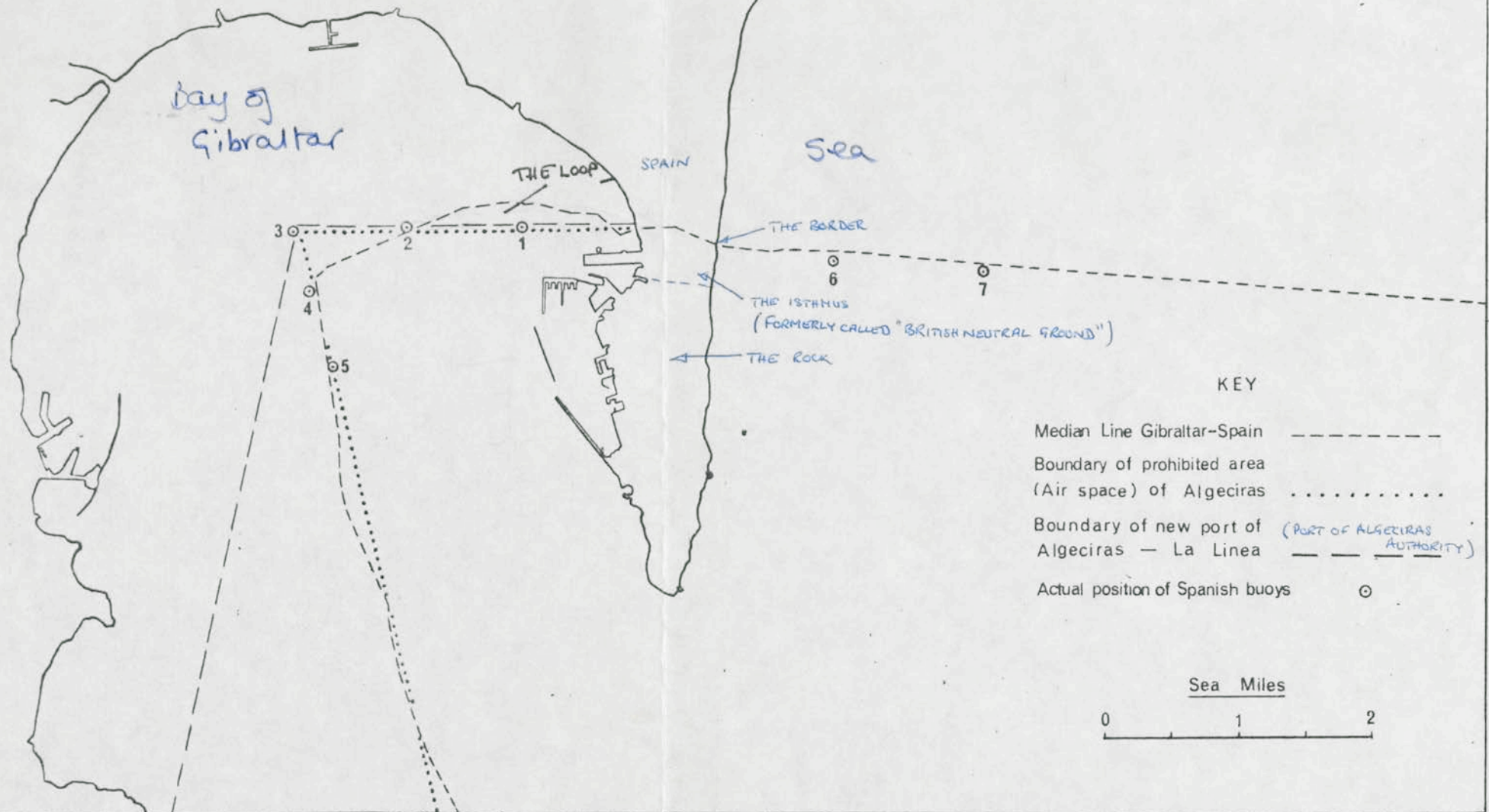
Yours ever
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

Annexure A1 to Appendix 2 to Annex A of COS 76/68
(Revised February 1969)



5° 22'



SEA

SPAIN

Terris Waters
(MEDIAN LINE)

THE LOOP

NEW SPANISH MOLE

20.9.42 (790 METRES)

The British Lines (THE BORDER)

LIMITS OF
PORT OF
ALGECIRAS
AUTHORITY

SEA

SEA

Airstrip

9'

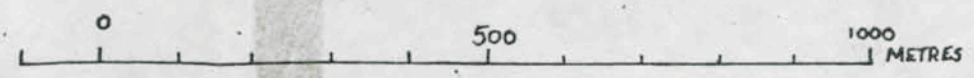


Dockyard

FARRINGTONS. O.P.

GIBRALTAR

SEA



SCALE

ADMIRALTY CHART No 144

CONFIDENTIAL

Prime Minister
To Mr



Foreign and Commonwealth Office

London SW1A 2AH

22/10

Will discuss
as soon as
A.G.'s opinion
has arrived.

22 October 1982

John T. ...

Spanish Construction in Gibraltar Waters

The Spanish authorities have constructed a Mole near La Linea which encroaches on Gibraltar's territorial waters. You may wish to have a note of the action in hand.

The enclosed sketch map shows the position of the Mole in relation to Gibraltar's territorial waters. Construction has proceeded rapidly in the period since Gibraltar first reported an encroachment in September. The length of that part of the jetty within Gibraltar's waters is now about 500m. In effect, the Mole cuts a slice about 150m wide off the northern-most edge of Gibraltar waters.

This encroachment is a serious and unwelcome development. A protest to the Spaniards is clearly necessary, if for nothing else, to protect our legal position. But we shall have to move fast, since we should if at all possible take action with the present Government, since the encroachment occurred under their administration. Elections take place, as you know, on 28 October. In order to show that we are not deliberately waiting until the eve of the elections before taking action, we have informally drawn the matter to the attention of the Spanish Embassy here. The Ambassador in Madrid has also mentioned the problem to the Spanish Foreign Minister.

We are considering what further action we might take. There are two complications. The first is that it is in our interest to avoid major controversy with Spain over Gibraltar at a time when a new Government might possibly be considering the lifting of restrictions on the Rock.

The second encroachment occurs inside 'the Loop', an area which both we and Spain claim as territorial waters, and to which our claim is somewhat vulnerable, depending as it does on a median line which takes into account the projection of the airport runway into Gibraltar Bay (second sketch map enclosed). In reinforcing our claim we should need to stress our historical right to the area in question. Our claim to territorial waters in the Loop has a complicated legal history, and we are therefore consulting the Law Officers about the terms of the protest



to the Spaniards. The papers are now with the Attorney-General.

I shall keep you informed of developments.

Your own

R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

24

RH

Gibraltar

FIVE



10 DOWNING STREET

From the Private Secretary

22 October, 1982

SPAIN/GIBRALTAR

The Prime Minister has asked whether, in view of the risk of Spanish military or other action against Gibraltar, we are taking all possible steps to secure advance warning of such action. In particular she has enquired whether we should not deploy a large number of agents to cover a wide belt on the Spanish side of the border. I should be grateful for an account of what is being done in this respect and what more could be done.

I am copying this letter to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

A. J. COLES

B. Fall, Esq.,
Foreign and Commonwealth Office



UK EYES A

Prime Minister

To note.

Ref. A09813

MR COLES

The 2 for Gibraltar in new doc. We may need to act very quickly if we have info.

A.S.C. 22/10

Spain/Gibraltar

You asked in your minute of 18 October for comments on the question raised by the Prime Minister, of whether the Spanish Government could be expected to act "resolutely" if it were to discover plotting within the Spanish armed forces against Gibraltar.

2. The JIC's conclusions on this point in JIC(82)(WSI) 41 were related to the period between now and the Spanish General Election on 28 October. Within that period the JIC believes that the Spanish Government could be expected to act with resolution.

3. The Government's move against the small number of officers arrested on 1 October does not appear to have given rise to hostile reactions within the armed forces. There is evidence that the Spanish security authorities had had knowledge of this plotting for some time, and the Government chose to take action at an early stage before it developed. The Government are clearly aware of the political need at the present time to show that they are prepared to uphold the Constitution and resist any encroachment on their powers by the armed forces. Any plot against Gibraltar would be a challenge to the Government's authority; but it would be likely to be on a much smaller scale than any plot to overthrow the Government, and at a relatively junior level, and firm action would accordingly be likely to produce a successful demonstration of Government authority.

4. For these reasons the JIC believes that the Spanish Government can be expected to act with resolution should any plotting directed against Gibraltar be discovered between now and 28 October. The question of the resolution of whatever Government comes to power after 28 October must await the result of the General Election, and the JIC will be looking at the threat to Gibraltar once again when the result of the Election is known.

5. I am sending copies of this minute to Mr Fall (FCO) and Mr Mottram (MOD).

RA

ROBERT ARMSTRONG

21 October 1982

File

88

20 October 1982

GIBRALTAR

The Prime Minister has noted the contents of your letter of 18 October.

A. J. COLES

Miss J. E. Ridley,
Ministry of Defence.

R



MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1
 Telephone 01-~~23007822~~ 218 2111/

MO 5/16

18th October 1982

Prime Minister

To note.

Dear John,

M

M 11/16

GIBRALTAR

You will no doubt have seen weekend press reports of the decision to postpone the return to the UK of 1 Staffords, the resident battalion. I thought it might be helpful to let you have a note on the background to this decision, updating Richard Mottram's letter to you of 7th October which described a number of steps being taken to improve the security of the Rock.

In his letter Mr Mottram referred to the temporary deployment of a BLOWPIPE unit to cover the period of the Spanish elections (15th October - 20th November) and to the fact that the planned replacement of the resident battalion would be kept under close review and cancelled if the situation deteriorated. Following the report in Madrid telegram No 515 (attached) about the movement of Gen Milans de Bosch to Algerciras, further consideration was given to the Staffords' deployment, and although there has been no change in the overall threat assessment, the Secretary of State judged it prudent to postpone the resident Battalion's return to the UK for training. He also agreed that the notice of the two Companies and Attack Headquarters earmarked for the first stage of reinforcement of Gibraltar should be reduced from 7 days to 72 hours for the period from 22nd October to 6th November.

There could well be further media interest in all this as the Spanish election approaches and if further information reaches the press - as it is likely to - regarding the further security measures described in the earlier letter and the decision to reduce the reinforcement units' notice period. As regards the naval and air deployments, it should be relatively easy to maintain the line that these activities, like the BLOWPIPE deployment are in the nature of normal training. On the reduction in notice, it will be necessary to stick to the line that the MOD does not normally comment on such operational matters. This is not likely to satisfy

A J Coles Esq



the press but of course would do less harm to UK/Spanish relations than an admission that these measures relate to a potential threat from Spain.

Yours,

Jane Ridley
(J E RIDLEY) (MISS)

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

CWRØ21 Ø7/1917 28ØC4451

FOR CWR

IMMEDIATE/IMMEDIATE Ø71556Z OCT 8

FROM COMMCEN FCO LONDON
TO MODUK
INFO ACTING GOVERNOR GIBRALTAR

C O N F I D E N T I A L U K C O M M S O N L Y

SIC A3A (SIC INSERTED BY DCC NOT TO BE USED IN REPLY)
CONFIDENTIAL UK COMMS ONLY
FM MADRID Ø71556Z OCT 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 515 OF 7 OCTOBER
AND TO IMMEDIATE MODUK
INFO IMMEDIATE ACTING GOVERNOR GIBRALTAR (PERSONAL)

MY TELNO 512: MILITARY PLOT/TROOPMOVEMENTS

1. THE SPANISH PRESS ON 7 OCTOBER REPORTS THE TRANSFER OF LIEUTENANT-GENERAL MILANS DEL BOSCH AND OTHER LEADING FIGURES OF THE 23 FEBRUARY 1981 ATTEMPTED COUP FROM THEIR PRISON JUST OUTSIDE MADRID TO MILITARY ESTABLISHMENTS AT WIDELY SPREAD POINTS ALONG THE SPANISH COAST. ACCORDING TO THE PRESS, MILANS DEL BOSCH IS NOW HELD IN A MILITARY RESIDENTIAL AREA (LA HUERTA DEL GENERAL) IN THE OUTSKIRTS OF ALGECIRAS UNTIL SUITABLE QUARTERS CAN BE PREPARED FOR HIM IN THE MILITARY FORTRESS OF TARIFA, LOCALLY KNOWN AS THE ISLA DO LAS PALOMAS, FURTHER ALONG THE SOUTH COAST. THE MINISTER OF THE INTERIOR HAS SUBSEQUENTLY CONFIRMED IN A TELEVISION INTERVIEW THAT MILANS WAS THE MOVING SPIRIT BEHIND THE LATEST COUP ATTEMPT.
2. THE PRESS HAS ALSO REPORTED SOME UNUSUAL MILITARY ACTIVITY IN THE CAMPO REGION ASSOCIATED WITH MILANS DEL BOSCH'S PRESENCE, SAYING THAT CERTAIN UNITS HAD BEEN PUT ON A STATE OF ALERT AND CONFINED TO BARRACKS ON 6 OCTOBER. OUR CONSUL IN ALGECIRAS HAS INVESTIGATED AND SAYS THE REPORTS ARE INACCURATE BUT HE CONFIRMS THAT MILANS DEL BOSCH IS THERE.
3. THE PRESENCE OF MILANS DEL BOSCH IN THE CAMPO AREA IS AN ADDED COMPLICATION IN RESPECT OF GIBRALTAR. IT COULD MAKE THE ASSESSMENT OF THE PURPOSE OF UNTOWARD TROOP MOVEMENTS IN THE CAMPO THAT MUCH MORE DIFFICULT. EQUALLY HE HIMSELF COULD BECOME A CENTRE FOR DISAFFECTION. BUT THIS MOVE HAS PRESUMABLY BEEN DECIDED BY THE GOVERNMENT ON INTERNAL SECURITY GROUNDS AND A WISH TO HAVE HIM AS FAR AWAY FROM MADRID AS POSSIBLE, JUST AS TEJERO HAS BEEN SENT TO EL FERROL ON SPAIN'S NORTH WEST COAST.

PARSONS
BT



சென்னை
10
1982

19 OCT 1982

file B.
21



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

SPAIN/GIBRALTAR

The Prime Minister read over the weekend the section of JIC(82)(WS1)41 which deals with the above subject.

With regard to the last sentence of the first paragraph, the Prime Minister has questioned whether we can really expect the Spanish Government to act "resolutely" should a plot against Gibraltar be discovered. The same point arises with the second sentence of the second paragraph.

B/F

I should be grateful for your comments.

I am copying this minute to Brian Fall (Foreign and Commonwealth Office) and Richard Mottram (Ministry of Defence).

A. J. COLES

18 October 1982

PRESS RELEASE

RELEASE TIME: 0001 HOURS ON
MONDAY, 18TH OCTOBER, 1982

MELTON M.P. TO RECEIVE FREEDOM OF THE CITY OF
GIBRALTAR

Melton M.P., Michael Latham, will fly out to Gibraltar on Friday, 22nd October, as part of a group of British Parliamentarians who will receive the Freedom of the City of Gibraltar.

This honour arises from a visit made by four British M.Ps and Peers, including Mr. Latham, to Gibraltar in September 1980. They had been invited under the auspices of the Commonwealth Parliamentary Association and spent five days meeting a wide ranging section of people on the Rock.

During the trip, all Gibraltarians, without exception, expressed their dismay at the proposals put forward by the British Government as part of their ^{review}~~view~~ of the Law of Nationality to confer upon Gibraltarians the new citizenship of British Dependent Territories. The Gibraltarians felt this would represent a serious weakening of their ties with Britain, to which they attach great importance.

Mr. Latham was impressed by the strength of feeling of the Rock's inhabitants, who have experienced a totally closed frontier with Spain since 1969. He promised to do what he could to get them full British citizenship. On his return to the U.K., he joined with other M.Ps to re-form the All-Party British/Gibraltar Parliamentary Group, which had been inactive for some years. Mr. Latham was elected Secretary, and he still holds that position now.

When the British Nationality Bill came before Parliament in 1981, strong attempts were made by Conservative M.Ps, with all-party support, to give full citizenship to Gibraltar. An amendment by Mr. Albert McQuarrie (Con: Aberdeenshire East), who is Chairman of the All-Party British/Gibraltar Parliamentary Group, was narrowly defeated. Over 20 Conservative M.Ps, including Mr. Latham, voted

continued.....

continued...

2.

against the Government. However, when the Bill went to the House of Lords, the Government were defeated, and they decided to accept the defeat. The Bill passed into law with a provision which allows Gibraltarians to obtain full British citizenship.

Reaction on the Rock was one of delight. During the spring and summer of 1982, the House of Assembly of Gibraltar unanimously voted to confer the Freedom of the City of Gibraltar on the British/Gibraltar Parliamentary Group. It will be formally conferred by the Mayor on Saturday, 23rd October at the Town Hall. This honour, which is very rarely granted at all, is also exceptional in that the Commonwealth Parliamentary Association know of no other occasion when a British C.P.A. Group has had it conferred upon them.

The party receiving the Freedom will be:-

Mr. Albert McQuarrie, M.P. (Con: Aberdeenshire East)
Chairman of the British/Gibraltar Group.

The Rt. Hon. Denzil Davies, M.P. (Lab: Llanelli)
Opposition Spokesman on Foreign Affairs.

Mr. Michael Latham, M.P. (Con: Melton) Secretary of
the British/Gibraltar Group.

Lord Wigoder, Q.C. (Lib:)

Lord Hughes (Lab:)

Lord Bethel (Con:) who is also a member of the European
Parliament and takes a special interest in Gibraltar.

Mr. Latham will return to the U.K. on Sunday, 24th October. He, Mrs. Latham and their two young sons, James and Richard, had a week's private family seaside holiday in Gibraltar during August of this year.

Dated: Friday, 15th October, 1982.

cc. Melton Times
Melton & Rutland Journal
Leicester Mercury
Leicester Advertiser (Mr. Wilkes)
Loughborough Echo
Loughborough News

Miss C.Slomkowska
Radio Leicester
Radio Trent
Radio Nottingham
Centre Radio

GRS 600

CONFIDENTIAL

CONFIDENTIAL

FM MADRID 171600Z OCT 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 544 OF 17 OCTOBER

INFO UKDEL NATO, ACTING GOVERNOR GIBRALTAR (PERSONAL)

Handwritten note: Head in full.

Handwritten note: A.P.C. 18. 12

MY IMMEDIATELY PRECEDING TELEGRAM (NOT TO ALL)
CONVERSATION WITH SPANISH FOREIGN MINISTER ON 16 OCTOBER

AS REAGRDS GIBRALTAR, PEREZ LLORCA SAID HE HAD BEEN DISTRESSED BY THE SUGGESTION, MADE PUBLICLY BY SIR JOSHUA HASSAN AND POSSIBLY ACCEPTED BY OTHERS, THAT THE SPANISH GOVERNMENT HAD SET OUT TO TRICK BY GETTING INTO NATO WHILE LEAVING THE GIBRALTAR FRONTIER CLOSED. THIS HAD NOT BEEN THE CASE. THE NATO PROTOCOL HAD BEEN SIGNED 1ST DECEMBER. IN JANUARY THE SPANISH GOVERNMENT HAD SET A DATE IN APRIL FOR IMPLEMENTING THE LISBON AGREEMENT. THIS HAD BEEN KNOCKED ON THE HEAD BY THE EMOTIONS STIRRED BY THE SOUTH ATLANTIC CONFLICT. WHATEVER THE ACTUAL WORDING OF THE LISBON AGREEMENT, THE POLITICAL REALITY HAD BEEN THAT THIS LAST SUMMER THE SPANISH GOVERNMENT HAD NEEDED A BIT EXTRA TO JUSTIFY TO THEIR PUBLIC OPINION THE IMPLEMENTATION OF THE LISBON AGREEMENT, WHEREAS THE BRITISH GOVERNMENT HAD NEEDED A BIT LESS. THERE SHOULD BE NO HARD FEELINGS ABOUT THIS THOUGH HE ADMITTED THAT SPANISH ACTIONS AT THE UNITED NATIONS HAD SOMETIMES BEEN UNFORTUNATE (SEE MY TELEGRAM NO. 541).

2. PEREZ LLORCA SAID WE JUST CONTINUE TO KEEP IN TOUCH WITH A VIEW TO SETTING A DATE BEFORE TOO LONG FOR IMPLEMENTING THE LISBON AGREEMENT. I SAID THAT IT NEEDED TO BE RECOGNISED ON BOTH SIDES THAT THE NEGOTIATIONS WOULD TAKE A VERY LONG TIME. QUICK RESULTS COULD NOT (NOT) BE EXPECTED. EVERYTHING DEPENDED UPON THE ABILITY OF SPAIN TO MAKE HERSELF MORE ATTRACTIVE TO THE PEOPLE OF GIBRALTAR. PEREZ LLORCA SAID THAT THIS WAS OF COURSE UNDERSTOOD.

3. HE CONTINUED THAT HE HAD DONE HIS BEST TO START PREPARING SPANISH OPINION TO TAKE MUCH MORE REALISTIC VIEW OF THE NEED TO WIN OVER GIBRALTARIAN OPINION BY FAIR MEANS. WE WOULD HAVE NOTED THAT ON VARIOUS OCCASIONS THIS YEAR HE HAD SPOKEN PUBLICLY NOT ONLY ABOUT THE INTERESTS AND WELL BEING OF THE PEOPLE OF GIBRALTAR BUT ALSO ABOUT THEIR RIGHTS. (WE ARE CHECKING THIS.) HE ENVISAGED THAT THE GIBRALTARIANS WOULD EVENTUALLY BE OFFERED AUTONOMY MUCH MORE EXTENSIVE THAN THAT AT PRESENT ENJOYED BY THE BASQUES AND CATALANS. THEY WOULD BE ACCEPTED AS A BRITISH COMMUNITY WITHIN THE SPANISH STATE AND THEIR DUAL NATIONALITY WOULD BE SAFEGUARDED. PEREZ-LLORCA HIMSELF WAS FULLY PREPARED TO CONCEDE TO THE PEOPLE OF GIBRALTAR THE RIGHT TO DECIDE THEIR OWN FUTURE. BUT HE COULD ONLY CONCEDE THIS RIGHT PUBLICLY ONCE HE WAS SURE THAT THEY WOULD TAKE THE CORRECT DECISION EXCLAM

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Handwritten note: /4. FINALLY

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4. FINALLY, PEREZ-LLORCA SAID THAT IT WOULD NOT (NOT) BE ENOUGH FOR THE TWO MINISTERS TO REACH A PRIVATE AGREEMENT ON THE WAY AHEAD IN THE NEGOTIATIONS ENVISAGED AT LISBON. THE ESSENTIAL THING ALSO WAS TO HAVE AN ATTRACTIVE PACKAGE FOR PUBLIC PRESENTATION. HE HAD BEEN HOPEFUL, FOR EXAMPLE, WHEN WE SEEMED INTERESTED IN THE POSSIBILITY OF ESTABLISHING THREE COMMITTEES. BUT OF COURSE HE UNDERSTOOD WHY THE POLITICAL SITUATION HAD CAUSED THIS IDEA TO BE ABANDONED.

5. ALL THIS MAY SEEM STRANGE TALK FROM THE FOREIGN MINISTER OF AN OUT-GOING GOVERNMENT. IT COULD HAVE BEEN HIS SWAN-SONG FOR US. BUT IT IS JUST CONCEIVABLE THAT PEREZ-LLORCA COULD RETAIN HIS PORTFOLIO IN A LEFT OF CENTRE COALITION INVOLVING THE SOCIALISTS AND THE UCD (SEE MY TELNO 536). THIS POSSIBILITY COULD BE CONNECTED WITH PEREZ-LLORCA'S CONSIDERABLE PERSONAL INTEREST IN THE UN CONSENSUS NOW NEGOTIATED. CERTAINLY HIS THOUGHTS ON GIBRALTAR, AS REPORTED ABOVE, DO NOT SEEM MUCH DIFFERENT FROM THE SOCIALIST PLATFORM.

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GIBRALTAR

10 DOWNING STREET

From the Private Secretary

11 October, 1982

Gibraltar

The Prime Minister was most grateful for the full account in your letter of 7 October of the measures taken to deal with possible threats to Gibraltar.

I am copying this letter to Roger Bone (Foreign and Commonwealth Office) and Richard Hatfield (Cabinet Office).

A. J. COLES

Richard Mottram, Esq.,
Ministry of Defence

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The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
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288
Gibraltar

1 October 1982

GIBRALTAR

The Prime Minister has noted the contents of your letter of 28 September.

A. J. COLES

S

John Holmes, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

28 September, 1982

MS
Prime Minister

To note.

A.S.C. 30.9

Dear John,

Gibraltar

In your letter of 16 September to the Secretary of the Cabinet you said that the Prime Minister wished to be kept informed of any new developments during her absence affecting the threat to Gibraltar.

There have been no new developments which directly affect the threat to Gibraltar's security while the Prime Minister has been in the Far East. You may nonetheless find it useful to be brought up to date on developments which affect Gibraltar more generally.

On 24 September the Foreign and Commonwealth Secretary and Lord Belstead had discussions with the Chief Minister of Gibraltar and Leader of the Opposition. Despite resentment in Gibraltar about Spain's failure to implement the Lisbon agreement, the Gibraltar leaders still clearly want the border open. Sir Joshua Hassan's most immediate concerns however were the effect on the economy both of the closure of the Naval Dockyard and uncertainty about the opening of the border, together with the possibility of industrial action by those opposed to either closure of the dockyard or its transformation into a commercial operation. Consultants to the Gibraltar Government have just prepared an evaluation of proposals from potential operators of a commercial dockyard. This, together with the views of the Gibraltar Government, will now be studied urgently by officials before putting to OD recommendations on how to carry out our undertaking to consider alternative means of fulfilling the obligation to support the Gibraltar economy when the naval dockyard is closed in 1983. All the options are likely to involve substantial sums of money.

In Spain, where elections are due to take place on 28 October, the Spanish Socialist Party is still the favourite to gain the most seats; but the socialists may have to form a coalition. So far they have shown a fairly moderate attitude towards the Gibraltar question and several leading members of the Socialist Party have said recently that, if their Party formed the Government, they would open the border. In practice, however, the Party's policies in government would be influenced by such factors as the size of their majority and the views of any coalition partner. They will also be affected by the likely views of the military towards any concessions on Gibraltar. It is very unlikely that they would be prepared to open the border without seeking concessions in return.

/Although



Although many, if not most, of the Spanish armed forces will not welcome the prospect of a socialist government in Spain, we have at present no indication of any intention to intervene in Spain's democratic processes, for example by attempting a military coup. Nor do we have evidence of any heightened military threat to Gibraltar during the run up to the elections or immediately thereafter.

Your letter also commissioned a report on the operational implications of JIC(82)(N)88. I understand MOD are submitting separately, although FCO have been closely involved in the drafting. I believe the paper will reflect our view that in the present circumstances some enhancement of Gibraltar's defence capability is required.

I am copying this letter to Richard Hatfield (Cabinet Office) and to Richard Mottram (Ministry of Defence).

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

file 1/18



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

GIBRALTAR

The Prime Minister has seen your minute of 13 September about the threat to Gibraltar and the amount of warning time which we might receive of an impending Spanish attack.

Mrs. Thatcher notes that Departments are now considering the operational implications of JIC(82)(N)88. She hopes that this study can be completed urgently and a report made to her on her return from the Far East. She would also wish to be kept informed during her absence of any new developments affecting the threat to Gibraltar.

I am copying this minute to Mr. Fall (Foreign and Commonwealth Office) and Mr. Mottram (Ministry of Defence).

A. J. COLES

16 September 1982

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MB

Prime Minister

Ref. A09460

PRIME MINISTER

Yes please
not

Shall I say that you would like the operational implications to be considered urgently and a report on these to be made available on your return from the Far East. Also that we be kept informed of any new developments being your scheme?

A.F.C. 14/9

In my minute (A09169) to you of 30th July 1982, covering a note by the Joint Intelligence Committee (JIC) about the warning time we might currently expect to receive of any Spanish military action against Gibraltar, I noted that the JIC had put in hand a more detailed examination of the threat and of the implications that might have for the warning time. The JIC have now completed this further work and I attach their recent Note on the subject (JIC(82)(N)88 dated 9th September 1982).

2. The JIC judge that an attack on Gibraltar authorised by a senior Spanish military commander at the national or Regional level would be likely only in a situation of marked political instability such as does not obtain at present. But at a lower level a number of military units in southern Spain could in theory attempt an unauthorised operation designed to occupy all or part of Gibraltar. The need to keep preparations secret from superior authorities, together with logistic problems, tends to rule out all units except those based close to Gibraltar. Without helicopter, amphibious or armoured support a local commander would be faced with making a direct infantry assault on the frontier. The regiment stationed at San Roque, 8 kilometres from Gibraltar, and at the frontier at La Linea poses the most immediate threat.

3. We have no knowledge of the personalities or political attitudes of the commanding officers of the units most likely to be involved, and no reason to believe that they would act in this way. Action initiated by a hot-headed officer or one who believed that it would be sanctioned by his military superiors cannot be ruled out; but the chances of such sanction or support being forthcoming, and indeed the likelihood of an attack authorised at national or regional level, must be markedly reduced by Spanish membership of NATO.



4. In certain circumstances, and assuming certain intelligence operations were functioning, a maximum 3 hours' warning might be received of an impending attack involving armour, helicopter transport support or amphibious forces. Detection of an unauthorised infantry operation could not be guaranteed, and it could be mounted without our receiving any warning. Moreover, there can be no guarantee that in any of these circumstances we should receive any warning of an impending attack.

5. Departments are now giving consideration to the operational implications of this Note, taking account of your discussion of 4th August with Permanent Secretaries and the Chief of the Defence Staff.

6. I am copying this minute to the Secretaries of State for Foreign and Commonwealth Affairs and for Defence.

ROBERT ARMSTRONG

13th September 1982



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10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen your minute of 30 July to which was attached a JIC note about the warning which we could expect to receive of a military attack on Gibraltar.

The Prime Minister would like to discuss this problem this week. We shall be making arrangements separately for a meeting at which we hope you, Sir Frank Cooper, Sir Antony Acland and Mr. Patrick Wright could be present. I am copying this minute to them.

A. J. COLES

2 August, 1982

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GRS 240
UNCLASSIFIED
FM MADRID 021210Z AUG 82
TO ROUTINE FCO
TELEGRAM NUMBER 443 OF 2 AUGUST
INFO GIBRALTAR

PS. NO 10, DOWNING STREET.

M

GIBRALTAR

THE MADRID DAILY 'YA' OF 1 AUGUST PUBLISHES 3 PAGE EXCLUSIVE INTERVIEW WITH HASSAN (COPIES BY BAG) . MAIN POINTS ARE AS FOLLOWS:

A) "THE GIBRALTARIANS DO NOT WANT TO BE SPANISH". " BUT THE CONCEPT OF SELF DETERMINATION IS A LIVING CONCEPT SO I CANNOT DETERMINE THE WISHES OF FUTURE GENERATIONS: IN THE PRESENT CIRCUMSTANCES, WITH THE HISTORY, THE ATTEMPTS TO SUBJUGATE GIBRALTAR WITH RESTRICTIONS, AND THE CONTRAST BETWEEN OUR SOCIETY AND WELL BEING COMPARED WITH WHAT WE SEE ON THE OTHER SIDE OF THE FRONTIER, THIS GENERATION WILL NEVER WISH TO BE SPANISH."

B) HE EXPRESSES OPPOSITION TO PARTIAL OPENING OF FRONTIER FOR A FEW PRIVILEGED PEOPLE OR FOR AN OPENING WHICH DESCRIMINATES AGAINST ANY GROUP INCLUDING FOREIGNERS WHO WISH TO VISIT GIBRALTAR FROM SPAIN.

C) HE PRAISES OREJA'S COURAGE IN SIGNING LISBON AGREEMENT AND REFERS IN DETAIL TO DISILLUSIONMENT CAUSED BY 3 POSTPONEMENTS OF LIFTING OF RESTRICTIONS FOR WHICH HE BLAMES SPAIN. ACCUSES SPAIN OF MAKING PRE-CONDITIONS FOR FULFILLING LISBON AGREEMENT. "IF PEREZ LLORCA WANTS THIS 275 YEAR OLD PROBLEM TO BE RESOLVED IN 4 OR 5 MEETINGS, WE ARE WASTING TIME - HIS FEET ARE NOT ON THE GROUND."

D) SPAIN KNOWS THE REALITY OF THE SITUATION BUT WANTS TO IGNORE IT. HE AGREES WITH INTERVIEWER THAT SPAIN IS DECEIVING ITSELF OVER ITS HOPES FOR NEGOTIATIONS. IF THERE IS TO BE A CHANGE OF SOVEREIGNTY SOME TIME IT MUST COME ABOUT AS A RESULT OF NATURAL CIRCUMSTANCES AND NOT FROM A POLITICAL PROPOSAL WHICH PRE-JUDGES THE SITUATION.

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MR GOODISON

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FM FCO 021700Z AUG 82

TO PRIORITY MADRID

TELEGRAM NUMBER 260 OF 2 AUGUST

INFO ROUTINE GOVERNOR GIBRALTAR (PERSONAL)

YOUR TELNOS 416 AND 431: PROPOSED VISIT TO GIBRALTAR BY
MR BLAKER

1. I HAVE GIVEN MY AGREEMENT TO MR BLAKER'S PROPOSED VISIT TO GIBRALTAR FROM 17 TO 19 AUGUST.
2. I AM ALIVE TO THE DANGER THAT DIFFICULTIES IN OUR RELATIONS WITH SPAIN COULD BE PROVOKED BY VISITS BY BRITISH MINISTERS TO GIBRALTAR PARTICULARLY WHEN TWO VISITS COME CLOSE TOGETHER. BUT THERE ARE GOOD OPERATIONAL REASONS WHY MR BLAKER SHOULD VISIT A BRITISH TERRITORY WHERE THE MINISTRY OF DEFENCE HAS SUBSTANTIAL INTERESTS. IT IS PARTICULARLY IMPORTANT THAT HE SHOULD BE ABLE TO EXAMINE THE DOCKYARD PROBLEM AT FIRST HAND, AS HE HAS DONE PREVIOUSLY AT BOTH CHATHAM AND PORTSMOUTH.
3. YOU SHOULD INFORM THE SPANISH AUTHORITIES OF THE FORTHCOMING VISIT AS A MATTER OF COURTESY JUST BEFORE THE PUBLIC ANNOUNCEMENT IS MADE. THE DEPARTMENT WILL BE IN TOUCH SEPARATELY ABOUT TIMING. IF THE SPANIARDS ASK, YOU MAY ASSURE THEM OF THE PASTORAL NATURE OF THE VISIT. YOU MAY ALSO SAY THAT THERE IS NO PARTICULAR SIGNIFICANCE IN THE TWO MINISTERIAL VISITS TAKING PLACE SO CLOSE TOGETHER, EXCEPT THAT THE PROPOSED CLOSURE OF THE DOCKYARD CREATES PROBLEMS WHICH REQUIRE MINISTERIAL ATTENTION. MR BLAKER'S OTHER ENGAGEMENTS AND PARLIAMENTARY COMMITMENTS MEAN THAT THE PLANNED DATES ARE THE ONLY FEASIBLE ONES THIS YEAR.

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PS/LORD BELSTEAD

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LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
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Gibraltar

23 July 1982

Gibraltar: Defence capability

The Prime Minister has noted the contents of your letter of 21 July.

I am copying this letter to John Holmes (Foreign and Commonwealth Office) and David Wright (Cabinet Office).

JOHN COLES

David Omand, Esq.,
Ministry of Defence.

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FM MADRID 221718Z JULY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 423 OF 22 JULY

INFO IMMEDIATE GOVERNOR GIBRALTAR(PERSONAL)

PS. NO 10, DOWNING STREET.

YOUR TELNO 250: GIBRALTAR

THE SPANISH FOREIGN MINISTER ASKED ME TO CALL THIS AFTERNOON. HE SAID THAT, IF HE REMAINED IN OFFICE DURING THE AUTUMN, HE STILL HOPED TO ACHIEVE IMPLEMENTATION OF THE LISBON AGREEMENT. HE WANTED TO MAINTAIN HIS PERSONAL LINK WITH YOU. HE WOULD HOPE TO SEE YOU IN SEPTEMBER IN NEW YORK AND PERHAPS BEFORE THEN AT A POLITICAL COOPERATION MEETING. WE WOULD HAVE NOTED THAT HE HAD GONE AHEAD WITH LAYING DOWN FROM MADRID A POLICY OF RELAXING RESTRICTIONS ON THE SPANISH SIDE FOR HUMANITARIAN REASONS. THE LOCAL PEOPLE HAD BEEN ENCOURAGED TO INTERPRET THIS AUTHORITY IN GENEROUS TERMS. HE WAS GLAD THAT YOU HAD WELCOMED THIS AS A MOVE IN THE RIGHT DIRECTION (YOUR TELNO 237).

2. I CONFIRMED THAT THIS RELAXATION WAS WELCOMED IN LONDON (YOUR TELNO PERSONAL 62 TO GOVERNOR OF GIBRALTAR) EVEN THOUGH IT WAS NOT SEEN AS A SUBSTITUTE FOR FULL IMPLEMENTATION OF THE LISBON AGREEMENT. I ADDED THAT OPINION IN GIBRALTAR HAD APPARENTLY BEEN MORE DIVIDED (GOVERNOR'S PERSONAL TELNO 90). PEREZ-LLORCA CONFIRMED THAT THIS WAS ALSO THE SPANISH IMPRESSION. I SAID THE IMPORTANT POINT, TO AVOID LOCAL BAD FEELING, WAS THAT THE RELAXATION SHOULD NOT (NOT) BE APPLIED IN SUCH A WAY AS TO BENEFIT SPANIARDS RATHER THAN GIBRALTARIANS. PEREZ-LLORCA SAID THAT THIS WAS NOT THE INTENTION FROM MADRID THOUGH HE ACCEPTED MY POINT THAT SOCIALIST MAYORS IN THE CAMPO MIGHT BE PURSUING LOCAL POLICIES. HE SAID WE SHOULD TAKE UP WITH HIM URGENTLY ANY INDIVIDUAL CASES OF COMPLAINT.

3. PEREZ-LLORCA SAID THAT THE BRITISH POSITION ABOUT THE IMPOSSIBILITY OF SPANISH ENTRY INTO THE COMMUNITY, SO LONG AS THE FRONTIER REMAINED CLOSED, HAD OF COURSE BEEN PUBLICLY KNOWN FOR A LONG TIME. HE HOPED THAT WE WOULD NOT FIND IT NECESSARY TO KEEP RUBBING THIS IN (A CLEAR REFERENCE TO THE PARLIAMENTARY EXCHANGES ON 20 JULY, WHICH WERE BLOWN UP IN THE SPANISH PRESS THIS MORNING.) I SAID THAT MINISTERS INEVITABLY HAD TO ANSWER SPECIFIC SUPPLEMENTARY QUESTIONS. HE WAS CHEERED THAT THE HOUSE OF COMMONS SHORTLY EXPECTED TO GO INTO RECESS.

4. REVERTING TO CUENCA'S APPROACH YESTERDAY, THE MINISTER SAID IT WOULD BE VERY HELPFUL TO HIM PERSONALLY IF WE COULD PROVIDE CLARIFICATION, BEFORE THE AUGUST BREAK, ABOUT HOW WE PROPOSED TO IMPLEMENT THE SPECIFIC UNDERTAKINGS GIVEN ON JANUARY 8 ABOUT TREATMENT OF SPANIARDS IN GIBRALTAR. THIS WOULD HELP HIM GREATLY TO MAKE PROGRESS AFTER THE HOLIDAYS. I SAID THAT WE WERE IN PRINCIPLE PREPARED TO HELP WITH CLARIFICATION. BUT IT MUST BE UNDERSTOOD THAT:

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- A) THIS WOULD NOT (NOT) BE A FRESH NEGOTIATION:
- B) THE MATTER UNDER DISCUSSION WAS THE REGIME TO ENTER INTO FORCE ON THE DAY OF THE IMPLEMENTATION OF THE LISBON AGREEMENT:
- C) THE POINT AT ISSUE WAS NOT THE CURRENT STATE OF EXISTING GIBRALTAR LEGISLATION, WHICH COULD NOT (NOT) BE ALTERED IN ADVANCE OF IMPLEMENTATION OF THE LISBON AGREEMENT, BUT THE REGIME WHICH THE GIBRALTAR GOVERNMENT INTENDED TO ENFORCE THROUGH EXECUTIVE ACTION.

5. THE FOREIGN MINISTER READILY ACCEPTED THESE THREE POINTS. HE ALSO SHOWED UNDERSTANDING FOR MY COMMENT THAT IT WOULD NOT (NOT) BE ACCEPTABLE IN PRESENT CIRCUMSTANCES FOR GIBRALTAR OFFICIALS TO VISIT MADRID. IN FACT HE SHOWED NO GREAT PERSONAL INTEREST ABOUT THE MECHANISM FOR ACHIEVING THE CLARIFICATION. NOR DID CUENCA SUBSEQUENTLY DISSENT WHEN I PROPOSED THAT HE AND HIS OFFICIALS COULD DEAL DIRECTLY WITH THIS EMBASSY, ALONG THE LINES ENVISAGED IN YOUR TELEGRAM UNDER REFERENCE. WE WILL START ACCORDINGLY EARLY NEXT WEEK. IN PRACTICE WE MAY NEED THE HELP OF AN ADVISER FROM THE DEPARTMENT IF WE GET STUCK.

6. I NATURALLY MADE NO (NO) MENTION TO THE FOREIGN MINISTER OF A POSSIBLE VISIT TO GIBRALTAR BY MR BLAKER (SEE MY TELNO 416). THIS WOULD HAVE RUN COUNTER TO THE SPIRIT OF PEREZ-LLORCA'S APPROACH, AS WELL AS TO THE PERSONAL UNDERSTANDING HE BELIEVES HE HAS ACHIEVED WITH YOU TO PLAY DOWN THE GIBRALTAR ISSUE ON BOTH SIDES FOR THE TIME BEING (FIRST SENTENCE, PARAGRAPH THREE OF YOUR TELNO 237).

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PS/LORD BELSTEAD

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MR GOODISON

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GIBRALTAR

GRS 300
UNCLASSIFIED
FM MADRID 221003Z JULY 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 421 OF 22 JULY
INFO IMMEDIATE GIBRALTAR

GIBRALTAR

1. TODAY'S EDITION OF ABC CONTAINS AN ARTICLE ABOUT GIBRALTAR UNDER THE HEADLINE "THE SPANISH GOVERNMENT SEEMS DISPOSED TO OPEN THE GIBRALTAR FRONTIER LITTLE BY LITTLE".
2. THE ARTICLE REFERS TO THE RECENT RELAXATION OF FRONTIER RESTRICTIONS FOR COMPASSIONATE CASES AND SAYS THAT PERMISSION IS BEING GIVEN TO ALLOW THE BORDER GATE TO BE OPENED ON HUMANITARIAN GROUNDS. THE ARTICLE SAYS THAT THE SPANISH AUTHORITIES HAVE DENIED THAT ANY NEGOTIATIONS ARE TAKING PLACE WITH BRITAIN ABOUT THE HALF OPENED FRONTIER; AND ARE SAYING THAT THE FRONTIER WILL REMAIN OFFICIALLY CLOSED UNTIL THERE IS A RECIPROCAL GESTURE BY BRITAIN OR THE BRITISH SHOW THEMSELVES READY TO BEGIN TALKS "ON ALL THEIR DIFFERENCES".
3. THE ARTICLE QUOTES RELIABLE SOURCES AS SAYING THAT THE MINISTRY OF FOREIGN AFFAIRS ARE RELYING ON THE PRINCIPLE OF GRADUALISM TO NORMALISE THE SITUATION; AND THAT THE OPENING ON COMPASSIONATE GROUNDS COULD BE A TRIAL BALLOON, WHICH WOULD BE FOLLOWED BY OTHER INITIATIVES TO SERVE TO RE-LAUNCH THE NEGOTIATIONS OR AT LEAST NEUTRALISE BRITISH ACCUSATIONS THAT THE CLOSED FRONTIER CONSTITUTES A GRAVE VIOLATION OF HUMAN RIGHTS. THE SOURCE IS QUOTED AS SAYING THAT THE INTENTION IS TO SAFEGUARD HUMAN RIGHTS, WHILE PREVENTING THE FRONTIER BETWEEN GIBRALTAR AND LA LINEA FROM BEING CONVERTED INTO AN IMPORTANT COMMERCIAL OR SOCIAL CROSSING POINT.
4. THE ARTICLE GOES ON TO ARGUE THAT THE APPLICATION OF THIS HUMANITARIAN PRINCIPLE IN EFFECT CONTRADICTS THE CONTENT OF ARTICLE 10 OF THE TREATY OF UTRECHT, IN THAT THAT ARTICLE PROHIBITS ANY LAND COMMUNICATION BETWEEN THE TWO COUNTRIES. THE ARTICLE SAYS THAT THE SUSPENSION OF ARTICLE 10 IN THIS UNILATERAL WAY IS OF PRIMORDIAL IMPORTANCE FROM THE JURIDICAL AND DIPLOMATIC POINT OF VIEW AND COULD FORM AN IMPORTANT PRECEDENT.

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SIR J BULLARD
MR GOODISON

ADDITIONAL DISTRIBUTION
GIBRALTAR



MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1
 Telephone 01-~~936~~7622 218 2111/3

MO 5/16

21st July 1982

Dear John,

GIBRALTAR: DEFENCE CAPABILITY

Thank you for your letter of 19th July.

The Prime Minister will wish to know that all of the Governor's requests in connection with the (uncorroborated) warning from the Spanish Foreign Minister have been met. Specifically, the Intelligence personnel are now in Gibraltar; detachments of combat aircraft visit the Rock for 3 day periods approximately 4 to 5 times per month; and the Joint Theatre Plan reinforcements, which the Governor has specified as those he might require should the threat increase, are available if needed. Units equipped with the Light Gun and Blowpipe, the same equipments as those with which the Governor wishes to re-equip the Gibraltar Regiment, are included in these reinforcements.

As you know, the Gibraltar Regiment is distinct from the Garrison; it is a locally recruited part time force of some 240 men, similar to, but not part of the TA. It is already equipped with anti aircraft and field guns which, while ageing, remain effective. For some time - and well before the outbreak of the Falklands crisis - the Governor of Gibraltar has believed that the Gibraltar Regiment should be re-equipped with Light guns and the Blowpipe air defence system. Earlier requests to modernise and increase the artillery resources of the Regiment have been turned down taking into account the Regiment's capability, the assessed threat and other priorities for these equipments.

In May the Chiefs of Staff again considered the request for Light Gun and Blowpipe to be provided as a permanent enhancement of the Gibraltar Regiment capabilities and recommended to Ministers here that the long term threat still did not justify this. The Governor, when he visited the MOD on 14th July repeated his long term requirement to re-equip the Gibraltar Regiment and in view of current sensitivity it has been agreed that when he visits Gibraltar on 23rd-26th July the Chief of the General Staff should review once again with the Governor the artillery and air defence requirements of the Gibraltar Regiment.

A J Coles Esq

Prime Minister
 To note.
 A.J.C. 22/7



Any decisions resulting from these discussions would relate to Gibraltar's permanent capability and could be justified only by an increase in the assessed long term threat. As I wrote in my letter of 14th July, the Regular Forces in Gibraltar are already geared to meet the sort of threat referred to in current assessments and in recent telegrams relating to Lord Belstead's visit.

There are no other outstanding requests from the Governor for specific reinforcements which have not been met.

I am sending a copy of this letter to John Holmes (FCO) and to David Wright (Cabinet Office).

John Omand
(D B OMAND) *John Omand*



Foreign and Commonwealth Office

London SW1A 2AH

19 July 1982

ml
Prime Minister

You asked for this information.

A.F.C. 20/7

Dear Sir,

In your letter of 12 July you asked for a list of territories on which we make reports under Article 73(e) of the UN Charter. At present they are:

9
Bermuda
British Virgin Islands
Cayman Islands
Falkland Islands (these reports have traditionally included the Dependencies)
Gibraltar
Montserrat
Pitcairn
St Helena and Dependencies (Ascension and Tristan de Cunha)
Turks and Caicos Islands

This is not a complete list of our Dependent Territories. There are three omissions:

- (a) Hong Kong. When the People's Republic of China replaced the Nationalists at the UN, they objected to the treatment of Hong Kong as a colony; for them it was part of China. The UN ceased to debate Hong Kong and we (without prejudice to our own position on sovereignty) ceased to report under Article 73(e).
- (b) Anguilla. While Anguilla was part of the Associated State of St Kitts-Nevis-Anguilla the UK had responsibility only for its defence and external affairs: it did not come within the scope of Article 73(e) and we did not report on it. Anguilla broke away from St Kitts-Nevis in 1967 but it was not until December 1980 that it was constitutionally given the status of a separate

/Dependent



Dependent Territory. We intend to start transmitting information under Article 73(e) soon. (St Kitts-Nevis of course remains an Associated State for which we do not make reports under Article 73(e).)

- (c) We make no reports on the British Indian Ocean Territory or the British Antarctic Territory, on the grounds that these have no permanent population.

Always,

(B J P Fall)
Private Secretary

A J Coles Esq
10 Downing Street

9 JUL 1982

9 JUL 1982

f105 SW



11

10 DOWNING STREET

From the Private Secretary

19 July, 1982

Dear David,

Gibraltar: Defence Capability

Thank you for your letter of 14 July.

The Prime Minister noted the statement in your final paragraph that the Ministry of Defence are considering the re-equipment of the Gibraltar Regiment with light guns and Blowpipe. Mrs. Thatcher has asked how long this will take, adding that she hoped one week would suffice. I should be grateful for your comments.

B/F

The Prime Minister also saw over the weekend the section on Spain/Gibraltar in JIC (82) WSI28. While noting JIC's conclusion that no new immediate assessment of the threat to Gibraltar was required, she asked whether the Governor's latest requests have been met. In your letter under reference you stated that an RAF Signals Unit and four members of the Intelligence Corps were "to be flown" to Gibraltar. I should be grateful to know whether this flight has now taken place and whether there are any other outstanding requests from the Governor which have not yet been met.

B/F

I am copying this letter to Francis Richards (Foreign and Commonwealth Office) and to David Wright (Cabinet Office).

A. J. COLES

David Omand, Esq.,
Ministry of Defence

10



MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1
 Telephone 01-~~936-7022~~ 218 2111/3

MO 5/16

14th July 1982

Prime Minister
To note this answer to your question.

A.J.C. $\frac{15}{7}$

Dear John,

GIBRALTAR DEFENCE CAPABILITY

In your letter of today's date you asked about our ability to meet the sort of threat to Gibraltar which our Ambassador in Madrid has suggested might occur during the visit of Lord Belstead.

Background to the Visit

Madrid telegram number 395 is one of a number which have been exchanged between Madrid, Gibraltar and London following the calling in of our Ambassador to Spain by the Spanish Foreign Minister (Perez-Llorca) (Madrid Telno 392 of 7th July refers). There has also been a discussion on the telephone between Perez-Llorca and the Foreign and Commonwealth Secretary (FCO telno 237 of 8th July refers). Perez-Llorca expressed his personal concern at the proposed visit of Lord Belstead to Gibraltar from 21st-23rd July. He said he was "afraid" of the reaction of Spanish public opinion, particularly in the Campo area. Perez-Llorca pressed for a delay to the visit, or, at least, for an assurance that anything said in public would avoid political questions as far as possible and concentrate on the economic situation in Gibraltar as it was. He was told there was no question of changing the plans for the visit; such visits were a matter of routine. There was no intention of making the visit a high level political occasion although it must be accepted that political questions might be raised with Lord Belstead.

Intelligence

A meeting of the Current Intelligence Group (CIG) of the JIC was convened last Friday (9th) to discuss the situation. It did not produce a new assessment but took the view, in the absence of any collateral for Perez-Llorca's concern, that there were no grounds for changing the current threat assessment for Gibraltar. This acknowledges that there is a slight threat of unauthorised military action by forces in Southern Spain but considers that the Spanish Government would be unlikely to endorse such action after the event.

A J Coles Esq



We consider that it would be prudent, in the light of the particular concern expressed on this occasion by Perez-Llorca, to bolster the intelligence resources in Gibraltar, as requested by the Governor. A RAF Signals Unit and 4 members of the Intelligence Corps are therefore to be flown to Gibraltar.

A review of longer term intelligence required in Gibraltar is being urgently carried out by the JIC.

Our military posture

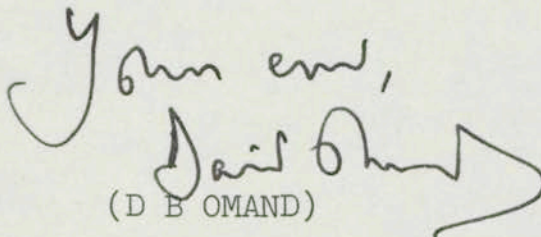
The current Gibraltar Garrison comprises an Infantry Battalion, together with Royal Engineers and Royal Artillery and other supporting arms - more than 1000 men in all. The Garrison is geared to meet the sort of unauthorised local action referred to in the current threat assessment. The Governor is of course fully aware of the situation and his forces are fully prepared. The answer to the question asked by the Prime Minister is therefore that we are ready to respond in the event of incidents of the kind referred to in Madrid telegram no 395.

It has been planned for some time that a number of visits will be made by RAF aircraft to Gibraltar in the remainder of July, August and September, and we are arranging for 2 Buccaneers to be there during Lord Belstead's visit.

As to reinforcement, should the threat assessment change, the Governor has said that his requirement would be for 1 Infantry Company, 1 Light Battery and 1 Blowpipe Troop. An Infantry Company is currently at 24 hours notice to deploy. The other reinforcement elements are currently at their normal 7 days notice but this could be reduced progressively if the situation seemed to warrant it.

For the longer term, consideration is being given in the MOD to re-equipping the Gibraltar Regiment with light guns and Blowpipe to improve the in-place defence capability.

I am sending a copy of this letter to John Holmes (FCO).

Yours ever,

 (D B OMAND)

How long
 will this
 take -
 I would?
 I hope no
 longer
 mt



4 JUL 1982





10 DOWNING STREET

From the Private Secretary

14 July 1982

SPANISH THREAT TO GIBRALTAR

As I told your Office last night, the Prime Minister read yesterday Madrid telegram no. 395 of 8 July which warned that there was an outside chance that the visit of Lord Belstead to Gibraltar could provoke pressure for a strike against Gibraltar by right wing and/or military elements in the area. The Prime Minister asked: "Are we ready should such an invasion occur?"

I should be grateful if you could let me have an answer to Mrs. Thatcher's question as soon as possible - ideally, I should like to let the Prime Minister have your assessment tonight.

I am sending a copy of this letter to John Holmes (Foreign and Commonwealth Office).

B L COLES

David Omand, Esq.,
Ministry of Defence.

RESTRICTED

AMENDED DISTRIBUTION 14 JULY 1982

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SIC

CYPHER CAT A

PS. NO 10, DOWNING STREET.

FROM GIBRALTAR 131210Z JULY 82
TO PRIORITY MADRID TEL NO 18 OF 13 JULY 1982
INFO ROUTINE FCO

INCIDENT IN GIBRALTAR WATERS

1. PUBLICITY HAS BEEN GIVEN IN GIBRALTAR MEDIA TO AN INCIDENT INVOLVING THE GIBRALTAR POLICE MOTOR BOAT GULLOCH AND SPANISH FISHING BOAT ANITA ON 11 JULY. IT IS POSSIBLE THAT YOU MIGHT RECEIVE ENQUIRIES.

2. ANITA WAS SIGHTED AT 1545 HOURS VERY CLOSE TO GIBRALTAR SHORE AND HEADING TOWARDS THE 100 YARD MARKS PUT DOWN TO PREVENT BOATS MOVING INTO SWIMMING AREA. ANITA HAD FOUR ON BOARD AND THEY WERE SEEN TO BE DRINKING STEADILY FROM BEER BOTTLES. POLICE CRAFT APPROACHED ANITA OPPOSITE CHILDRENS SWIMMING POOL ABOUT 20 YARDS OFF-SHORE AND REQUESTED THEM TO MOVE OUTSIDE THE DEMARCATED AREA. THIS REQUEST WAS IGNORED. POLICE CRAFT POSITIONED ITSELF BETWEEN ANITA AND THE SEA SHORE WHILST CONTINUING TO PERSADE THEM TO MOVE. IN CARRYING OUT THIS MANOEUVRE THE SPANISH BOAT TURNED ACROSS THE BOWS OF THE POLICE CRAFT AND ITS STERN SLIGHTLY TOUCHED HE BOWS OF THE POLICE CRAFT. POLICE CRAFT FULLY REVERSED ENGINES AND NO DAMAGE WAS CAUSED TO EITHER BOAT BUT THREE MEMBERS OF THE ANITA CREW JUMPED INTO THE WATER. ON REGAINING THEIR BOAT ANITA CREW BECAME ABUSIVE AND OTHER SPANISH CRAFT WERE ATTRACTED AND BEGAN CIRCLING THE POLICE CRAFT SHOUTING THREATS AND HREATENING POLICE WITH OARS, ANCHORS AND FISHING GAFFS. AT THIS STAGE ANITA WAS SOME 70 YARDS FROM ASHORE. GIBRALTARIANS ON THE BEACH AND OTHERS WITH DINGHIES MOVED TOWARDS POLICE CRAFT TO RENDER ASSISTANCE. GULLOCH EVENTUALLY SUCCEEDED IN MOVING ANITA AND OTHERS AWAY FROM THE COASTAL AREA AND THEY LEFT TOWARDS SPANISH WATERS.

3. GIBRALTAR POLICE WILL BE ALERT ON 16 JULY FEAST OF THE BLESSING OF THE WATERS WHEN MANY SPANISH FISHERMEN CAN BE EXPECTED TO CELEBRATE BY TAKING THEIR FAMILIES AND OTHERS TO SEA. IN THE PAST THEY HAVE USUALLY SAILED AROUND GIBRALTAR FLYING THE SPANISH FLAG BUT THERE HAVE BEEN NO REPEAT NO UNPLEASANT INCIDENTS.

NEILSON

FCO PLEASE PASS

THIS TELEGRAM
WAS NOT
ADVANCED

LIMITED
SER
NEWS
MAED
PS
PS/LORI BELSTEAD

PS/PUS
SIR J. BULLARD
MR. GOODISON

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GIBRALTAR

[PASSED AS REQUESTED]

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ADVANCE COPY

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00 GIBRALTAR (PERSONAL)

00 MOD

GRS 250

S E C R E T

FM MADRID 121155Z JUL 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 403 OF 12 JULY

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL), MOD D13 (W).

GIBRALTAR PERSONAL NO. 94 : GIBRALTAR / SPAIN

IMMEDIATE

Hd/SED

~~Ps/No Head~~

Ps/Ld. Redstead

Sir J. Bullard

~~Mr Goodison~~

8

34

1. I AGREE WITH THE GOVERNOR'S COMMENTS ON SENTIMENT IN THE CAMPO. OUR ASSESSMENT IS ALSO THAT THE MAJORITY THERE FAVOUR LIFTING RESTRICTIONS. NOR IS A LARGE SCALE MILITARY ATTEMPT AGAINST GIBRALTAR VERY LIKELY, BOTH BECAUSE OF THE SPANISH GOVERNMENT'S ATTITUDE AND BECAUSE OF THE DISTANCE FROM THE MAJOR SPANISH COMMANDS IN SEVILLE AND CADIZ.
2. NEVERTHELESS, A MINOR DEMONSTRATION OR ISOLATED ACTION OF SOME SORT CANNOT BE RULED OUT. IT WOULD BE UNWISE TO DISREGARD PEREZ LLORCA'S WARNING ENTIRELY, DESPITE ITS VAGUENESS. TROUBLE COULD COME FROM CAMPO INHABITANTS WHO DO NOT SHARE THE SENTIMENT OF THE MAJORITY; OR FROM OUTSIDERS FROM ELSEWHERE IN SPAIN WHO HAVE EASY ACCESS TO THE CAMPO AREA AND TO GIBRALTAR THROUGH TANGIER. IN THIS RESPECT, YOU WILL HAVE NOTED THE MARCH PLANNED FOR 5-9 AUGUST BY GONZALO ARIAS, THE PACIFIST WHO HAS ORGANISED SIMILAR DEMONSTRATIONS IN THE PAST. POTENTIAL TROUBLEMAKERS COULD ALSO SEEK TO ABUSE THE SPANISH GOVERNMENT'S RELAXATION OF THE CRITERIA FOR FRONTIER OPENING ON HUMANITARIAN GROUNDS.
3. NOR MUST WE DISCOUNT THE POSSIBILITY OF SMALL AND IRRESPONSIBLE MILITARY UNITS ACTING ON THEIR OWN INITIATIVE. UNITS IN ALGECIRAS, SAN ROQUE AND TARIFA ARE WITHIN STRIKING DISTANCE OF GIBRALTAR.
4. THIS SAID, I THINK THE GOVERNOR HAS FOUND THE RIGHT BALANCE IN HIS TELNO PERSONAL 93, IN EMPHASISING THE NEED TO IMPROVE OUR INTELLIGENCE BASE RATHER THAN MAKE AN OVERT SHOW OF FORCE.

O 091535Z JUL 82
FM GIBRALTAR
TO RBDWDF/FCO LONDON
INFO ZEN/FOGIB
ZEN/TPS GIBRALTAR
RBTJXA/RAF GIBRALTAR
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CYPHER CAT A

FROM GIBRALTAR 091535Z JUL 82
TO IMMEDIATE FCO TELNO PERSONAL 95 OF 9 JUL 82

FOR SED, YOUR TELNO 236 OF 8 JULY AND MY PERSONAL 94 OF 9 JULY.

1. IN REVIEWING OUR ABILITY TO MEET THE POTENTIAL MILITARY THREAT I HAVE CONSIDERED THREE SITUATIONS:

A. CURRENT POSITION IN WHICH NO CLEAR THREAT HAS BEEN IDENTIFIED FOR WHICH I HAVE ONLY REQUESTED MOD (MY ACA/A2C 081910Z JUL) TO REPOSITION INTELLIGENCE GATHERING AGENCIES AS PROVIDED DURING FALKLAND CRISIS. ADDITIONALLY I INTEND TO RETAIN THE GUARDSHIP AND THE ADDITIONAL GUARD BOAT CREW.

B. IF LOCAL THREAT GENERATED IN THE CAMPO AREA IS IDENTIFIED IMMEDIATE REINFORCEMENTS SET OUT IN PARA 2 BELOW WOULD BE CALLED FOR.

C. IF MAJOR THREAT FROM DIVISION BASED IN SEVILLE OR FROM AMPHIBIOUS GROUP AT CADIZ IS IDENTIFIED, BALANCE OF JOINT THEATRE PLAN 52 INCLUDING HARRIERS WOULD BE REQUESTED.

2. IMMEDIATE REINFORCEMENTS TO COUNTER A LOCAL THREAT WOULD BE ONE EXTRA INFANTRY COMPANY, ONE BATTERY L

GHT GUNS, BLOWPIPE TROOP,
TWO SEA KING HELOS, AND DETACHMENT OF SUITABLE STRIKE AIRCRAFT AS PROVIDED FOR THE FALKLAND CRISIS. ARRIVAL OF THESE REINFORCEMENTS WOULD NOT REMAIN UNDETECTED FOR LONG. AT PRESENT WE HAVE NO OBVIOUS COVER LIKE THE FALKLANDS CRISIS OR ANY PUBLISHED EXERCISE FOR WHICH REINFORCEMENTS COULD BE SAID TO HAVE ARRIVED.

3. THE VULNERABILITY OF THE AIRFIELD SHOULD BE TAKEN FULLY INTO ACCOUNT IN THE TIMING OF ANY DECISION TO REINFORCE WITH THE BALANCE OF JTP 52.

4. SEPERATE SIGNAL HAS BEEN SENT TO MOD REF ACA/A2C 091540Z JUL SPELLING OUT DETAIL.

JACKSON

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NEWS.D
PCD

PS
PS | MR HURD
PS | LORD BELSTEAD
PS | PUS
SIR J BULLARD
MR GOODISON

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GIBRALTAR

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CYPHER CAT A

FROM GIBRALTAR 091245Z JUL 82
TO IMMEDIATE FCO TEL NO PERSONAL 94 OF 9 JULY 1982
AND IMMEDIATE MADRID

YOUR TELNOS 236 AND 237 TO MADRID: GIBRALTAR/SPAIN

1. I SHALL BE TELEGRAPHING LATER TODAY WITH A FURTHER OUTLINE OF
MILITARY REQUIREMENTS.

2. MY READING OF THE MOOD IN THE CAMPO IS THAT THEY SEE THEIR
PROSPERITY AS RELATED TO GIBRALTAR AND WOULD BE READY FOR THE MOST
PART TO WELCOME LIFTING OF RESTRICTIONS WHATEVER THEIR VIEWS ON
THE SOVEREIGNTY ISSUE. AS SEEN FROM HERE THERE APPEARS TO BE NO
FOUNDATION FOR ADVENTURE MOUNTED ON CAMPO SENTIMENT. THE NEAREST
LOCATION WITH STRONGER MILITARY PRESENCE AND OFFICERS OF SUFFICIENT
INFLUENCE TO SUPPORT A MILITARY THREAT TO GIBRALTAR SEEMS TO BE
SEVILLE OR CADIZ.

3. THERE ARE SOME INDICATIONS OF A RELAXATION OF SPANISH CRITERIA
FOR FRONTIER OPENING ON HUMANITARIAN GROUNDS. FRONTIER OPENED
YESTERDAY TO PERMIT ONE COFFIN TO ENTER SPAIN AND ONE SPANIARD
TO VISIT AN AILING RELATIVE HERE. LATTER APPLICATION WOULD
PROBABLY NOT REPEAT NOT HAVE SUCCEEDED SOME TIME AGO. MAYOR OF LA
LINEA AND DEPUTY GOVERNOR OF CAMPO SEEM TO HAVE BEEN GIVEN
DISCRETION TO ACT SYMPETHETICALLY. CIVIL GUARDS AT THE FRONTIER
HAVE TOLD GIBRALTAR POLICE THAT THIS TENDMIGHT CONTINUE
PARTICULARLY IN CONNECTION WITH LA LINEA FAIR DUE TO OPEN 17 JULY.
SUCH RUMOURS ARE HOWEVER TRADITIONAL AS ANY FESTIVAL APPROACHES.

4. WHILST THESE SIGNS ARE ENCOURAGING I AM QUITE CLEAR THAT ANY
SYSTEM BASED ON QUOTE PERMISOS UNQUOTE WOULD BE VERY MUCH RESENTED
HHHERE. POPULAR FEELING TOWARDS SPAIN REMAINS BITTER. EVEN
UNRESTRICTED ACCESS AT THE MOMENT MIGHT GIVE RISE TO INCIDENTS
DUE TO THIS TENSION.

BT

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PSLORDBELSTEAD
PSIPUS
SIR J BULLARD
MR GOODISON

ADDITIONAL DISTN
GIBRALTAR

CONFIDENTIAL

Gibralta

S/F

12 July 1982

Gibraltar

The Prime Minister has seen your letter of 6 July about reports on Gibraltar to the United Nations. She would be grateful for a full list of the non self-governing territories on whom reports are made under Article 73(e) of the United Nations Charter.

JOHN COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

GRS 810
CONFIDENTIAL
FM MADRID 081230Z JUL 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 396 OF 8 JULY
INFO GOVERNOR GIBRALTAR (PERSONAL)

CONFIDENTIAL

Prime Minister
We shall have to watch the situation
in Spain very carefully - especially because
of its implications for Gibraltar.

ms A.S.C. 9/7

MY TELEGRAM NO. 392 : GIBRALTAR AND SPANISH POLITICAL SCENE

1. THE SPANISH FOREIGN MINISTER'S REACTION MAY WELL SEEM EXAGGERATED. BUT IT SHOULD BE BORNE IN MIND THAT HE IS WORKING AGAINST AN INCREASINGLY UNCERTAIN POLITICAL BACKGROUND.
2. THE SPANISH GOVERNMENT, AND THEIR FOREIGN POLICY IN PARTICULAR, HAVE RECENTLY SUFFERED A SERIES OF REBUFFS AND HUMILIATIONS, LARGELY SELF-ENGENDERED. THEY NOW REALISE THAT THEIR HANDLING OF THE FALKLANDS CRISIS SECURED THE WORST OF BOTH WORLDS. MITTERRAND'S VISIT TORPEDOED WHAT LINGERING HOPES THEY MAY HAVE ENTERTAINED FOR COMPLETING THEIR EC NEGOTIATIONS IN TIME TO ENABLE THEM TO JOIN THE COMMUNITY IN 1984. THEY HAVE BEEN HUMILIATED BOTH BY THE CHICANERY ASSOCIATED WITH ORGANISING THE WORLD CUP AND THE MISERABLE PERFORMANCE OF THE HOME TEAM. INFLUENTIAL EDITORIALS HAVE SUGGESTED THAT THEY HAVE ONCE MORE TAKEN THE WRONG COURSE OVER GIBRALTAR, KNUCKLING UNDER TO OLD GUARD ELEMENTS OPPOSED TO THE SCRAPPING OF FRANCO'S POLICY ON FRONTIER RESTRICTIONS AND BACKING OFF NEGOTIATIONS THAT WOULD HAVE OFFERED THEM THE OPPORTUNITY OF ADVANCING THEIR CASE.
3. THESE DIFFICULTIES HAVE BEEN COMPOUNDED BY A DOMESTIC POLITICAL CRISIS WITHIN THE UCD WHICH GOES FROM BAD TO WORSE. THE PRIME MINISTER OFFERED TO STAND DOWN AS PARTY CHAIRMAN, ONLY TO SEE LANDALINO LAVILLA, SPEAKER OF THE LOWER HOUSE AND A MAN WITH A RESPECTABLE REPUTATION, PUBLICLY AIR HIS DOUBTS ABOUT ASSUMING THIS THANKLESS TASK. EFFORTS TO SYNTHESIZE THE POSITION OF THE UCD'S RIVAL FAMILIES CONTINUE TO FALL APART BEFORE THE INK OF DRAFT AGREEMENTS HAS DRIED. WE MAY HAVE THE REMARKABLE SPECTACLE OF THE PARTY OVERWHELMINGLY VICTORIOUS IN THE TWO ELECTION OF DEMOCRATIC SPAIN BREAKING UP WHILE STILL IN OFFICE. THE PRINCIPLE RIVAL FACTIONS (CHRISTIAN DEMOCRAT, SOCIAL DEMOCRAT, LIBERAL/CONSERVATIVE AND "RECONSTRUCTED" OLD GUARD) CONTINUE TO BE PRISED APART BY BOTH PERSONAL RIVALRIES AND BY THE IMPACT OF THE GOVERNMENT'S FOURTH SUCCESSIVE CRUSHING DEFEAT IN REGIONAL ELECTIONS IN ANDALUSIA LAST MAY. THERE IS NO CONSENSUS ON HOW THE PARTY IS TO SAVE ITS SKIN IN GENERAL ELECTIONS WHICH MUST BE HELD BEFORE MARCH 1983. ATTEMPTS TO RESURRECT ADOLFO SUAREZ, WHO MASTER-MINDED THE PARTY'S PREVIOUS VICTORIES AND WHOSE RESIGNATION IN JANUARY 1981 CLOSELY PRECEDED THE ABORTIVE MILITARY COUP A MONTH LATER, HAVE FOUNDERED ON OPPOSITION FROM CHRISTIAN DEMOCRATS AND OTHERS WHO MAY SEEK ELECTORAL SALVATION WITH MANUEL FRAGA'S RIGHT WING POPULAR ALLIANCE.

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4. THE IMPRESSION THUS GIVEN IS OF A POWER VACUUM AT THE CENTRE. IN THIS CLIMATE, RUMOURS OF RESTIVENESS AMONG THE ULTRA-RIGHT AND SUGGESTIONS OF A "GOVERNMENT OF MANAGEMENT" WITH MILITARY BACKING INEVITABLY ABOUND. IT HAS BEEN SUGGESTED THAT THE SOCIALIST LEADER FELIPE GONZALEZ' CALL FOR GENERAL ELECTIONS SOON WAS PARTLY MOTIVATED BY FEAR OF UNCONSTITUTIONAL ACTION BY RIGHT-WING CIVILIAN AND MILITARY ELEMENTS, DESIGNED TO PRE-EMPT A POSSIBLE SOCIALIST VICTORY IF ELECTIONS ARE HELD AROUND THEIR DUE DATE. BUT IN THE GIBRALTAR CONTEXT PEREZ LLORCA HAS HINTED TO ME THAT THE MILITARY ALREADY EXERCISE CONSIDERABLE INFLUENCE OVER GOVERNMENT POLICIES. RUMOURS POINTING TO EXPLICIT ACTION AGAINST THE DEMOCRATIC PROCESS BY ELEMENTS OF THE FAR RIGHT MAY BE UNDULY ALARMIST. BUT PEREZ LLORCA'S REPEATED REFERENCES TO HIS "FEAR" OF UNTOWARD REACTIONS HERE TO DEVELOPMENTS IN GIBRALTAR MAY WELL HAVE BEEN COLOURED BY A MORE FUNDAMENTAL ANXIETY ABOUT DEMOCRATIC PROSPECTS, AS WELL AS FEARS FOR HIS OWN POLITICAL SURVIVAL.

5. THE UCD'S PROSPECTS SHOULD BE CLARIFIED BY 13 OR 14 JULY WHEN THE POLITICAL COUNCIL WILL MEET TO ENDORSE ANY ARRANGEMENTS AGREED BY THE EXECUTIVE COMMITTEE NEXT WEEKEND. WITH PARLIAMENT NOT IN SESSION AND PUBLIC INTEREST CONCENTRATED ON HOLIDAYS FROM EARLY AUGUST ONWARDS, CALVO SOTELO SHOULD IN PRINCIPLE BE ABLE TO GOVERN THROUGH THE SUMMER UNTIL NEXT AUTUMN WHEN HE SEEMS INCREASINGLY LIKELY TO CALL GENERAL ELECTIONS. BUT WE CANNOT RULE OUT THAT IF THE UCD CRUMBLES UNDER HIS FEET, HE MAY THROW IN THE TOWEL STRAIGHT AWAY. A PUBLIC SPEECH LAST NIGHT PROCLAIMING HIS BELIEF THAT A CENTRE PARTY WAS NECESSARY FOR DEMOCRATIC STABILITY IN SPAIN, AND HIS FAITH IN THE UCD'S CONTINUING ABILITY TO FILL THE BILL, SUGGESTS THAT HE IS NOT PREPARING TO DO SO IMMEDIATELY. BUT THE SITUATION REMAINS FLUID AND UNPREDICTABLE. WHILE THE DOMESTIC POLITICAL CRISIS REMAINS UNRESOLVED, ALMOST ANYTHING COULD HAPPEN.

PARSONS

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PS/LORD BELSTEAD
PS/PUS
SIR J BULLARD
MR GOODISON

ADDITIONAL DISTRIBUTION
GIBRALTAR

M.O.D. - P.O.

Are we READY
Should such an
incident occur?
mt

GRS 270

S E C R E T

FM MADRID 081150Z JUL 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 395 OF 8 JULY

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

MY TELEGRAM NO. 393 : LORD BELSTEAD'S VISIT TO GIBRALTAR

ON THE ASSUMPTION THAT A MINISTERIAL VISIT TO GIBRALTAR GOES AHEAD THIS SUMMER, WE MUST TAKE LITERALLY WHAT THE SPANISH FOREIGN MINISTER HAS SAID TO ME ABOUT HIS FEAR OF THE REACTION OF SPANISH PUBLIC OPINION, PARTICULARLY IN THE CAMPO AREA. AS WE ARE REPORTING SEPARATELY BY TELEGRAM TODAY, THE POLITICAL SITUATION IN SPAIN HAS DETERIORATED CONSIDERABLY IN RECENT DAYS. THE POSITION IN THE GOVERNMENT'S RULING PARTY (UCD) IS ALMOST TOTALLY FLUID. THE POSITION MAY BE APPROACHING THE APPEARANCE OF A POWER VACUUM AS IN EARLY 1981, WHICH PRECIPITATED THE ATTEMPTED COUP ON 23 FEBRUARY.

2. IN THESE CIRCUMSTANCES THERE IS THUS AN OUTSIDE CHANCE THAT THE MINISTERIAL VISIT, WHICH IS REFERRED TO BRIEFLY IN TODAY'S SPANISH PRESS, COULD PROVOKE PRESSURE FOR A STRIKE AGAINST GIBRALTAR BY RIGHT-WING AND/OR MILITARY ELEMENTS IN THE AREA. I AM CONFIDENT THAT CALVO SOTELO AND PEREZ LLORCA, SO LONG AS THEY REMAIN IN POWER, WOULD DO THEIR LEVEL BEST TO PREVENT THIS. BUT, AS THE FOREIGN MINISTER WARNED ME AT THE TIME OF THE FALKLAND CRISIS, THE GOVERNMENT MIGHT LACK THE POWER TO RESTRAIN HOT-HEADS.

3. I DO NOT (NOT) PRESENT THIS CONSIDERATION AS AN ARGUMENT AGAINST A MINISTERIAL VISIT TO GIBRALTAR. BUT IT MUST BE SEEN AS A SERIOUS POLITICAL WARNING. YOU AND THE GOVERNOR WILL WISH TO CONSIDER HOW BEST TO STRIKE THE BALANCE BETWEEN APPROPRIATE SECURITY MEASURES AND OVERT PROTECTIVE STEPS WHICH COULD TRIGGER THE VERY THREAT THEY WERE DESIGNED TO COUNTER.

PARSONS

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PS
PS/LORD BELSTEAD
PS/PUS
SIR J BULLARD
MR GOODISON

ADDITIONAL DIST:
GIBRALTAR

SECRET

CONFIDENTIAL

13836 - 1

OO MADRID

GRS 360

CONFIDENTIAL

FM FCO 081800Z JUL 82

TO IMMEDIATE MADRID

TELEGRAM NUMBER 237 OF 8 JULY

INFO IMMEDIATE GIBRALTAR

YOUR TELNO 393:TELEPHONE CONVERSATION WITH SPANISH FOREIGN MINISTER.

1. I TELEPHONED PEREZ-LLORCA TODAY. THE FOLLOWING IS A RECORD OF OUR CONVERSATION.

2. PEREZ-LLORCA SAID THAT HE HAD SUGGESTED A PHONE CALL NOT BECAUSE THE MATTER WAS FORMALLY ONE UNDER DISCUSSION BETWEEN US - BUT TO EMPHASISE AS A FRIEND AND AN ALLY THAT HE WAS DOING EVERYTHING HE COULD TO KEEP THE TEMPERATURE DOWN. AS WE WOULD KNOW FROM HIS CONVERSATIONS WITH YOU, HE WAS AFRAID THAT THE VISIT MIGHT AROUSE FEELINGS IN SPAIN AND HE WONDERED IF IT COULD BE POSTPONED UNTIL AUGUST WHEN THE SITUATION WOULD BE CALMER ('AND PUBLIC OPINION MORE ABSENT'). FAILING THAT, HE HOPED THAT THE VISIT, AND IN PARTICULAR ANYTHING SAID IN PUBLIC, WOULD AVOID POLITICAL QUESTIONS AS FAR AS POSSIBLE AND CONCENTRATE ON THE SITUATION IN GIBRALTAR AS IT WAS.

3. I REPLIED THAT I TOO WANTED TO KEEP THE TEMPERATURE DOWN, BUT TO CHANGE OUR PLANS NOW WOULD BE TO DO QUITE THE OPPOSITE. MINISTERIAL VISITS TO GIBRALTAR WERE A MATTER OF ROUTINE, AND ONE AT PRESENT WOULD BE HELPFUL IN MAINTAINING GIBPALTARIAN OPINION ON AN EVEN KEEL IN THE LIGHT OF THEIR NATURAL ANXIETY OVER THE ECONOMIC CONSEQUENCES OF THE FAILURE TO GO AHEAD WITH THE SINTRA MEETING. LORD BELSTEAD WOULD OF COURSE MAKE CLEAR OUR JOINT COMMITMENT TO KEEP THE LISBON PROCESS ALIVE. HE WOULD NOT BE LOOKING TO RAISE POLITICAL QUESTIONS THOUGH WE MUST RECOGNISE THAT THEY MIGHT BE RAISED WITH HIM. WE EXPECTED THAT THE GIBRALTARIANS WOULD WANT TO TALK ABOUT ECONOMIC MATTERS AND WE WERE CERTAINLY NOT LOOKING ON THE VISIT AS AN OCCASION FOR HIGH-PROFILE POLITICS.

4. PEREZ-LLORCA TOOK ALL THIS QUITE WELL AND REPORTED HIS

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head in full.

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CONCERN THAT THERE SHOULD BE A MINIMUM OF POLITICS AND THAT EVERYTHING BE KEPT AS QUIET AS POSSIBLE. HE ADDED THAT HE HAD GIVEN INSTRUCTIONS FOR A RELAXATION OF THE BORDER REGIME AND TALKED OF MOVING STEP BY STEP AND DOING MORE IN SEPTEMBER. I SAID THAT WE WELCOMED MEASURES TO ALLEVIATE THE RESTRICTIONS. 5. IN CONCLUSION, PEREZ-LLORCA SAID THAT HE THOUGHT IT IMPORTANT THAT THE TWO MINISTERS SHOULD MAINTAIN COMMUNICATIONS AND I AGREED.

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TO IMMEDIATE FCO TEL NO PERSONAL 93 OF 08 JULY

INFO IMMEDIATE MADRID

MADRID TELNO 395 AND TELECON NEILSON/WILSON

1. MY VIEWS ON THE EFFECT OF A CANCELLATION OF THE VISIT REMAIN AS SET OUT IN MY TELNO PERSONAL 91. A SIGNIFICANT POSTPONEMENT AT SPANISH BEHEST WOULD BE LIKELY TO HAVE A SIMILAR EFFECT.

2. I HAVE HOWEVER JUDGED IT PRUDENT TO PAY ATTENTION TO PEREZ-LLORCAS WARNING IN VIEW OF THE ACCURATE INFORMATION WHICH HE PASSED US EARLIER ABOUT THE THREAT FROM ARGENTINE ELEMENTS IN SPAIN. I RECOGNISE THE NEED TO MAKE ANY MILITARY PREPARATIONS IN AS COVERT A MANNER AS POSSIBLE IN ORDER TO AVOID THE RISK OF PRECIPITATING THE ACTION WE SEEK TO AVOID. I HAVE ACCORDINGLY BRIEFED MY SERVICE COMMANDERS AND WILL BE REPORTING IMMEDIATE REQUIREMENTS ON MOD CHANNELS. FIRST STEP WILL BE TO RE-ESTABLISH MY INTELLIGENCE BASE. UNFORTUNATELY EXCEPTIONAL MEASURES TAKEN IN THIS RESPECT AND ON REINFORCEMENTS RELATED TO ARGENTINE CRISIS HAVE JUST BEEN STEPPED DOWN AND CARE WILL NEED TO BE TAKEN IN REINSTITUTING THEM.

3. WE ARE NOT REPEAT NOT AS YET AWARE OF ANY RUMBLINGS IN THE CAMPO AREA WHICH FOR THE MOMENT APPEARS TO BE THAT SECTION OF SPAIN MOST SYMPATHETIC TO THE ESTABLISHMENT OF FRIENDLY RELATIONS WITH GIBRALTAR.

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TO FLASH FCO
TELEGRAM NUMBER 393 OF 8 JULY
INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

MY TELEGRAM NO. 392 : LORD BELSTEAD'S VISIT TO GIBRALTAR

THE FOREIGN MINISTER TELEPHONED AGAIN LATE LAST NIGHT TO EMPHASISE HIS ANXIETY TO RECEIVE THE PLANNED TELEPHONE CALL FROM YOU THIS MORNING. HE SAID HE WOULD CONCENTRATE WITH YOU ON THE TWO FOLLOWING POINTS :

A) AN APPEAL THAT ANY VISIT SHOULD BE HANDLED WITH THE GREATEST POSSIBLE PRUDENCE AND DISCRETION TO AVOID NEW POLITICAL COMMITMENTS. THESE MIGHT OBLIGE THE SPANISH GOVERNMENT TO COME OUT WITH COUNTER DECLARATIONS, CONTRARY TO THE POLICY OF TRYING TO PLAY DOWN THINGS.

B) A REQUEST THAT THE VISIT SHOULD BE POSTPONED INTO THE POLITICALLY DEAD SEASON OF AUGUST.

2. IT WOULD THUS SEEM THAT HE HAS ACCEPTED THAT THERE CAN BE NO SERIOUS POSSIBILITY OF CANCELLATION AT THIS STAGE.

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FM MADRID 071705Z JULY 82

TO IMMEDIATE FCC

TELEGRAM NUMBER ~~392~~ OF 7 JULY 1982

INFO ^{IMMEDIATE} GOVERNOR GIBRALTAR (PERSONAL)

ROME (PRIVATE SECRETARY)

YOUR TEL 31 TO GIBRALTAR: LORD BELSTEAD'S VISIT TO GIBRALTAR

3 1. THE SPANISH FOREIGN MINISTER SENT FOR ME THIS EVENING TO EXPRESS DEEP CONCERN ABOUT THIS PLAN. HE SAID SEVERAL TIMES THAT HE WAS QUOTE AFRAID UNQUOTE OF THE REACTION OF SPANISH PUBLIC OPINION, PARTICULARLY IN THE CAMPO AREA. THE BRITISH MINISTER WOULD BE UNDER LOCAL PRESSURE TO SPELL OUT OUR VIEWS ON THE POLITICAL ISSUE. THIS COULD ONLY BE UNHELPFUL TO ANGLO-SPANISH RELATIONS AT A TIME WHEN THE PRESS WOULD BE LOOKING FOR NEWS. THE INCIDENT MIGHT EVEN BE AS BAD FOR OUR RELATIONSHIP AS THE ROYAL HONEYMOON IN GIBRALTAR A YEAR AGO. WOULD IT NOT BE POSSIBLE TO CANCEL THE VISIT ON SOME PRETEXT, EVEN AT THIS LATE HOUR?

2. I PROMISED TO REPORT PEREZ LLORCA'S REQUEST. BUT I HELD OUT NO HOPE AT ALL THAT IT COULD BE MET. IT WOULD BE AN EXTRAORDINARY POLITICAL RISK FOR A BRITISH MINISTER TO CANCEL A VISIT TO GIBRALTAR AT THE REQUEST OF THE SPANISH GOVERNMENT. THE PARALLEL WITH THE ROYAL HONEYMOON LAST YEAR WAS SURELY REMOTE. BRITISH MINISTERS HAD BEEN VISITING GIBRALTAR FOR YEARS. THE CONTINUED CLOSURE OF THE SPANISH FRONTIER, FOLLOWING POSTPONEMENT OF THE 25 JUNE MEETING AT SPAIN'S OWN REQUEST, OBLIGED HMG TO DEMONSTRATE ITS SUPPORT AND SUSTAIN POLICY TOWARDS GIBRALTAR.

3. THE FOREIGN MINISTER THEN SAID THAT, IF IT WAS TOO LATE TO CANCEL THE VISIT, IT MIGHT AT LEAST HELP TO DEFLATE THE DANGER IF EMPHASIS COULD BE LAID ON ITS ECONOMIC ASPECT RATHER THAN THE POLITICAL SIDE. WAS THERE ANY HOPE THAT A MINISTER OF EQUIVALENT RANK DEALING WITH ECONOMIC SUPPORT MIGHT BE SUBSTITUTED? HE SEEMED TO HAVE SOMEBODY IN MIND LIKE THE MINISTER FOR OVERSEAS DEVELOPMENT. I PROMISED TO REPORT THIS REQUEST TOO, ALTHOUGH EQUALLY WITHOUT COMMITMENT. PEREZ LLORCA SAID HE WOULD PROBABLY TRY TO RING YOU DIRECT AS A FELLOW ALLIANCE FOREIGN MINISTER. I SUSPECT THAT ON REFLECTION HE WILL LIMIT HIMSELF TO EXPRESSING THE HOPE THAT THE VISIT SHOULD BE SEEN OBZINVRGBUGCENTRATE ON THE ECONOMIC ASPECTS.

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4. PEREZ LLORCA WAS MORE AGITATED THAN I HAVE EVER SEEN HIM. FOR MORE GENERAL REASONS HIS OWN POLITICAL CAREER AND THAT OF OTHER GOVERNMENT MINISTERS IS AT PRESENT AT STAKE.

5. SINCE DICTATING THE ABOVE THE MINISTER HAS RUNG TO SAY THAT, IN ADDITION, HE PLANS TO TRY ON YOU THE IDEA OF POSTPONING THE VISIT FOR A FEW DAYS INTO AUGUST WHEN THERE MIGHT BE LESS INTEREST HERE.

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A.D. : GIBRALTAR

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GRS 530
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FM MADRID 070839Z JUL 82
TO PRIORITY FCO
TELEGRAM NUMBER 390 OF 7 JULY
INFO PRIORITY GOVERNOR GIBRALTAR (PERSONAL)
INFO ROUTINE UKDEL NATO

MY TELEGRAM NUMBER 387 : GIBRALTAR

THE KING OF SPAIN ASKED MR PRIOR TO CALL ON HIM YESTERDAY. THE SPANISH FOREIGN MINISTER WAS WITH THE KING. I ACCOMPANIED MR PRIOR.

2. THE TALK , WHICH WAS AMICABLE IN TONE, WAS CONDUCTED IN VERY GENERAL TERMS. THE KING EMPHASISED HIS PERSONAL FRIENDSHIP TOWARDS BRITAIN, AS WELL AS HIS CORDIAL RELATIONSHIP WITH THE BRITISH MONARCHY. HE SAID THAT THE SPANISH GOVERNMENT WANTED TO COOPERATE MORE CLOSELY THAN EVER WITH THE BRITISH GOVERNMENT NOW THAT WE WERE BOTH ALLIES IN NATO. HE SENT A MESSAGE OF CONGRATULATION AND GOOD WISHES TO THE BRITISH PRIME MINISTER, WHICH MR PRIOR UNDERTOOK TO CONVEY PERSONALLY. THE KING REGRETTED THAT THERE HAD BEEN PUBLIC DIFFERENCES BETWEEN THE TWO GOVERNMENTS ON THE QUESTION OF THE FALKLAND ISLANDS. HE HOPED THAT WE COULD NOW TURN OUR EYES TOWARDS THE FUTURE. HE ALSO EXPRESSED THE HOPE THAT THE SPANISH ACTION IN POSTPONING THE IMPLEMENTATION OF THE LISBON AGREEMENT LAST MONTH HAD AT LEAST BEEN UNDERSTOOD BY THE BRITISH GOVERNMENT. THE TIME HAD SIMPLY NOT SEEMED PROPITIOUS FOR THE OPENING OF SERIOUS NEGOTIATIONS. BUT THE TWO GOVERNMENTS MUST CONTINUE WORKING TOGETHER. THE REAL PROBLEM SEEMED TO LIE NOT SO MUCH BETWEEN THEM AS IN THE HIGHLY EMOTIONAL STATE OF PUBLIC OPINION, INCLUDING SPANISH OPINION.

3. MR PRIOR WELCOMED THE FRIENDLY TONE AND CONTENT OF THE KING'S REMARKS. HE REITERATED THE WISH OF THE BRITISH GOVERNMENT TO COOPERATE WITH THEIR SPANISH ALLIES. HE TOO THOUGHT IT IMPORTANT THAT THE GIBRALTAR PROBLEM SHOULD NOT BE LEFT TO DAMAGE ANGLO-SPANISH RELATIONS. HE ENCOURAGED THE KING IN THE VIEW THAT EARLY ACTION WAS NEEDED, INCLUDING ON THE QUESTION OF FULLY RESTORING DIRECT COMMUNICATIONS.

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/4. THE KING

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4. THE KING, WHO HAD JUST BEEN BRIEFED BY PEREZ LLORCA, TOOK UP THE LATTER'S TWO POINTS REPORTED IN MY TELEGRAM UNDER REFERENCE. HE LIKED THE IDEA OF TRYING TO MAKE EARLY SPANISH GESTURES OVER THE OPENING OF THE FRONTIER, THOUGH WITHOUT IN ANY WAY INVALIDATING THE WIDER BASIS OF THE LISBON AGREEMENT. HE ALSO REFERRED VAGUELY TO THE STATUS OF SPANIARDS IN GIBRALTAR. I MADE CLEAR OUR VIEW ON THE LATTER POINT, NAMELY THAT AGREEMENT HAD BEEN REACHED ON SOME ISSUES BY 8 JANUARY OF THIS YEAR, WHILE THE REMAINING ONES WOULD BE DEALT WITH IN PARALLEL WITH THE INITIAL PHASE OF THE NEGOTIATIONS.

5. THIS INTERVIEW WAS CLEARLY ARRANGED BY THE SPANISH FOREIGN MINISTER WITH THE OBJECT OF FURTHERING HIS OWN EFFORTS TO IMPROVE RELATIONS BETWEEN THE SPANISH AND BRITISH GOVERNMENTS, FOLLOWING THE FALKLAND CRISIS AND THE JUNE POSTPONEMENT. THE FOREIGN MINISTER'S PRESENCE WAS SIGNIFICANT, GIVEN THAT ON THE SAME AFTERNOON A CRISIS MEETING WAS BEING HELD IN THE RULING UCD. AT THIS CALVO SOTELO IS REPORTED TO HAVE AGREED TO RESIGN FROM THE PRESIDENCY OF THE PARTY, AS DISTINCT FROM THE GOVERNMENT.

6. WE SUBSEQUENTLY ESTABLISHED WITH THE FOREIGN MINISTRY THAT THE PRESS COULD BE TOLD THAT, DURING HIS VISIT TO SPAIN FOR THE WORLD CUP, MR PRIOR HAD PAID COURTESY CALLS ON THE KING AND THE FOREIGN MINISTER. IF NECESSARY, IT WOULD BE MADE CLEAR THAT THE GIBRALTAR QUESTION HAD NOT (NOT) BEEN DISCUSSED IN SUBSTANCE.

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[THIS TELEGRAM WAS NOT ADVANCED]

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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

You asked why, if Gibraltar was self-governing, we made report to the U.N. as it under Article 73 which deals with non-self-governing territories. This letter supplies the answer.

6 July 1982

A.S.C. 8/7

May 1 see UK
full gov
non-self governing
territories - on this
definition?
not

Dear John,

Gibraltar

You asked for further details about a UN point which arose during the Secretary of State's talk with the Prime Minister about Gibraltar on 30 June.

Reports to the United Nations

According to Article 73(e) of the United Nations Charter (copy attached) administering states have an obligation to transmit annually to the UN information on economic, social and educational conditions in those dependent territories which have not attained a 'full measure of self-government'. Gibraltar has been included in this exercise since the United Kingdom chose to define it as a non self-governing territory when the list of such territories was first drawn up in 1946.

Despite constitutional reforms since 1946 which have led to greater self-administration, notably the new Constitution of 1969, HMG have not judged that Gibraltar has attained a full measure of self-government or sought to delete Gibraltar from that list. Even if they did so the United Nations would probably not agree. Although there is no precise definition in controversial cases, the Committee of 24 normally consider that a territory has achieved a 'full measure of self-government' only on independence. Gibraltar's 1969 Constitution and the then Foreign and Commonwealth Secretary's covering despatch make it clear that, although the Gibraltar Government is charged with responsibility for most of its own domestic affairs, the Governor retains direct responsibility for external affairs, defence and internal security, as well as certain land matters and the maintenance of financial and economic stability.

The last report on Gibraltar, as required under Article 73(e), was provided in October 1981 and covered the year 1980.

/Separately,

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Separately, the United Nations Fourth Committee consider the question of Gibraltar annually in the context of the 'Declaration of the Granting of Independence to Colonial Countries and Peoples'. It usually does so on the basis of a draft consensus agreed beforehand between Spain and the United Kingdom. This consensus is then passed to the General Assembly which adopts it as a decision. I attach a copy of last year's consensus, which was identical to that of 1980 and which was adopted on 24 November 1981.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

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CHAPTER XI
DECLARATION REGARDING
NON-SELF-GOVERNING TERRITORIES

ARTICLE 75

Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories, and, to this end:

- a. to ensure, with due respect for the culture of the peoples concerned, their political, economic, social, and educational advancement, their just treatment, and their protection against abuses;
- b. to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of advancement;
- c. to further international peace and security;
- d. to promote constructive measures of development, to encourage research, and to co-operate with one another and, when and where appropriate, with specialized international bodies with a view to the practical achievement of the social, economic, and scientific purposes set forth in this Article; and
- e. to transmit regularly to the Secretary-General for information purposes, subject to such limitation as security and constitutional considerations may require, statistical and other information of a technical nature relating to economic, social, and educational conditions in the territories for which they are respectively responsible other than those territories to which Chapters XII and XIII apply.

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Mr. Synnott



General Assembly

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10 November 1981
ENGLISH
ORIGINAL: ENGLISH/SPANISH

Thirty-sixth session
FOURTH COMMITTEE
Agenda item 19

IMPLEMENTATION OF THE DECLARATION ON THE GRANTING
OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

QUESTION OF GIBRALTAR

Draft consensus submitted by the Chairman

The General Assembly, noting that the Governments of Spain and the United Kingdom of Great Britain and Northern Ireland signed a declaration on 10 April 1980 at Lisbon, 1/ intending, in accordance with the relevant resolutions of the United Nations, to resolve the problem of Gibraltar, agreeing to that end to start negotiations aimed at overcoming all the differences between them on Gibraltar, agreeing also to the re-establishment of direct communications in the region, the Government of Spain having decided to suspend the application of the measures at present in force, and both Governments agreeing to base future co-operation on reciprocity and full equality of rights, urges both Governments to make possible the initiation of the negotiations as envisaged in the consensus adopted by the Assembly on 14 December 1973, 2/ with the object of reaching a lasting solution to the problem of Gibraltar in the light of the relevant resolutions of the Assembly and in the spirit of the Charter of the United Nations.

1/ See A/AC.109/603, para. 13.

2/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 30 (A/9030), p. 111, item 23.

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1-7 JUL 1985

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FM MADRID 051124Z JUL 82
TO PRIORITY FCO
TELEGRAM NUMBER 387 OF 5 JULY
INFO PRIORITY GOVERNOR GIBRALTAR (PERSONAL).
INFO ROUTINE UKMIS NEW YORK, UKDEL NATO.

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Gibraltar

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YOUR TELEGRAM NO 227: GIBRALTAR

THE SPANISH FOREIGN MINISTER TELEPHONED ME LATE ON 2 JULY TO EXPRESS CONCERN ABOUT THE PRIME MINISTER'S REFERENCE IN PARLIAMENT THE DAY BEFORE TO FEELING "VERY RESENTFUL" OF THE ATTITUDE TAKEN BY THE SPANISH GOVERNMENT OVER THE FALKLAND CRISIS (YOUR TELEGRAM NO 231). HE THOUGHT THAT IN THE CIRCUMSTANCES IT WOULD BE DESIRABLE FOR HIM TO MAKE FURTHER DIRECT CONTACT WITH THE BRITISH GOVERNMENT THROUGH THE SECRETARY OF STATE FOR NORTHERN IRELAND, WHO HAS BEEN VISITING MADRID TO SUPPORT THE NORTHERN IRELAND AND ENGLISH TEAMS IN THE WORLD CUP.

2. I ACCORDINGLY TOOK MR PRIOR TO SEE PEREZ-LLORCA THIS MORNING. THE INTERVIEW WAS FRANK BUT FRIENDLY. THE FOREIGN MINISTER EXPLAINED THE SPANISH ATTITUDE TOWARDS GIBRALTAR ALONG FAMILIAR LINES, WHILE RECOGNISING THAT FOREIGN AFFAIRS LAY OUTSIDE MR PRIOR'S DIRECT AREA OF MINISTERIAL RESPONSIBILITY. PEREZ-LLORCA DEVELOPED THE SPANISH OFFER TO THE GIBRALTARIAN PEOPLE OF AUTONOMY WITHIN THE SPANISH STATE. HE DID NOT DISSENT WHEN MR PRIOR POINTED OUT THAT THE WAY TOWARDS THIS COULD ONLY BE THROUGH OPENING THE FRONTIER AND SO DEVELOPING A BETTER UNDERSTANDING BETWEEN THE PEOPLE ON BOTH SIDES. PEREZ-LLORCA EMPHASISED THAT HE STILL HOPED THAT IT WOULD BE POSSIBLE TO OPEN THE FRONTIER COMPLETELY AND TO START NEGOTIATIONS ON THE LISBON BASIS AS SOON AS THE ATMOSPHERE HAD COOLED.

3. PEREZ-LLORCA SAID THAT HE HAD ALREADY GIVEN INSTRUCTIONS THAT THE FRONTIER WAS TO BE OPENED FORTHWITH IN CASES OF PERSONAL HARDSHIP OR DISASTER. (THIS HAS INDEED BEEN MENTIONED IN THE SPANISH PRESS). HE WOULD TRY TO WIDEN THIS FURTHER IN THE NEXT WEEKS. IT WAS MEANT AS A GESTURE. AS IN PREVIOUS CONVERSATIONS WITH ME, HE REPEATED HIS HOPE OF PERSUADING THE SPANISH CABINET TO AGREE IN A MONTH OR TWO TO OPENING THE FRONTIER COMPLETELY TO PEDESTRIAN TRAFFIC. MR PRIOR WELCOMED THIS AS A STEP IN THE RIGHT DIRECTION. AT THE SAME TIME WE LEFT PEREZ-LLORCA IN NO DOUBT THAT THIS WOULD NOT BE AN ADEQUATE SUBSTITUTE FOR FULL IMPLEMENTATION OF THE LISBON AGREEMENT.

4. PEREZ-LLORCA ALSO REVERTED TO HIS IDEA OF SEEKING CLARIFICATION FROM US ABOUT OUR COMMITMENT ON JANUARY 8 ABOUT THE STATUS OF SPANIARDS IN GIBRALTAR. I SAID THAT CLARIFICATION ABOUT WHAT WE HAD ALREADY UNDERTAKEN SHOULD NOT BE A PROBLEM. BUT WE COULD NOT BE EXPECTED TO MAKE FRESH CONCESSIONS IN ADVANCE OF FULL IMPLEMENTATION OF THE LISBON AGREEMENT.

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5. FINALLY THE FOREIGN MINISTER APPEALED TO MR PRIOR TO USE HIS INFLUENCE WITHIN THE BRITISH GOVERNMENT TO TRY TO AVOID STATEMENTS WHICH MIGHT PROVOKE FURTHER TENSION. MR PRIOR EXPLAINED THAT PUBLIC OPINION IN BRITAIN DID INDEED FEEL STRONGLY OVER THE QUESTION OF THE FALKLAND ISLANDS AND THE BRITISH GOVERNMENT HAD, FOR EXAMPLE, BEEN SERIOUSLY DISAPPOINTED BY SOME OF THE ACTIONS TAKEN BY THE SPANISH DELEGATION AT THE UNITED NATIONS. NEVERTHELESS HE AGREED THAT ON BOTH SIDES WE MUST NOW LOOK TOWARDS THE FUTURE, IN ACCORDANCE WITH OUR JOINT MEMBERSHIP OF NATO.

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Gibraltar

2 July, 1982

GIBRALTAR

The Prime Minister has noted the contents of your letter of 25 June about the incident in Gibraltar waters on 19 June involving the Spanish Corvette Cazadora and a British submarine.

A J COLES

J E Holmes, Esq.,
Foreign and Commonwealth Office

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FM MADRID 300914Z JUNE 82
TO PRIORITY FCO
TELEGRAM NUMBER 378 OF 30 JUNE
INFO PRIORITY GIBRALTAR

PS. NO 10, DOWNING STREET.

GIBRALTAR

1. YESTERDAY'S EDITION OF EL PAIS CONTAINED A STRONG EDITORIAL IN FAVOUR OF THE REOPENING OF THE FRONTIER.
2. THE ARTICLE ATTRIBUTES THE FREEZING OF THE TALKS ON GIBRALTAR TO THE EMOTIONAL CLIMATE IN THE UK RESULTING FROM THE FALKLANDS CAMPAIGN. BUT IT SUGGESTS THAT IF WE HAD LET THE ARGENTINIANS KEEP THE FALKLANDS, WOUNDED BRITISH PRIDE WOULD EQUALLY HAVE PREVENTED PROGRESS OVER GIBRALTAR. THE ARTICLE REFERS BACK TO FRANCO'S "MATURE FRUIT" THEORY AND SAYS THAT EVEN IN BRITAIN'S WORST HOURS DURING THE SECOND WORLD WAR PRUDENCE ON SPAIN'S PART PREVAILED; THE EXTREME RIGHT SHOULD TAKE NOTE OF THAT. SPAIN IS NOW IN NATO AND SHE CAN HOPE TO BE A MEMBER OF THE COMMUNITY SOON. ONCE THIS HAS BEEN ACHIEVED, IT WOULD BE INCONCEIVABLE THAT THE GIBRALTAR PROBLEM WOULD BE DEALT WITH IN THE SAME TERMS OF EXAGGERATED NATIONALISM IN SOME QUARTERS AND TENSION AS IS THE CASE TODAY.
3. THE KEY TO A GIBRALTAR SOLUTION, CONTINUES THE ARTICLE, IS TO GUARANTEE TO THE INHABITANTS OF GIBRALTAR THEIR AUTONOMY WITHIN A DEMOCRATIC SPAIN. BUT THAT OBJECTIVE IMPLIES THAT SPANIARDS SHOULD START TREATING THE GIBRALTARIANS NOW AS FUTURE FELLOW CITIZENS. THE FIRST STEP WOULD BE TO OPEN THE FRONTIER, WHOSE CLOSURE IS BOTH HUMILIATING FOR GIBRALTAR AND PREJUDICIAL FOR THE PEOPLE OF THE CAMPO. BUT THE OPENING SHOULD NOT BE MADE CONDITIONAL UPON THE HOLDING OF THE TALKS BETWEEN THE SPANISH AND BRITISH PRIME MINISTERS KEEPING THE BORDER CLOSED IS A KIND OF LIMITED WAR - A SMALLER VERSION OF THE ROUTE FOLLOWED BY ARGENTINA. WHAT IS NEEDED IS THAT GIBRALTARIANS AND SPANIARDS SHOULD LEARN TO LIVE TOGETHER.

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10 DOWNING STREET

From the Private Secretary

30 June, 1982

Dear Francis,

Gibraltar

The Foreign and Commonwealth Secretary, accompanied by Sir Antony Acland, attended an informal meeting with the Prime Minister today to discuss the present state of Anglo/Spanish relations with regard to Gibraltar. The Secretary of State for Defence was present for part of the discussion.

The Prime Minister said that she doubted whether we would have agreed to the Anglo/Spanish statement issued in Lisbon on 10 April, 1980 if we had at that time already undergone the recent Falklands experience. The statement of intention "to resolve the Gibraltar problem" and "to start negotiations aimed at overcoming all the differences ... on Gibraltar" presented great difficulty in the light of the events in the South Atlantic. We could not negotiate with Spain about our sovereignty over Gibraltar. This was a matter for discussion only with the Gibraltarians.

The Foreign and Commonwealth Secretary said that he had made it plain to the Spanish Foreign Minister earlier that there was no question of negotiation about sovereignty. In any further talks it would be desirable to concentrate on questions relating to the opening of the frontier and economic development. But the Spaniards had come to the view that at the talks arranged to take place in Sintra on 25 June we were unlikely to go sufficiently far towards their point of view. The talks had therefore been postponed at Spanish request. The consequences of the frontier remaining closed could be quite serious in that the Gibraltarians would look to us for increased economic support. Both the United Kingdom and Gibraltar had an interest in an open frontier. In present circumstances, it was clear that we would not be able to discuss sovereignty with Spain but it was best not to say this openly.

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The Defence Secretary said that there was no good reason for changing existing policy on the Gibraltar dockyard, but he nevertheless intended to try to give to the dockyard some of the work arising from the Falklands campaign. The Foreign and Commonwealth Secretary commented that, even if this were possible, the dockyard would not be viable. Sir Antony Acland explained that three commercial bids had been made for the dockyard. One of these was probably not a starter; the other two firms which had made a bid had stated that they would require a very considerable Government subsidy. The Prime Minister asked whether the Gibraltar Government could not lease the dockyard and associated equipment to a suitable firm, free of charge, for a period of about four years. The Foreign and Commonwealth Secretary thought that this would not be a sufficient inducement for the firms in question.

The Foreign and Commonwealth Secretary observed that it might have been better to insist that the frontier should be opened before Spain entered NATO. It had been made clear to Spain that its entry into the European Community was inconceivable unless by that time there was an open frontier. Our objective now must be to have the frontier opened. But in present circumstances, we should not press for further talks with Spain. If necessary, we should have to say in public that the Lisbon Agreement remained valid but no progress was possible at the moment. The future might see a change.

The Prime Minister asked what effect the Spanish elections would be likely to have next year. Sir Antony Acland said that if the Socialists won, this would be unlikely to make the situation over Gibraltar worse. They at present argued for the opening of the frontier, mainly to improve employment prospects in Spain. But once elected, they might be tempted to strike a more Nationalist pose. It was unlikely that the present Spanish Government would seek fresh talks before the elections. They were at present considering whether to open the frontier to pedestrian traffic. This would be acceptable so long as they demanded no quid pro quo. The Prime Minister agreed.

The discussion then turned to the public presentation of our policy. The Foreign and Commonwealth Secretary stated that it was important not to inflate the issue of Gibraltar. It should be handled in the lowest possible key. We should make it clear that the Lisbon process was for the moment in abeyance because the time was unpropitious for progress. The Prime Minister stated that we should in effect put the Lisbon Agreement on ice. We would continue to support Spain's application for membership of the Economic Community while making it plain that the frontier would have to be opened before Spain entered. There was no reason why, at some point

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in the future, we should not discuss with Spain economic aspects of the Gibraltar situation. Indeed, the Spaniards could raise any matter they liked, including that of sovereignty. We would listen, but would make it abundantly clear that we had no intention of transferring sovereignty. We should rest on a previous statement made by Lord Carrington that we would "never enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another state against their freely and democratically expressed wishes". Thus, we would stand by the people of Gibraltar, whatever they decided. The Foreign and Commonwealth Secretary pointed out that this was entirely consistent with the Lisbon Agreement and that the alternative formulation in paragraph 5 of the Agreement would serve equally to protect the position on sovereignty. It was agreed that either of these two formulae should be used in public to make our position clear.

I am copying this letter to David Omand (Ministry of Defence).

*Yours ever
John Cole.*

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

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FM FCO 281830Z JUNE 82

TO PRIORITY MADRID

TELEGRAM NUMBER 226 OF 29 JUNE

INFO PRIORITY GOVERNOR GIBRALTAR (PERSONAL), MOD (DS5)

GIBRALTAR TEL NO 40 - INCIDENT IN GIBRALTAR WATERS

1. PLEASE DRAW THIS INCIDENT TO THE ATTENTION OF THE SPANISH MFA, INFORMING THEM OF OUR UNDERSTANDING OF THE FACTS. FOGIB'S SIGNAL 241233Z, NOT TO MADRID, REPORTED THAT CAZADORA APPROACHED GIBRALTAR WATERS FROM THE EAST, ENTERED THE EDGE OF THEM, AND LINGERED IN THE VICINITY OF HMS OTTER IN POSITION 160 EUROPA POINT LIGHT 2.8 MILES BETWEEN 1156 AND 1211 LOCAL TIME ON 19 JUNE BEFORE MOVING OFF TO THE WEST THROUGH THE STRAITS. CAZADORA INITIATED THE EXCHANGE OF MESSAGES BY CALLING OTTER ON UNDERWATER TELEPHONE. THE MESSAGE WAS UNREADABLE AND OTTER CALLED ON VHF RADIO.

2. YOU SHOULD MAKE CLEAR TO THE SPANIARDS THAT WHILE YOU HAVE NOT (NOT) BEEN INSTRUCTED TO MAKE A FORMAL PROTEST WE CONSIDER CAZADORA'S ACTIONS TO BE ILL-SUITED TO THE RELATIONSHIP BETWEEN TWO FELLOW-MEMBERS OF NATO AND SHOULD EXPRESS THE EXPECTATION THAT THERE WILL BE NO REPETITION OF SUCH INCIDENTS. YOU SHOULD REMIND THEM THAT WE HAVE RECENTLY HAD TO DRAW THEIR ATTENTION TO ANOTHER INCIDENT INVOLVING THE CAZADORA (MYTEL NO 178). YOU MAY ADD THAT WE SEE IT AS PARTICULARLY IMPORTANT TO AVOID ANY INCIDENTS OF THIS SORT WHEN POSTPONEMENT OF THE SINTRA TALKS HAS LED TO INCREASED SENSITIVITY ON BOTH SIDES ABOUT GIBRALTAR.

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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

I asked for a report on this incident, which was briefly referred to in a telegram some days ago.

2. The Foreign Secretary and Sir A. Atwood are

Dear John, coming to discuss Gibraltar with you on Wednesday.

A.J.C. ^{21.}/₆

We spoke about the incident in Gibraltar waters on 19 June involving the Spanish Corvette Cazadora and a British submarine (FCO telno Personal 54 to Gibraltar).

Flag Officer Gibraltar reported the incident to MOD Navy on 19 June and, in response to MOD Navy's request, supplied further details on 24 June. The facts so far established are as follows. The British conventional submarine, HMS Otter, was conducting operations 2.8 miles South South-East of Europa Point, the southern-most tip of the Rock. The Cazadora approached from the east, entered the edge of Gibraltar waters and lingered in the vicinity for about fifteen minutes before proceeding westwards through the Straits. During this period, when the Cazadora was just inside Gibraltar waters and about fifteen hundred yards from HMS Otter (which was also inside Gibraltar waters) Cazadora called up HMS Otter on the under-water telephone. The message was unreadable. HMS Otter responded by VHF radio with the message: 'I am exercising in declared naval exercise areas. Request you keep clear'. Cazadora replied: 'You are operating in Spanish territorial waters and I shall report you to my superior authorities'. HMS Otter acknowledged the message and Cazadora proceeded on her way. The Cazadora intruded into Gibraltar waters by no more than a quarter of a mile. Neither vessel was in danger. The Spanish press, picking up MOD confirmation that an exchange took place, have played up the story, with one right-wing paper insisting that Spain should make British use of Gibraltar as costly as possible (Madrid telno 370, attached).

We are currently considering what further action should be taken with the Spaniards in the light of the Governor of Gibraltar's telno 40 which has just been received in response to FCO telno Personal 54. I attach copies of these telegrams for ease of reference.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

GRS 210
UNCLASSIFIED
FM MADRID 250906Z JUNE 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 370 OF 25 JUNE
INFO IMMEDIATE GIBRALTAR

GIBRALTAR: SPANISH PRESS COMMENT

1. THE SPANISH PRESS, THE TV AND RADIO TODAY MAKE MUCH OF THE MINISTRY OF DEFENCE'S COMMENT THAT THERE HAD BEEN AN EXCHANGE OF MESSAGES BETWEEN A BRITISH SUBMARINE AND A SPANISH CORVETTE ON 19 JUNE AND THAT THE MATTER IS BEING INVESTIGATED. IT IS ALSO REPORTED THAT THE SPANISH MINISTRY OF DEFENCE WAS UNAVAILABLE FOR COMMENT ON 24 JUNE. ONE NEWSPAPER SUGGESTS THAT THEY WILL MAKE A STATEMENT TODAY.

2. THE CONSERVATIVE DAILY ABC PUBLISHES A STRONG EDITORIAL LINKING THE INCIDENT WITH THE PRIME MINISTER'S WORDS ALLEGEDLY REJECTING NEGOTIATIONS ABOUT SOVEREIGNTY AND CONSIDERING THE WISHES OF THE INHABITANTS OF GIBRALTAR PARAMOUNT. "WE SHOULD BE EQUALLY CLEAR. THE EPISODE INVOLVING THE CORVETTE AND SUBMARINE COMES WITHIN THE AREA OF OUR OWN RIGHTS WHICH IS NECESSARY TO EXERCISE AS A WHOLE. THE EXISTENCE OF OTHER 'BORDERS', THOSE WHICH CONCERN STRICT LIMITATIONS OF SEA AND AIR SPACE IN THE SPANISH ZONE AROUND THE ROCK SHOULD BE PUBLICISED. WE SHOULD MAKE THE USE OF THE COLONY AS COSTLY AS POSSIBLE" FOR THE BRITISH AS THEY UNDERSTAND NO OTHER LANGUAGE. IF THESE LIMITATIONS HARM THE INHABITANTS OR NATO'S INTERESTS, THE UK WILL BE RESPONSIBLE. IF WASHINGTON IS WORRIED THIS WILL BE HELPFUL TO SPAIN. ALL SPANISH POLICY SHOULD BE SUBJECT TO THE SPANISH INTERESTS IN RECOVERING GIBRALTAR EVEN IF THIS TAKES GENERATIONS.

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FM FCO 241330Z JUNE 82

TO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

TELEGRAM NUMBER 54 OF 24 JUNE

INFO IMMEDIATE MADRID, MOD (DS5)

FOGIB'S SIGNAL 192033Z JUNE: INCIDENT IN GIBRALTAR WATERS

1. WE ARE INCLINED TO VIEW THIS INCIDENT SERIOUSLY AND TO PROTEST TO THE SPANIARDS. BUT WE NEED FIRST TO BE ABSOLUTELY CLEAR ABOUT THE FACTS. MOD HAVE ASKED FOR FURTHER DETAILS ON THEIR CHANNELS (231400Z TO FOGIB). GRATEFUL FOR AN EARLY REPLY TO THIS AND FOR YOUR RECOMMENDATIONS ON ACTION WITH THE SPANIARDS INCLUDING, IF NECESSARY, FURTHER BACKGROUND ON WHICH TO BASE A PROTEST (EG HOW FAR WAS CAZADORA INSIDE GIBRALTAR WATERS).

2. WE UNDERSTAND THAT THE INCIDENT HAS BEEN PICKED UP IN THE SPANISH PRESS ON THE LINES THAT CAZADORA WAS INTERCEPTED BY A BRITISH SUBMARINE. IN RESPONSE TO ENQUIRIES FROM THE PRESS, MOD ARE CONFIRMING THAT AN EXCHANGE TOOK PLACE ON 19 JUNE BETWEEN A SPANISH CORVETTE AND A BRITISH SUBMARINE IN THE GIBRALTAR AREA AND THAT THE FACTS ARE BEING INVESTIGATED. WE ARE NOT COMMENTING FURTHER.

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FROM GIBRALTAR 251030Z

TO IMMEDIATE FCO TEL NO 40 OF 25 JUNE

INFO IMMEDIATE MADRID, MOD (DS5)

YOUR TELNO PERSONAL 54: INCIDENT IN GIBRALTAR WATERS

1. YOU WILL HAVE SEEN FOGIB SIGNAL JOA/EBA/EBL OF 241233Z GIVING FURTHER DETAILS OF THE INCIDENT. THE ACTION OCCURRED AT THE MARGINS OF THE GIBRALTAR TERRITORIAL WATERS AND CAZADORA INTRUDED NO MORE THAN A QUARTER OF A MILE. AT NO TIME WAS THE FRIGATE OR SUBMARINE IN DANGER. THE MAIN ISSUE APPEARS TO BE THE SPANISH COMMANDERS INSISTENCE THAT OUR SUBMARINE WAS OPERATING IN SPANISH WATERS.

2. CAZADORA WAS SUBJECT OF THE PREVIOUS SIGN

FICANT INCIDENT

(MY TELNO 30) AND IT MIGHT BE THAT ITS CAPTAIN IS A PARTICULARLY HARD-LINER. I THINK IT IS THAT KIND OF ATTITUDE THAT WE WANT TO TRY AND CORRECT AND RECOMMEND THAT ANY ACTION BY HM EMBASSY IN MADRID CONCENTRATES ON THAT RATHER THAN CAZADORAS OWN INCURSION WHICH WAS MINIMAL.

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FM FCO 251824Z JUN 82

TO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

TELEGRAM NUMBER PERSONAL 56 OF 25 JUNE

INFO IMMEDIATE MADRID

MADRID TELNO 371: PARTIAL FRONTIER REOPENING

1. AS YOU KNOW FROM DISCUSSIONS HERE EARLIER THIS WEEK OUR INITIAL VIEW IS NOT TO OPPOSE PEREZ-LLORCA'S IDEA ABOUT OPENING THE FRONTIER TO PEDESTRIAN TRAFFIC ONLY. TO DO SO WOULD PUT US IN AN UNTENABLE POSITION. BUT IT MUST BE A GENUINELY UNILATERAL CONCESSION MADE AT SPANISH INITIATIVE (PARA 3 OF MADRID TELNO 359 CASTS SOME DOUBT ON THIS). OPENING TO PEDESTRIAN TRAFFIC MAY BE WELCOME IN GIBRALTAR AS A MEANS OF REESTABLISHING CONTACT WITH THE CAMPO: BUT IT DOES NOT REMOVE THE KEY RESTRICTIONS. WE WOULD NOT BE PREPARED TO MAKE ANY CONCESSIONS IN RETURN. CONFIRMING WHAT WE HAVE ALREADY SAID ABOUT THE TREATMENT OF SPANIARDS WHEN THE FRONTIER IS OPENED POSES NO PROBLEM. BUT ANY ADDITIONAL MOVES ON OUR PART WOULD.

2. GRATEFUL FOR YOUR VIEWS DESKBY 0830Z ON 28 JUNE FOLLOWING WHICH WE SHALL CONSIDER WHAT INSTRUCTIONS TO SEND TO MADRID.

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FROM GIBRALTAR 251620Z JUNE
TO PRIORITY FCO TEL NO PERSONAL 88 OF 25 JUNE
INFO PRIORITY MADRID
MADRID TELNO 371: GIBRALTAR

1. ON THE BASIS OF EARLIER REMARKS BY PEREZ LLORCA
I HAD ALREADY SOUNDED HASSAN AND ISOLA ON THE POSSIBILITY OF THE
BORDER OPENING FOR PEDESTRIAN TRAFFIC. ON HUMANATARIAN GROUNDS
(THE POSSIBILITY OF FAMILY REUNIONS) NONE OF US WOULD WISH TO
OPPOSE SUCH A SPANISH MOVE (NOR INDEED COULD WE AS OUR GATE
REMAINS OPEN). HOWEVER, THE ATMOSPHERE IN GIBRALTAR HAS BEEN
UTTERLY SOURED BY SPAIN'S FURTHER REFUSAL TO HONOUR ITS
COMMITMENTS AND THERE IS NO REPEAT NO POSSIBILITY OF EITHER MAN
BEING WILLING TO OFFER ANY CONCESSIONS IN RETURN, TO EVEN
ATTEMPT TO LOOK FOR CONCESSIONS WOULD REAWAKEN ALL THE FEARS
OF GRADUALISM AND UNDERLINE OUR EFFMRTS NOT TO APPEAR IN THE
ROLE OF DEMANDEUR.

2. AN OPENING FOR PEDESTRIANS (ALTHOUGH PROBABLY OF BENEFIT
TO SPAIN) MIGHT HIGHLIGHT THE STUPIDITY OF PRESENT RESTRICTIONS
AND LEAD TO THEIR EROSION. THIS COULD PERMIT A GRADUAL EASING
WITHOUT FORCING THE SPANIARDS TO JUMP AN UNDULY STIFF HURDLE
IN ONE. THUS IF PEREZ LLORCA RETURNS TO THE SUGGESTION, I
BELIEVE THAT WE SHOULD RE POND FAVOURABLE IF NO STRINGS ARE
ATTACHED

JACKSON

[THIS TELEGRAM WAS NOT ADVANCED]

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FM MADRID 250940Z JUN 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 371 OF 25 JUNE

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

INFO PRIORITY UKREP BRUSSELS

INFO ROUTINE PARIS, WASHINGTON.

MY TELEGRAM NO. 362 : GIBRALTAR

AT THE ROYAL RECEPTION LAST NIGHT THE SPANISH FOREIGN MINISTER SAID TO ME THAT IT HAD BEEN ONE OF THE WORST WEEKS EVER FOR SPANISH FOREIGN POLICY. HE DID NOT KNOW HOW LONG HE HIMSELF WOULD REMAIN IN OFFICE. THE MEETING WITH THE COMMUNITY IN LUXEMBOURG LAST MONDAY HAD BEEN A GREAT DISAPPOINTMENT. (BASSOLS AND OTHERS HAVE TOLD ME THAT, AFTER THE MEETING, IT WAS ONLY WITH DIFFICULTY THAT THEY RESTRAINED PEREZ LLORCA FROM PROPOSING THAT SPAIN HERSELF SHOULD PROPOSE A PAUSE IN THE NEGOTIATIONS, TO AVOID A PUBLIC REBUFF.) PEREZ LLORCA ADDED THAT MITTERRAND'S VISIT TO MADRID HAD BEEN A FAILURE. FRENCH OPPOSITION TO EARLY SPANISH ENTRY INTO THE COMMUNITY WAS NOW ONLY TOO APPARENT.

2. THE MINISTER CONTINUED THAT THE GENERAL LINE TAKE BY THE BRITISH PRIME MINISTER ON THE QUESTION OF SOVEREIGNTY (SEE GIBRALTAR TELEGRAM NO 39) HAD CONFIRMED THE SPANISH CABINET'S IMPRESSION THAT THIS WOULD HAVE BEEN NO MOMENT TO TRY TO NEGOTIATE WITH HMG. NEVERTHELESS HE WAS GRATEFUL TO YOU FOR THE ATTITUDE YOU HAD ADOPTED IN THE HOUSE OF COMMONS. THE GOVERNMENT WERE NOW ANXIOUS THAT HE SHOULD MAKE PROGRESS WITH THE IDEA OF AN EARLY UNILATERAL GESTURE OVER THE GIBRALTAR FRONTIER. HE WOULD LIKE TO DISCUSS WITH ME SOON NEXT WEEK THE POSSIBILITY OF OPENING THE FRONTIER TO PEDESTRIAN TRAFFIC. (THIS IS THE THIRD OCCASION ON WHICH PEREZ LLORCA HAS RECENTLY MENTIONED THIS IDEA, LAST REPORTED IN MY TELEGRAM NO. 359). THE MINISTER SAID THAT ONE SERIOUS POSSIBILITY MIGHT BE TO CATCH SPANISH PUBLIC OPINION BY SURPRISE BY SUDDENLY OPENING THE FRONTIER FOR PEDESTRIANS WITHOUT PREVIOUS ANNOUNCEMENT. I SAID THAT WAS ALL VERY WELL BUT HE MUST NOT ALSO CATCH THE GIBRALTAR GOVERNMENT BY SURPRISE. PEREZ LLORCA AGREED. SOMEWHAT UN-GUARDELY, HE SAID THAT HE COULD OF COURSE CONSULT SIR JOSHUA HASSAN DIRECT. BUT HE WOULD PREFER TO DO SO THROUGH ME.

3. I AM FLEEING TO BARCELONA FOR THE WEEKEND. BUT IT WOULD BE USEFUL TO HAVE BY EARLY NEXT WEEK THE GOVERNOR'S APPRECIATION OF THE POSSIBLE ATTITUDE OF THE GIBRALTAR CHIEF MINISTER TO THIS IDEA, TOGETHER WITH THE DEPARTMENT'S INSTRUCTIONS AS TO WHETHER I SHOULD ALLOW PEREZ LLORCA TO GIVE IT A RUN. HIS MOTIVES ARE PRESUMABLY TO ALLAY LOCAL DISCONTENT WITH THE CONTINUED CLOSURE OF THE FRONTIER AS WELL AS TO SHOW AT LEAST SOME MOVEMENT IN SPANISH FOREIGN POLICY, NOW BELEAGUERED ON SEVERAL FRONTS. (MY AMERICAN COLLEAGUE SAYS THAT THE NEGOTIATIONS FOR RENEWAL OF THE SPANISH-AMERICAN BASES AGREEMENT, NOW OVERDUE, ARE STILL DELAYED.)

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4. I WOULD SEE SOME DIFFICULTY IN REJECTING THE IDEA OUT OF HAND BECAUSE :

- A) THE SPANISH GOVERNMENT COULD THEN USE IT PUBLICLY AS AN EXAMPLE OF THEIR APPARENTLY REASONABLE ATTITUDE, WHICH WOULD CERTAINLY INFLUENCE OPINION WITHIN THE CAMPO;
- B) WE HAVE ALWAYS MAINTAINED THAT THE BORDER WAS NEVER SHUT ON OUR SIDE. IF THE SPANISH GOVERNMENT UNILATERALLY DECIDE TO OPEN THEIR FRONTIER TO PEDESTRIANS ONLY, IT MIGHT BE DIFFICULT TO STOP THEM.

5. AS SEEN FROM HERE, THERE WOULD IN FACT BE MERIT IN ALLOWING PEREZ LLORCA TO PURSUE HIS IDEA OF OPENING THE FRONTIER SOON TO PEDESTRIAN TRAFFIC, THOUGH WITH THE FOLLOWING RESERVATIONS:-

- A) WE WOULD CONCEDE NOTHING SUBSTANTIVE IN RETURN. CLARIFICATION OF OUR EXISTING COMMITMENT ON JANUARY 8 (PARA GRAPH 3 OF MY TELEGRAM 359) NEED NOT BE REGARDED AS COMING WITHIN THIS CATEGORY.
- B) WE SHOULD NOT APPEAR AS DEMANDEUR BECAUSE, GIVEN THE RELATIVE SIZES OF SPAIN AND GIBRALTAR, OPENING OF THE FRONTIER TO PEDESTRIANS WITHOUT CARS WOULD BE OF MORE PRACTICAL CONVENIENCE TO SPANIARDS THAN TO GIBRALTARIANS.
- C) THE SPANISH GOVERNMENT WOULD NEED TO AVOID ANY SUGGESTION THAT THIS WAS A REVERSION TO THE OLD DISCREDITED IDEA OF OPENING THE FRONTIER ONLY BY GRADUAL DEGREES IN PARALLEL WITH PROGRESS IN THE NEGOTIATIONS. ON THE CONTRARY, IT SHOULD BE SEEN AS A DEMONSTRATION OF INTENT TO FULFIL THE LISBON AGREEMENT IN ITS ENTIRETY AT THE EARLIEST POSSIBLE MOMENT, AS PUBLICLY AGREED BETWEEN YOU AND PEREZ LLORCA.

6. FROM CONVERSATIONS AT THE SAME RECEPTION WITH SEVERAL OTHER CABINET MINISTERS AND WITH THE LEADER OF THE SOCIALIST OPPOSITION (FELIPE GONZALEZ) I RECEIVED THE IMPRESSION FROM BOTH SIDES THAT AN IMMEDIATE ELECTION WAS NOT EXPECTED BECAUSE OF THE THREE PUBLIC DIVERSIONS OF THE WORLD CUP, THE SUMMER HOLIDAYS AND THE PAPAL VISIT IN MID-OCTOBER. AFTER THAT THE SITUATION WOULD BE FLUID. THE GOVERNMENT'S VERY WEAKNESS AND THE OPEN DISSENSIONS WITHIN THE RULING PARTY MIGHT ENCOURAGE THE UCD TO HANG ONTO POWER FOR AS LONG AS POSSIBLE. IT WAS SUCCESSFUL GOVERNMENTS WHO CALLED SNAP ELECTIONS AND EVEN CABINET MINISTERS DID NOT SEEM TO THINK THAT THE PRESENT GOVERNMENT CAME INTO THAT CATEGORY.

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GRS 320
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FM MADRID 240951Z JUNE 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 366 OF 24 JUNE
INFO IMMEDIATE GIBRALTAR

PS. NO 10, DOWNING STREET.

MY TELNO 361: GIBRALTAR: SPANISH PRESS COVERAGE

1. THE EL PAIS CARRIES A STORY FROM THE LONDON CORRESPONDENT QUOTING THE FCO STATEMENT THAT THE OFFICIAL BRITISH POSITION IS IN ACCORDANCE WITH THE LISBON AGREEMENT AND THAT THERE HAS BEEN NO CHANGE IN OUR POLICY TO NEGOTIATE WITH THE AIM OF OVERCOMING ALL DIFFERENCES BETWEEN SPAIN AND THE UK ON GIBRALTAR. THE ARTICLE ALSO DRAWS ATTENTION TO YOUR STATEMENT IN THE HOUSE OF COMMONS AND REPORTS DIPLOMATIC SOURCES IN LONDON AS RULING OUT THE INDEPENDENCE OF GIBRALTAR WITHOUT SPANISH AGREEMENT. IT COMMENTS ON THE POSSIBILITY OF U.S. PRESSURE ON THE BRITISH GOVERNMENT IN REGARD TO ITS POLICY TOWARDS SPAIN.
2. IT ALSO REPORTS, AS DO MOST OTHER PAPERS, THE PRIME MINISTER'S REPLY TO QUESTIONS AT A NEW YORK PRESS CONFERENCE IN WHICH SHE IS REPORTED TO HAVE SAID THAT THE WISHES OF THE INHABITANTS OF GIBRALTAR, WHO ALREADY HAVE SELF-GOVERNMENT, ARE OUR FIRST CONSIDERATION (PARAMOUNT IN SOME REPORTS). THE PRESS ALSO REPORTS THE P.M. AS HAVING BEEN DISPLEASED BY THE FAILURE TO OPEN THE BORDER BUT EXPRESSING SUPPORT FOR THE ENTRY OF SPAIN TO THE EC. THE P.M. IS ALSO QUOTED, IN ANSWERING A QUESTION ABOUT THE FALKLANDS, AS SAYING THAT THE CANARY ISLANDS ARE NEARER TO MOROCCO BUT ARE SPANISH.
3. AN EDITORIAL IN THE CONSERVATIVE ABC SAYS THAT THE PM'S WORDS ON SOVEREIGNTY HAVE EFFECTIVELY CONSIGNED THE LISBON AGREEMENT TO THE WASTE PAPER BASKET. IT COMMENTS THAT, WHILE GALTIERI'S MILITARY OCCUPATION OF THE FALKLANDS CANNOT BE JUSTIFIED IN INTERNATIONAL LAW, IT IS UNDERSTANDABLE. "THE TAKING BACK OF ONE'S WORD IN THE BRITISH STYLE MAY BE DEMOCRATICALLY LEGAL BUT IT IS INADMISSABLE AS CORRECT PRACTICE IN DIALOGUE BETWEEN STATES AND MORE SO WHEN THIS INVOLVES A FORMAL AGREEMENT" (THE LISBON AGREEMENT). AN EDITORIAL IN YA ALSO STATES THAT THE BRITISH PRIME MINISTER HAS GONE BACK ON BRITAIN'S FORMAL UNDERTAKING AND ADDS THAT THIS IS CURIOUS WHEN "ONLY A FEW MONTHS AGO EVERYTHING INDICATED THAT THERE WAS A SINCERE WILL IN LONDON TO UNDERSTAND THE PROBLEM".
4. ALL NEWSPAPERS REPORT YOUR WORDS THAT IT WOULD BE INCONCEIVABLE FOR SPAIN TO BE A MEMBER OF THE COMMUNITY WHILE THE GIBRALTAR BORDER REMAINS CLOSED.

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10 DOWNING STREET

Caroline

Wd. you sh. arrange for Mr.
Pym and Sir A. Ireland to
come next week (Wednesday?)
to discuss Gibraltar with the
Prime Minister.

A. d. C. $\frac{24}{6}$

John

11.00 on
Wednesday

30 = June
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FM MADRID 191148Z JUN 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 345 OF 19 JUNE

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

INFO UKDEL NATO

MY TELEGRAM NO 344: GIBRALTAR

I WAS SUMMONED LAST NIGHT TO HEAR FROM THE SPANISH FOREIGN MINISTER THE OUTCOME OF THE CABINET MEETING. HE SAID THAT THEIR FORMAL INSTRUCTION TO HIM HAD BEEN TO CLARIFY WITH YOU THE POSSIBILITY OF OBTAINING FROM THE BRITISH GOVERNMENT GUARANTEES SUFFICIENT TO ESTABLISH A BASIS FOR A SATISFACTORY BEGINNING OF NEGOTIATIONS ON JUNE 25. IF THAT SITUATION COULD BE REACHED AT LUXEMBOURG, THE FRONTIER COULD OPEN ON JUNE 25 AS PLANNED. PEREZ LLORCA ADDED THAT THE ACTUAL VIEW TAKEN BY THE SPANISH GOVERNMENT HAD BEEN SOMEWHAT DIFFERENT. THEY STRONGLY DOUBTED WHETHER THE CURRENT POLITICAL POSITION IN BRITAIN WOULD PERMIT YOU TO SATISFY PEREZ LLORCA ON THIS POINT. THEY THEREFORE THOUGHT IT WOULD PROBABLY BE WISER TO POSTPONE ONCE AGAIN THE IMPLEMENTATION OF THE LISBON AGREEMENT. AN IMPORTANT MOTIVE WOULD BE TO AVOID PLACING BOTH FOREIGN MINISTERS IN A SITUATION IN SINTRA WHERE THEY WOULD FEEL OBLIGED TO MAKE COMMENTS COUNTER PRODUCTIVE IN TERMS OF ANGLO-SPANISH RELATIONS. THE SPANISH GOVERNMENT WERE NOT (NOT) TAKING ANY UNILATERAL ACTION. IF NECESSARY THEY WOULD ASK YOU, AS A FAVOUR BETWEEN ALLIES, TO ACCEPT A POSTPONEMENT. THEY REALISED THAT THIS TIME IT WOULD HAVE TO BE MADE PUBLICLY CLEAR THAT THE INITIATIVE FOR THIS HAD COME FROM THE SPANISH GOVERNMENT AND THAT HMG HAD BEEN PREPARED TO GO AHEAD. ON A PERSONAL BASIS, PEREZ-LLORCA ADDED THAT HE HAD MADE HIS COLLEAGUES WELL AWARE OF THE ADVERSE INTERNATIONAL REPERCUSSIONS BUT THEIR DOMESTIC ANXIETIES SEEMED OVERRIDING.

2. PEREZ-LLORCA REVEALED HIMSELF TO BE PERSONALLY EMBARRASSED ABOUT THIS U-TURN FROM THE POSITION HE HAD ADOPTED WITH YOU IN BONN AS RECENTLY AS JUNE 10 (YOUR TELEGRAM NO 203). HE ALSO SHOWED SENSITIVITY TO THE POSSIBLE ACCUSATION THAT THE SPANISH GOVERNMENT WERE REFUSING ONCE AGAIN TO HONOUR THEIR COMMITMENT (YOUR TELEGRAM NO 216). I DID NOT (NOT) LET HIM OFF EITHER OF THESE HOOKS.

3. I SAID IT WOULD BE POINTLESS FOR ME NOW TO DISPUTE A COLLECTIVE DECISION BY THE SPANISH CABINET. NEVERTHELESS I MUST EXPRESS REGRET AT THIS FAILURE TO TAKE ADVANTAGE OF A LONG AGREED OPPORTUNITY TO MAKE SOME PROGRESS IN A MATTER OF CONSIDERABLE POTENTIAL EMBARRASSMENT TO TWO MAJOR MEMBERS OF THE WESTERN ALLIANCE.

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IT WAS ERRONEOUS TO IMAGINE THAT THE OPENING OF THE GIBRALTAR FRONTIER REPRESENTED AN IMPORTANT CONCESSION TO BRITAIN. ON THE CONTRARY, IT WOULD GET SPAIN OUT OF A DILEMMA CREATED FOR THEM BY FRANCO. THE BEGINNING OF NEGOTIATIONS WOULD AT LEAST OFFER THE OPPORTUNITY OF OPENING A WAY FORWARD, PARTICULARLY ON THE DEFENCE SIDE IN THE LIGHT OF SPANISH ACCESSION TO NATO (PARAGRAPH 3 OF YOUR TELEGRAM NO 216). THE WORST ASPECT WOULD PROBABLY BE THE CONSIDERABLE BOOST TO ELEMENTS IN GIBRALTAR WHO HAD NEVER TRUSTED THE SPANISH GOVERNMENT AND PREFERRED SPLENDID ISOLATION.

4. WE AGREED THAT IT WAS NOW MORE THAN EVER NECESSARY FOR YOU TO HAVE A SERIOUS TALK WITH PEREZ-LLORCA IN LUXEMBOURG. HE WILL BE AVAILABLE THERE FROM TOMORROW AFTERNOON. THE FIRST POINT TO CONSIDER WOULD BE WHETHER THE GULF BETWEEN THE TWO GOVERNMENTS WAS REALLY UNBRIDGEABLE THIS WEEK. PEREZ-LLORCA SAID IT WOULD HAVE BEEN COMPATIBLE WITH HIS INSTRUCTIONS FOR HIM TO PRESS YOU TO ACCEPT AN OUTCOME AT SINTRA WHICH, EVEN AT THIS LATE HOUR, WOULD MAKE IT POSSIBLE FOR THE LISBON AGREEMENT TO BE IMPLEMENTED ON JUNE 25. HE WAS, HOWEVER, RELUCTANT TO START TRYING TO HAGGLE WITH YOU ABOUT TEXTS. THIS WOULD MAKE YOU BELIEVE THAT HE WAS SIMPLY TRYING TO EXTRACT THE LAST POSSIBLE CONCESSION FROM YOU. IN FACT HE PERFECTLY UNDERSTOOD YOUR DIFFICULTIES. IT WAS HIS GENUINE OPINION THAT YOU WOULD PROBABLY BE UNABLE TO MEET HIS REQUIREMENT. BUT OF COURSE HE WAS HAPPY TO DISCUSS THE MATTER FURTHER WITH YOU IN LUXEMBOURG. MEANWHILE THERE WOULD BE NO (NO) PUBLICITY FROM HERE.

5. WE THEN AGREED THAT IF YOU DID DECIDE TO ACCEPT, HOWEVER RELUCTANTLY, THE SPANISH REQUEST FOR A POSTPONEMENT, THERE WOULD BE FOUR SUBSIDIARY QUESTIONS YOU WOULD NEED TO DISCUSS. THE FIRST WOULD BE THE TIMING OF AN ANNOUNCEMENT. IT WOULD SEEM THAT THIS SHOULD BE MADE AS SOON AS POSSIBLE AFTER THE LUXEMBOURG MEETING, IF ONLY FOR PRACTICAL REASONS WITH THE PORTUGUESE GOVERNMENT, THE GIBRALTARIANS AND THE PRESS. (I AM SENDING A SHORTER SEPARATE TELEGRAM FOR LISBON).

6. SECONDLY, YOU WOULD HAVE TO DECIDE WHETHER TO MAINTAIN THE PUBLIC POSITION THAT THE LISBON AGREEMENT REMAINED IN FORCE AND THE PROCESS WAS STILL ALIVE. PEREZ-LLORCA EMPHASISED THAT HIS INSTRUCTIONS PERMITTED HIM TO REAFFIRM THIS CATEGORICALLY, TOGETHER WITH CONTINUED SPANISH WILLINGNESS IN PRINCIPLE TO HONOUR THEIR OBLIGATIONS. BUT HE DID NOT DISAGREE THAT THERE MUST BE A LIMIT TO PUBLIC CREDIBILITY ON THIS POINT.

7. THIRDLY, WE AGREED THAT YOU WOULD NEED TO DISCUSS WHETHER TO ANNOUNCE THIS WEEK A NEW DATE FOR IMPLEMENTING THE LISBON AGREEMENT. I MADE IT CLEAR THAT I WAS WITHOUT INSTRUCTIONS ON THIS POINT. HE SAID THAT IF YOU WANTED TO NAME A DATE, HE WOULD TRY TO FIX ONE, THOUGH IT COULD NOT BE IN THE NEAR FUTURE. HIS PERSONAL PREDILECTION WAS CLEARLY AGAINST NAMING A DATE, SINCE THIS WOULD CONSTITUTE ANOTHER TIME-BOMB AND THERE WAS SOME DANGER OF PROVOKING PUBLIC DERISION.

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8. FOURTHLY, PEREZ-LLORCA SAID THAT HE TOOK SERIOUSLY MY WARNING ABOUT THE ADVERSE REACTION IN GIBRALTAR. HE DID NOT (NOT) DISAGREE THAT THIS WOULD RUN TOTALLY COUNTER TO THE UNDERSTANDING BETWEEN OUR TWO PRIME MINISTERS ON JANUARY 8 THAT IT WAS NOW THE TASK OF THE SPANISH GOVERNMENT TO TRY TO MAKE THEMSELVES MORE ATTRACTIVE TO THE PEOPLE OF THE ROCK. HE WOULD LIKE TO DISCUSS THIS FURTHER WITH YOU. ON A GENUINELY PERSONAL BASIS, HE HAD BEEN TOYING WITH THE IDEA OF TRYING TO MAKE SOME UNILATERAL SPANISH CONCESSION TO THE PEOPLE OF GIBRALTAR DURING THE SUMMER. ONE POSSIBILITY MIGHT BE TO OPEN THE FRONTIER TO PEDESTRIAN TRAFFIC, WITHOUT ANY BRITISH QUID PRO QUO. GIVEN SIR JOSHUA HASSAN'S PAST ATTITUDE ON THAT IDEA, I AVOIDED GIVING ANY INDICATION THAT THIS MIGHT SEEM ATTRACTIVE.

9. PLEASE SEE MY IMMEDIATELY FOLLOWING TELEGRAM.

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MR GOODISON

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DESKBY FCO AND GIBRALTAR 191330Z

FM MADRID 191234Z JUN 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 347 OF 19 JUNE

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

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MY TWO IPTS: GIBRALTAR

THE SPANISH FOREIGN MINISTER ASKED ME TO CALL YET AGAIN THIS MORNING. HE SAID THAT HE HAD BEEN THINKING OVERNIGHT ABOUT THE INTERNATIONAL REPERCUSSIONS OF POSTPONEMENT, IN THE LIGHT OF OUR TALK LAST NIGHT. HE STILL BELIEVED THAT THE GAP BETWEEN US WAS PROBABLY TOO GREAT TO BE BRIDGED. NEVERTHELESS HE NOW THOUGHT IT WOULD BE IRRESPONSIBLE FOR HIS GOVERNMENT TO TAKE AN IRREVOCABLE DECISION ON THIS POINT WITHOUT MAKING ONE FURTHER EFFORT TO CLARIFY WHAT YOU MIGHT HAVE BEEN WILLING TO AGREE AT SINTRA, COMPARED WITH THE MINIMUM REQUIREMENT FROM THE SPANISH SIDE. HE WAS PARTICULARLY ANXIOUS TO AVOID GIVING THE IMPRESSION THAT HE HOPED AT LUXEMBOURG TO EMBARK ON A BARGAINING SESSION WITH YOU ABOUT A TEXT. HE ACCEPTED MY ADVICE THAT THIS WAS NO WAY TO HANDLE A BRITISH FOREIGN SECRETARY. NEVERTHELESS, HE WANTED TO SHOW YOU IN WRITING WHAT THE SPANISH GOVERNMENT NEEDED, IF ONLY TO CONFIRM HIS PERSONAL VIEW THAT THEIR REQUIREMENT WAS PROBABLY UNACCEPTABLE TO YOU IN PRESENT CIRCUMSTANCES. IT WOULD BE TRAGIC IF AN ADVERSE DECISION WERE TO BE TAKEN UNDER ANY MISAPPREHENSION ON EITHER SIDE ABOUT WHAT COULD HAVE BEEN ACHIEVED AT SINTRA NEXT WEEK.

2. I EXPLAINED THAT I WAS UNDER FIRM INSTRUCTIONS NOT (NOT) TO ATTEMPT TO NEGOTIATE A FURTHER TEXT. THERE WERE IMPORTANT POINTS OF PRINCIPLE, ON WHICH I HAD RESERVED YOUR POSITION. PEREZ LLORCA ACCEPTED THIS BUT SAID THAT, IN THE LIGHT OF THE INFORMATION ALREADY GIVEN HIM BY THE BRITISH SIDE, HE AND CUENCA WOULD TODAY PREPARE A REVISED TEXT INCORPORATING AT LEAST SOME OF OUR LANGUAGE AND ADDING THE MINIMUM ADDITIONAL POINTS NEEDED BY THE SPANISH GOVERNMENT. WHILE FULLY ACCEPTING YOUR UNWILLINGNESS TO GET INTO A DRAFTING OPERATION AT THIS STAGE, HE HOPED THAT YOU MIGHT NEVERTHELESS BE WILLING TO GIVE HIM YOUR INITIAL IMPRESSION OF THIS DRAFT. IF IT PROVED A NON-STARTER, YOU WOULD AT LEAST BOTH KNOW WHERE YOU STOOD AND THE SPANISH GOVERNMENT'S REQUEST FOR POSTPONEMENT WOULD HAVE BEEN TAKEN IN FULL KNOWLEDGE OF THE FACTS.

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3. I EXPECT SHORTLY TO TAKE DELIVERY OF THIS TEXT WHICH I SHALL TELEGRAPH FLASH IN MY IMMEDIATELY FOLLOWING TELEGRAM. ALL THIS MAY SEEM ALMOST INEXPLICABLE IN LONDON. BUT YOUR DEPARTMENT WILL RECALL THAT IT WAS ONLY BY RUTHLESS BRINKMANSHIP THAT WE BROUGHT THE NERVELESS CALVO SOTELO TO THE STICKING POINT IN LONDON ON JANUARY 8.

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DESKBY GIBRALTAR 191530Z

FM MADRID 191430Z JUN 82

TO FLASH FCO

TELEGRAM NUMBER 348 OF 19 JUNE

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

MYTHREE IPTS : GIBRALTAR

CUENCA HAS NOW GIVEN ME THE PROPOSED SPANISH DRAFT COMMUNIQUE. IT READS LIKE HIS OWN WORK. I LEFT HIM IN NO DOUBT THAT THERE WERE MANY VERY DIFFICULT POINTS IN IT FOR US. AT FIRST SIGHT IT WOULD CERTAINLY SEEM TO BEAR OUT HIS MINISTER'S CONTENTION THAT HER MAJESTY'S GOVERNMENT ARE IN NO POSITION TO SIGNIFY AGREEMENT TO CURRENT SPANISH DEMANDS.

2. THE PASSAGES UNDERLINED IN THE SPANISH ORIGINAL AND IN THE FOLLOWING ENGLISH TRANSLATION BY US ARE INTENDED BY THE SPANIARDS TO BUILD ON, AND SUPPLEMENT, THE LISBON AGREEMENT. YOU WILL NO DOUBT WISH TO POINT OUT TO PEREZ LLORCA, AS I HAVE DONE HERE, THAT OUR COMMITMENT AT LISBON WAS SIMPLY TO BEGIN NEGOTIATIONS RATHER THAN TO AGREE ON THE SPOT TO A WHOLE SERIES OF ADDITIONAL EMBELLISHMENTS.

3. FOLLOWING IS OUR TRANSLATION WITH THE ORIGINAL UNDERLININGS CONTAINED IN THE SPANISH VERSION :
BEGINS :

DRAFT JOINT STATEMENT

A. THE MINISTERS OF FOREIGN AFFAIRS OF THE KINGDOM OF SPAIN AND OF THE UNITED KINGDOM OF GREAT BRITAIN MET IN SINTRA ON 25 AND 26 JUNE AND, IN FULFILMENT OF WHAT WAS AGREED IN THE DECLARATION OF LISBON ON 10 APRIL 1980 AND IN THE EXCHANGE OF LETTERS EFFECTED IN LONDON ON 8 JANUARY 1982, HAVE STARTED NEGOTIATIONS TO RESOLVE ALL THE EXISTING DIFFERENCES BETWEEN THE TWO COUNTRIES ON THE SUBJECT OF GIBRALTAR, (NEXT TWELVE WORDS UNDERLINED) INCLUDING THE QUESTION OF SOVEREIGNTY AND THE FUTURE STATUS OF THE TERRITORY, IN A SPIRIT OF FRIENDSHIP AND COOPERATION AND IN ACCORDANCE WITH THE RELEVANT RESOLUTIONS OF THE UNITED NATIONS.

B. THE TWO MINISTERS AND THEIR GOVERNMENTS ARE CONVINCED THAT THE ENTRY OF SPAIN INTO THE ATLANTIC ALLIANCE, WHICH HAS BEEN WARMLY WELCOMED BY ALL ITS MEMBERS, WILL FACILITATE THE SOLUTION OF THE GIBRALTAR CONFLICT, WHICH FOR A LONG TIME HAS CREATED DIFFICULTIES IN THE RELATIONS BETWEEN THE TWO COUNTRIES. BOTH GOVERNMENTS ARE CONVINCED THAT THEY HAVE THE FUNDAMENTAL RESPONSIBILITY TO RESOLVE ALL ASPECTS OF THIS MATTER WITHIN A REASONABLE PERIOD, IN THE FRAMEWORK OF EUROPEAN AND WESTERN SOLIDARITY.

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C. BOTH SIDES HAVE IDENTIFIED THE EXISTING PROBLEMS AND HAVE CONFIRMED THAT TO REACH A SATISFACTORY SOLUTION IT IS APPROPRIATE TO CONCLUDE A NEW INTERNATIONAL LEGAL INSTRUMENT WHICH WOULD MAKE IT POSSIBLE TO GUARANTEE AND SAFEGUARD ALL THE LEGITIMATE INTERESTS INVOLVED, (NEXT TWENTY-SEVEN WORDS UNDERLINED) AND IN A SPECIAL MANNER THE INDIVIDUAL AND COLLECTIVE INTERESTS AND THE WELLBEING OF THE INHABITANTS OF GIBRALTAR, AT THE TIME THAT SPANISH TERRITORIAL INTEGRITY IS REESTABLISHED.

D. BOTH SIDES HAVE EQUALLY AGREED THAT THE REESTABLISHMENT OF COMMUNICATIONS, THE EARLY ATTAINMENT OF (NEXT TEN WORDS UNDERLINED) FULL EQUALITY AND RECIPROCITY OF RIGHTS BETWEEN SPANIARDS AND GIBRALTARIANS AND THE DEVELOPMENT, IN ALL FIELDS, OF A WIDER COOPERATION IN THE ZONE, ARE ELEMENTS WHICH SHOULD CONTRIBUTE POSITIVELY TO THE DEFINITIVE SETTLEMENT OF THE QUESTION.

E. TO FULFIL THE OBJECTIVES FORESEEN IN THE PREVIOUS PARAGRAPHS, BOTH SIDES HAVE DECIDED ON THE SETTING UP OF (NEXT THREE WORDS UNDERLINED) THREE NEGOTIATING SUB-COMMITTEES RELATING TO (NEXT SIX WORDS UNDERLINED) THE FUTURE STATUS OF THE TERRITORY, COOPERATION IN THE DIFFERENT ASPECTS FORESEEN IN THE DECLARATION OF LISBON, INCLUDING THE OTHER ECONOMIC AND SOCIAL QUESTIONS, AND (NEXT FIVE WORDS UNDERLINED) QUESTIONS CONCERNING SECURITY AND DEFENCE.

F. THE TWO DELEGATIONS HEADED BY THEIR RESPECTIVE MINISTERS OF FOREIGN AFFAIRS HAVE DECIDED TO MEET AGAIN IN GENEVA ON (DATE).

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FM FCO 171750Z JUN 82

TO FLASH MADRID

TELEGRAM NUMBER 216 OF 17 JUNE.

INFO IMMEDIATE GOV GIBRALTAR (PERSONAL) UKDEL NATO, MOD (DS12, DPS)

YOUR TELNS NO 337, 338, 339, AND 342 AND GIBRALTAR TEL NO PERSONAL 77 (NOT ALL REPEATED TO UKDEL NATO): GIBRALTAR

1. WE REALISE THAT PEREZ-LLORCA STILL HAS TO CONVINCE THE SPANISH CABINET OF THE NEED TO HONOUR THEIR COMMITMENT TO GO AHEAD ON 25 JUNE AND THAT THERE ARE LIKELY TO BE SOME DISSENTING VOICES. YOU WERE RIGHT TO POINT OUT THE DISADVANTAGES FOR THE SPANIARDS OF ANY FURTHER POSTPONEMENT AND THAT WE WILL HAVE TO PIN THE BLAME ON THEM IF ONE OCCURS. IN MAKING THESE POINTS YOU SHOULD AVOID GIVING THE IMPRESSION THAT WE ARE SO ANXIOUS TO SEE THE BORDER REOPENED AS TO PUT US IN THE POSITION OF DEMANDEUR. AS YOU KNOW FROM MY TELNO 208 AND DISCUSSIONS HERE, OUR ROOM FOR MANOEUVRE IS VERY LIMITED.
2. WE AGREE WITH WHAT YOU SAID TO PEREZ LLORCA ABOUT THE DANGERS OF MAKING PUBLIC VERBATIM WHAT HE SAYS AT SINTRA (YOUR TELNO 342). IT IS INEVITABLE THAT HE WILL GIVE THE GIST OF IT TO THE PRESS. BUT HE MUST REALISE THAT THE MORE HE SAYS PUBLICLY, THE MORE WE AND THE GIBRALTARIANS WILL BE FORCED TO RESPOND IN PUBLIC. IN FACT IF HE IS GOING TO RUN OUT PREPARED TEXTS WE MAY NEED TO DO THE SAME.
3. ON GIVING PEREZ LLORCA A HINGT OF WHAT MIGHT BE SAID AT SINTRA ON NATO COMMAND BOUNDARIES (PARA 8 OF YOUR TELNO 337) WE WOULD PREFER YOU ONLY TO MAKE THE POINT IN GENERAL TERMS. YOU SHOULD TELL PEREZ-LLORCA THAT HE WILL BE ABLE TO DRAW HIS OWN CONCLUSIONS FROM THE INCLUSION OF MILITARY SUBJECTS AS ONE OF THE THREE HEADINGS FOR DISCUSSION. THE REMOVAL OF RESTRICTIONS ON GIBRALTAR WILL OPEN THE WAY FOR FORWARD LOOKING DISCUSSIONS ON MANY ASPECTS OF DEFENCE COOPERATION, INCLUDING THOSE IN WHICH SPAIN TAKES THE KEENEST INTEREST. BY CONTRAST, FAILURE TO IMPLEMENT THE LISBON AGREEMENT WOULD MAKE SUCH COOPERATION IMPOSSIBLE. WE WOULD NOT EXPECT A SPECIFIC REFERENCE IN THE COMMUNIQUE TO THIS POINT WHICH IS ONE FOR NATO AS A WHOLE. (FOR YOUR OWN INFORMATION OLIART'S IDEAS - FAULKNER'S LETTER OF 9 JUNE TO SYNNOTT WOULD BE THOROUGHLY UNWELCOME TO US AND, WE EXPECT, TO NATO)
4. ON THE TEXT OF A DRAFT COMMUNIQUE YOU WERE RIGHT TO RESERVE OUR POSITION ON THE FOUR POINTS RAISED BY CUENCA (YOUR TEL NO 338). IT IS ENCOURAGING THAT ON EQUALITY OF RIGHTS PEREZ-LLORCA SEEMS MORE FLEXIBLE AND CONTEMPLATES DEALING WITH THIS POINT BY INCLUDING SOCIAL ASPECTS WITH ECONOMIC AS ONE OF THE HEADINGS (OR COMMITTEES) FOR DISCUSSION. WE COULD ACCEPT THIS.

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5. YOUR REDRAFT OF A COMMUNIQUE (YOUR TELNO 339) IMPROVES ON OUR FIRST DRAFT IN SOME PLACES. BUT THERE ARE OTHER POINTS WHICH WE COULD NOT ACCEPT (EG, THE SQUARE BRACKETED REFERENCE IN PARA 4 ALTHOUGH WE COULD FIND LANGUAGE TO DEAL WITH THE POINT IF THE SPANIARDS INSIST ON SAYING THAT THEY HAVE STATED THEIR POSITION) WE NOTE THE COMMENTS FROM GIBRALTAR (THE GOVERNOR'S TELNO 77) BUT THERE ARE SUBSTANTIAL DIFFICULTIES SEEN FROM HERE TOO.
6. WE DO NOT HOWEVER, AT THIS STAGE, WISH TO GO FURTHER WITH A PROCESS OF REDRAFTING WHICH WILL INEVITABLE INVOLVE PRESSURE TO MODIFY OUR POSITION STILL FURTHER TO MEET THE SPANISH POINT OF VIEW. WE WOULD PREFER TO WAIT UNTIL EARLY NEXT WEEK, FOLLOWING THE SPANISH CABINET MEETING (AND MY POSSIBLE MEETING WITH PEREZ-LLORCA AT LUXEMBOURG IF IT TAKES PLACE) BEFORE SURFACING A SECOND DRAFT. WE WILL ALSO DEAL THEN WITH PRACTICAL ARRANGEMENTS SUCH AS THE ORGANISATION OF THE SINTRA MEETING AND THE PRESS CONFERENCE (YOUR TELNO 342). OUR PRESENT INCLINATION IS TO GO FOR SEPERATE PRESS CONFERENCES. A FINAL RESOLUTION OF CONTENTIOUS ISSUES IN THE COMMUNIQUE WILL PROBLY HAVE TO WAIT UNTIL SINTRA.
7. ON A MEETING IN LUXEMBOURG YOU SHOULD TELL PEREZ-LLORCA THAT I SHALL BE GOING THERE ON 20 JUNE AND RETURNING STRAIGHT AFTER LUNCH ON 21 JUNE. WITH SUCH LIMITED TIME AND SO MANY OTHER COMMITMENTS, ARRANGING A MEETING WOULD INEVITABLE BE DIFFICULT, THOUGH I AM SURE WE COULD CONTRIVE TO HAVE A BRIEF WORD IF PEREZ LLORCA WISHES. YOU SHOULD WARN HIM THAT I WILL NOT WISH TO GET INVOLVED IN DETAILED CONSIDERATION OF COMMUNIQUE LANGUAGE

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DESKBY 171100Z

FM MADRID 170955Z JUNE 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 342 OF 17 JUNE

INFO IMMEDIATE GOVERNOR GIBRALTAR(PERSONAL) UKDEL NATO

MOD(DS 12 DPS)

INFO PRIORITY LISBON

MY TELNO 337: GIBRALTAR

THE SPANISH FOREIGN MINISTER SUMMONED ME AGAIN LAST NIGHT. CUENCA WAS PRESENT. THE MINISTER STARTED BY ASKING ME IN DETAIL ABOUT WHAT WE THOUGHT WOULD ACTUALLY HAPPEN AT SINTRA. I SUGGESTED (YOUR TELNO 206) THAT YOU SHOULD BEGIN BY ENTERTAINING HIM AT LUNCH WITH AN OPPORTUNITY FOR A GOOD TALK. THE EVENING COULD BE USED FOR INTERNAL COORDINATION AMONG EACH DELEGATION. IF HE WANTED, YOU WOULD BE GLAD TO LUNCH WITH HIM THE FOLLOWING DAY. PEREZ-LLORCA AGREED ON ALL THESE POINTS. HE THEN ASKED ABOUT THE CONTENT OF THE TALKS THEMSELVES. I SAID THAT WAS ENTIRELY UP TO HIM AND YOU. HE WOULD BE FREE TO RAISE ANY SUBJECT HE WANTED. THE BEST PLAN MIGHT BE TO USE THE FIRST AFTERNOON FOR PEREZ-LLORCA TO MAKE AN EXPLANATION OF THE SPANISH POSITION ON THE BASIC POLITICAL ISSUE. YOU WOULD ALSO PRESUMABLY WISH TO MAKE SOME STATEMENT THOUGH YOU COULD CLEARLY NOT BE EXPECTED TO CONVEY A SUBSTANTIVE RESPONSE. ON THE FOLLOWING MORNING, AFTER OVER-NIGHT CONSIDERATION, YOU MIGHT INDICATE A WILLINGNESS TO EXPLORE THE SPANISH IDEAS. THEN THE QUESTION OF FOLLOW-UP ACTIVITIES COULD BE CONSIDERED. IN ADDITION, DURING BOTH SESSIONS EITHER SIDE MIGHT WISH TO RAISE MORE DETAILED POINTS OF PRACTICAL COOPERATION ETC, APART FROM THE CENTRAL POLITICAL ISSUE.

2. PEREZ-LLORCA ADDED THAT HIS EXPOSITION OF THE SPANISH OFFER WOULD OF COURSE BE A HISTORIC MOMENT. HE WOULD HAVE TO SPEAK FROM A PREPARED TEXT CLEARED HERE IN ADVANCE. HE WOULD SHOW ME THIS IN MADRID. SUBSEQUENTLY IT WOULD PROBABLY BE NECESSARY TO MAKE PUBLIC THIS TEXT, OR AT LEAST ITS GIST. I SAID THAT THIS WAS UNDERSTANDABLE. BUT ON A PERSONAL BASIS, I MUST OFFER TWO WARNINGS. FIRST, IT WOULD BE A DANGEROUS PRECEDENT TO START REVEALING PUBLICLY IN DETAIL THE CONTENTS OF THE GIBRALTAR NEGOTIATIONS. THIS COULD HAVE A BOOMERANG EFFECT BY INFLAMING THE PUBLIC APPETITE FOR NEWS. IT MIGHT BE IN THE INTEREST OF BOTH PARTIES IF HE WERE TO REVEAL THE GIST OF HIS PROPOSALS RATHER THAN THEIR ACTUAL WORDING. SECONDLY, IT WOULD BE A MISTAKE

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FOR PEREZ-LLORCA TO EMBARK ON A HISTORICAL REVIEW OF THE GIBRALTAR PROBLEM. WITH HASSAN AND ISOLA SITTING CLOSE BEHIND YOU, THIS WOULD OBLIGE YOU TO COUNTER WITH A FORMAL REFUTATION. THE SAME PROBLEM WOULD NOT ARISE IF PEREZ-LLORCA'S STATEMENT DEALT ONLY WITH THE FUTURE IN THE CONTEXT OF OUR NEW RELATIONSHIP. THE MINISTER ASSURED ME THAT HE ACCEPTED THIS POINT. INDEED, HIS STATEMENT WOULD BE FULL OF GRACIOUS REFERENCES TO THE PEOPLE OF GIBRALTAR AND HIS GOVERNMENT'S DESIRE TO PROTECT THEIR INTERESTS AND WELL-BEING. I SAID THAT SOUNDED FINE BUT OF COURSE YOUR COMMITMENT, WHICH YOU WOULD HAVE TO RESTATE DURING THE TALKS, WAS TO RESPECT THE DEMOCRATICALLY EXPRESSED WISHES OF THE PEOPLE OF GIBRALTAR, WHICH MIGHT NOT BE QUITE THE SAME THING.

3. PEREZ-LLORCA ALSO ASKED ME HOW YOU ENVISAGED THE PRESS CONFERENCE. HE COMMENTED THAT THIS WOULD BE AN ESSENTIAL OPPORTUNITY FOR BOTH MINISTERS TO MAKE CLEAR, IN ANSWER TO QUESTIONS, POINTS WHICH WOULD NOT BE COVERED IN THE SKIMPY COMMUNIQUE. WERE YOU IN FAVOUR OF A JOINT PRESS CONFERENCE? I SAID THAT THE PRIME MINISTER HAD OPPOSED THIS IDEA IN LONDON IN JANUARY AND THE FORMULA OF SEPARATE BRIEFING MEETINGS HAD WORKED WELL. PEREZ-LLORCA SAID THAT HIS OWN INCLINATION LAY IN THE SAME DIRECTION. I MADE IT CLEAR THAT I WAS WITHOUT INSTRUCTIONS ON THIS POINT, WHICH I WOULD NOW SEEK.

4. AFTER CUENCA HAD LEFT, PEREZ-LLORCA REVEALED THE SIGNIFICANCE OF THE CONVERSATION RENUKHFBHCVE. HE WANTED TO WARN ME, ON A STRICTLY PERSONAL BASIS, THAT HIS TALKS ABOUT GIBRALTAR THAT AFTERNOON HAD GONE BADLY. OBSERVERS OF THE BRITISH SCENE HAD WARNED THE GOVERNMENT THAT HMG WERE NOW IN A TRIUMPHALIST MOOD AND WERE THEREFORE UNLIKELY TO BE PREPARED TO EMBARK ON SERIOUS NEGOTIATIONS OVER CHANGES IN THE FUTURE STATUS OF GIBRALTAR. (THIS WAS A CLEAR REFERENCE TO THE AMBASSADOR IN LONDON, WHOSE BROTHER IS A SPANISH CABINET MINISTER.) THE FOREIGN MINISTER SAID THAT HE PERSONALLY WAS VERY KEEN TO GO AHEAD ON JUNE 25 BUT NOW FEARED SERIOUS OPPOSITION IN THE CABINET TOMORROW. NEVERTHELESS, HE CONTINUED TO HOPE THAT THE MAJORITY WOULD BE ON HIS SIDE AND PUT THE CHANCES OF SUCCESS AT ABOUT 75 TO 25. IF THE DECISION WERE NEGATIVE, IT WOULD PROBABLY BE CONVEYED TO US THROUGH ANOTHER SOURCE (PERHAPS THE PRIME MINISTER). WE SHOULD SIMULTANEOUSLY BE OFFERED A NEW DATE. WE AGREED THAT THERE WAS NO POINT IN MY REHEARSING AGAIN THE ARGUMENTS FOR GOING FORWARD, SINCE PEREZ-LLORCA HAD ALREADY ACCEPTED THEM IN FULL. BUT I ADVISED HIM TO WARN THE CABINET THAT ANOTHER SPANISH PROPOSAL FOR POSTPONEMENT WOULD NOT (NOT) BE ACCPETED IN LONDON WITH THE SAME ACQUIESCENCE AS THE LAST ONE, SINCE THE CONCLUSION OF FIGHTING IN THE FALKLANDS REMOVED ANY POSSIBLE EXCUSE FOR FAILING TO IMPLEMENT THE LISBON AGREEMENT. PEREZ-LLORCA URGED ME TO TRY TO SEE HIM LATER TODAY WITH ANY FURTHER AMMUNITION I COULD PRODUCE. THE CABINET MEETING IS TOMORROW MORNING.

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5. THIS DOES NOT COME AS A PARTICULAR SURPRISE. IT WAS CLEAR LAST WEEK THAT OUR INABILITY TO AGREE TO USING THE WORD "SOVEREIGNTY" IN THE SINTRA COMMUNIQUE COULD PROVE A SERIOUS STUMBLING BLOCK FOR THE SPANISH GOVERNMENT. WE MUST ALSO ALLOW FOR THE FAMILIAR SPANISH TECHNIQUE OF FLESH CREEPING TACTICS, COMBINED WITH GENUINE LAST MINUTE TREPIDATION. NEVERTHELESS PEREZ-LLORCA IS UNDOUBTEDLY RIGHT IN SAYING THAT THE PRESENT SPANISH GOVERNMENT ARE VERY WEAK AND EXTREMELY NERVOUS ABOUT PROVOKING FURTHER INTERNAL CRITICISM. TODAY'S PRESS IS FULL ODF STORIES, QUITE UNCONNECTED WITH GIBRALTAR, ABOUT THE POSSIBLE REPLACEMENT OF CALVO SOTELO AS PRESIDENT OF THE PARTY, AND EVEN AS PRIME MINISTER DESIGNATE AT THE NEXT ELECTIONS, FOLLOWING A COUNTER-STRIKE BY THE SUAREZ FACTION. NIMBLE FOOTWORK CAN SCARCELY BE EXPECTED FROM A PRIME MINISTER WITH FEET OF CLAY.

6. I THEREFORE STRONGLY RECOMMEND THAT, BY CLOSE OF PLAY TODAY, I SHOULD BE AUTHORISED TO SPEAK AGAIN TO THE SPANISH FOREIGN MINISTER IN THE SENSE RECOMMENDED IN PARAGRAPH 8 OF MY TELEGRAM UNDER REFERENCE AND ALSO PARAGRAPH 4 OF MY TELNO 338.

PARSONS

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ADDITIONAL DISTRIBUTION

GIBRALTAR

CONFIDENTIAL

GRS 330
CONFIDENTIAL
DESKBY 161845Z
FM MADRID 161739Z JUNE 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 339 OF 16 JUNE
INFO IMMEDIATE GOVERNOR GIBRALTAR(PERSONAL)

MIPT

FOLLOWING IS POSSIBLE COMMUNIQUE FOR SINTRA:

ON THE BASIS OF THE JOINT STATEMENT BY THE THEN FOREIGN MINISTERS OF THE UNITED KINGDOM AND SPAIN AT LISBON ON 10 APRIL 1980, THE FOREIGN MINISTERS OF THE TWO COUNTRIES MET AT SINTRA IN PORTUGAL ON 25 AND 26 JUNE 1982. THEY ACCORDINGLY STARTED NEGOTIATIONS AIMED AT OVERCOMING ALL THE DIFFERENCES BETWEEN THEM ON GIBRALTAR.

2. THEY NOTED THAT, AS ENVISAGED IN THE LISBON AGREEMENT, DIRECT COMMUNICATIONS IN THE REGION BY LAND HAD BEEN RESTORED ON 25 JUNE SEMI-COLON AND THAT FROM THE SAME DATE THERE WOULD BE NO SPECIAL GOVERNMENTAL RESTRICTIONS ON MARITIME AND AIR COMMUNICATIONS OPEN SQUARE BRACKETS THIS SITUATION WAS PARTICULARLY WELCOMED BY SIR JOSHUA HASSAN AND MR ISOLA, RESPECTIVELY CHIEF MINISTER OF GIBRALTAR AND LEADER OF THE OPPOSITION, WHO WERE AMONG THE MEMBERS OF THE BRITISH DELEGATION CLOSE SQUARE BRACKETS.

3. THE TWO MINISTERS AGREED THAT THE ENTRY OF SPAIN INTO THE NORTH ATLANTIC ALLIANCE ON 30 MAY, WITH THE WARM WELCOME OF THE BRITISH AND OTHER ALLIED GOVERNMENTS, WOULD FACILITATE THE RESOLUTION OF THE DIFFERENCES BETWEEN THEM ON GIBRALTAR. THEY ALSO AGREED THAT IT WAS THE FIRM INTENTION OF THEMSELVES AND THEIR GOVERNMENTS TO RESOLVE THEIR DIFFERENCES OPEN SQUARE BRACKETS ABOUT THE FUTURE OF GIBRALTAR, TAKING ACCOUNT OF THE WISHES OF ITS PEOPLE AND CLOSE SQUARE BRACKETS WITHIN THE FRAMEWORK OF THEIR RELATIONSHIP AS ALLIES AND AS FUTURE PARTNERS IN THE EUROPEAN COMMUNITY.

4. THE TWO MINISTERS SET OUT THEIR RESPECTIVE POSITIONS AND THIS WAS FOLLOWED BY A FRANK EXCHANGE OF IDEAS. THEY TOOK NOTE OF EACH OTHER'S POSITION AND AGREED THAT EVERY EFFORT SHOULD BE MADE TO ACHIEVE PROGRESS OPEN SQUARE BRACKETS AS SOON AS POSSIBLE CLOSE SQUARE BRACKETS IN A SPIRIT OF FRIENDSHIP.

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5. AS ENVISAGED IN THE LISBON AGREEMENT, DISCUSSION COVERED BOTH NEGOTIATIONS ABOUT OUTSTANDING DIFFERENCES AND OPPORTUNITIES FOR DEVELOPING PRACTICAL COOPERATION ON A MUTUALLY BENEFICIAL BASIS. THESE ASPECTS WERE EXAMINED BY THE MINISTERS UNDER THREE HEADINGS: POLITICAL, MILITARY, AND ECONOMIC AND SOCIAL AFFAIRS. THEY AGREED TO HOLD FURTHER MEETINGS ON EACH OF THESE ASPECTS BETWEEN THEMSELVES OR THEIR REPRESENTATIVES. OPEN SQUARE BRACKETS THREE COMMITTEES WERE ESTABLISHED FOR THIS PURPOSE AND IT WAS AGREED THAT THEY WOULD MEET AS APPROPRIATE AT MINISTERIAL OR OFFICIAL LEVEL CLOSE SQUARE BRACKETS.

PARSONS

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PS/PUS
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ADDITIONAL DISTN
GIBRALTAR

GRS 400

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IS. TO NO. 10. DOWNING ST.

CONFIDENTIAL

DESKBY FCO 161845Z JUN 82

FM MADRID 161845Z JUN 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 338 OF 16 JUNE

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

MY I. P. T. : GIBRALTAR

ALTHOUGH IT MIGHT IDEALLY BE BEST TO SPIN OUT THE TALKS WITH CUENCA ON THE DRAFT COMMUNIQUE UNTIL THE EVE OF THE SINTRA MEETING, THIS WILL NOT WORK IN PRACTICE. THE FOREIGN MINISTER NEEDS TO GIVE THE SPANISH CABINET ON JUNE 18 SOME FAIRLY CLEAR IDEA OF THE PROBABLE OUTCOME AT SINTRA, THOUGH NOT NECESSARILY IN THE FORM OF A TEXT, AND HE HIMSELF WILL BE OUT OF ACTION FOR MOST OF NEXT WEEK. GIVEN CUENCA'S LIMITATIONS, THE MOST REALISTIC COURSE SEEMS TO BE TO PREPARE A REVISED DRAFT, USING SQUARE BRACKETS TO EMBRACE PASSAGES WHICH MAY HAVE TO BE DISPUTED NEARER THE TIME, POSSIBLY AT MINISTERIAL LEVEL.

2. THIS MORNING CUENCA MADE A NUMBER OF POINTS ON THE DRAFT CONTAINED IN YOUR TELEGRAM NO. 209. I WAS ABLE TO DEAL WITH SOME OF THESE ON A PERSONAL BASIS IN THE LIGHT OF YOUR TELEGRAM NO. 210, TAKING ACCOUNT ALSO OF THE REORDERING PROPOSED BY THE GOVERNOR IN HIS PERSONAL TELEGRAM NO. 75.

3. ON FOUR POINTS, HOWEVER, CUENCA'S OBJECTIONS WERE MORE FAR REACHING AND I WAS OBLIGED TOTALLY TO RESERVE OUR POSITION, WITH A WARNING THAT THESE MATTERS WOULD PRESENT SERIOUS DIFFICULTIES FOR YOU IN PRESENT CIRCUMSTANCES. THEY WERE AS FOLLOWS:

A) CUENCA ARGUED THAT THERE SHOULD BE NO (NO) REFERENCE TO THE PRESENCE OF HASSAN AND ISOLA, WHETHER IN PARAGRAPH 1 OR 5. I THINK THIS WILL BE A VERY IMPORTANT POINT FOR THE SPANISH GOVERNMENT. CALVO SOTELO PLEADED IN VAIN WITH THE PRIME MINISTER IN LONDON ON JANUARY 8 THAT THE GIBRALTARIAN LEADERS SHOULD NOT BE INCLUDED AT SINTRA AT ALL. I AM OF COURSE AWARE THAT IN THE PRESENT CIRCUMSTANCES THEIR COOPERATION IS MORE IMPORTANT NOW THAN EVER. I HAVE HELD OUT NO (NO) HOPE HERE THAT WE WOULD BE WILLING TO WEAKEN AS REGARDS THEIR MENTION IN THE COMMUNIQUE.

B) AS EXPECTED, CUENCA PRESSED STRONGLY FOR SOME REFERENCE TO THE FUTURE STATUS OF GIBRALTAR TO BE INCLUDED, IF THE WORD "SOVEREIGNTY" WAS IMPOSSIBLE. AS INSTRUCTED, I WARNED HIM THAT THIS WOULD HAVE TO BE MATCHED WITH A COMMITMENT TO THE GIBRALTARIAN PEOPLE, WHICH WOULD HARDLY BE TO THE SPANISH TASTE. (PEREZ VQUE KNFBCLIGENT ABOUT THIS.)

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C) CUENCA SAID THAT THE SECOND SENTENCE OF OUR PARAGRAPH 6 DID NOT DO FULL JUSTICE TO THE IDEA OF THE THREE COMMITTEES. I SAID THAT THIS WAS PERHAPS A MATTER BEST DISCUSSED AT MINISTERIAL LEVEL. (PEREZ LLORCA HAD EARLIER GIVEN A WRY SMILE WHEN I ASKED HIM WHETHER HE REALLY WANTED ANOTHER MINISTERIAL MEETING BEFORE THE SPANISH SUMMER RECESS. HE BRIGHTENED UP A BIT WHEN I REMINDED HIM THAT THERE COULD IN ANY CASE BE A MINISTERIAL MEETING IN LATE SEPTEMBER IN NEW YORK.)

D) CUENCA WANTED MORE LANGUAGE FROM THE LISBON AGREEMENT AND FROM FROM THE JANUARY 8 EXCHANGE OF LETTERS, PARTICULARLY ON THE SUBJECT OF EQUALITY OF RIGHTS. PEREZ LLORCA, HOWEVER, HAD SEEMED TO SUGGEST THAT THE LATTER POINT MIGHT BE COVERED IMPLICITLY BY EXPANDING THE ECONOMIC COMMITTEE TO INCLUDE SOCIAL ASPECTS.

4. MY IMMEDIATELY FOLLOWING TELEGRAM CONTAINS A REVISED DRAFT WHICH ATTEMPTS TO TIDY UP SOME LOOSE ENDS AND, FOR EASE OF REFERENCE TO INCLUDE CONTROVERSIAL POINTS ON WHICH YOUR POSITION HAS BEEN FULLY RESERVED. IT WOULD BE USEFUL TO HAVE A REACTION IN TIME FOR ME TO GO OVER IT WITH PEREZ LLORCA, PERHAPS ON A PERSONAL BASIS AND WITHOUT COMMITTING YOU, IF AT ALL POSSIBLE BEFORE THE CABINET MEETING.

PARSONS

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ADDITIONAL DISTN
GIBRALTAR

GRS 900

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FM MADRID 161540Z JUNE 82

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

TO IMMEDIATE FCO

TELEGRAM NUMBER 337 OF 16 JUNE

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL) UKDEL NATO

AND MOD (DS 12 DPS)

YOUR TELNO 208: GIBRALTAR

I HAD A LONG TALK THIS MORNING WITH THE SPANISH FOREIGN MINISTER. WE WENT OVER THE SAME GROUND YOU DISCUSSED WITH HIM IN BONN LAST WEEK (YOUR TELNO 203) AND WHICH WE COVERED IN LONDON THE FOLLOWING DAY. PEREZ-LLORCA SEEMED PLEASED WITH HIS REALISTIC, IF NOT ENTIRELY PALATABLE, CONVERSATION WITH YOU IN BONN. HE SHOWED RECOGNITION FOR YOUR DIFFICULTIES AND THOUGHT YOU HAD ALSO UNDERSTOOD HIS.

2. PEREZ-LLORCA SEEMED SATISFIED BY THE TIMING OF THE OUTCOME IN THE FALKLAND ISLANDS. HE THOUGHT THIS HAD HELPED TO CLEAR THE AIR BEFORE SINTRA. HE ACCEPTED MY ARGUMENT THAT ARMS SUPPLIES MUST CONTINUE TO BE DENIED TO ARGENTINA, WHOSE AIR FORCE REMAINED A POTENTIAL HAZARD.

3. SPEAKING FRANKLY, PEREZ-LLORCA REVEALED THAT HE STILL HAD TO OBTAIN CABINET CLEARANCE FOR THE GIBRALTAR OPERATION ON 25 JUNE. THIS WOULD BE SOUGHT AT A CABINET MEETING THIS FRIDAY, 18 JUNE, THE LAST OPPORTUNITY. (HE WILL BE IN LUXEMBOURG ON 21 JUNE, MITTERAND WILL BE HERE ON 22 AND 23 JUNE AND 24 JUNE IS THE KING'S NAME DAY). HE REVEALED THAT HE WAS STILL FACING OPPOSITION NOT FROM CALVO SOTELO HIMSELF BUT FROM SOME MEMBERS OF THE CABINET AND OTHERS CLOSE TO THEM, INCLUDING THE AMBASSADOR IN LONDON. ARIAS SALGADO WOULD BE KEPT HERE IN COLD STORAGE UNTIL SINTRA. HE ASKED ME TO BELIEVE THAT HE FACED GENUINE DIFFICULTIES HERE IN SPITE OF HIS OWN ANXIETY TO GO AHEAD. (I DO). IT IS THE RIGHT WING WHO WILL BE THE MAIN OPPONENTS.

4. PEREZ-LLORCA SAID I MUST HELP HIM WITH ARGUMENTS HE COULD USE IN THE CABINET. WHAT WAS MY PERSONAL VIEW OF THE BRITISH REACTION IF IT SHOULD BE SUGGESTED THAT THE FRONTIER OPENING AND SINTRA NEGOTIATIONS BE POSTPONED YET AGAIN? I SAID I THOUGHT THIS WOULD BE QUITE DISASTROUS. IT HAD ALREADY BEEN NOTED BY BRITISH MINISTERS THAT THE SPANISH REPRESENTATIVE IN NEW YORK HAD CELEBRATED SPANISH ENTRY INTO NATO BY PROPOSING TWO RESOLUTIONS IN THE SECURITY COUNCIL (ON THE SOUTH ATLANTIC AND MIDDLE EAST) WHICH, QUITE APART FROM THE BRITISH REACTION, HAD PROVOKED A VETO BY THE MAJOR POWER IN THE ALLIANCE. PEREZ-LLORCA COMMENTED THAT DE PINTIES WAS INDEED AN EMBARRASING HANG-OVER FROM THE FRANCO ERA, THOUGH IT WAS TRUE THAT RECENT SPANISH POLICY HAD BEEN AMBIVALENT BECAUSE

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OF THE NEED SLOWLY TO EDUCATE THE COUNTRY TO THE NEW REALITIES OF THEIR INTERNATIONAL POSITION. I ADDED THAT CALVO SOTELO'S IMPLICIT REFERENCE TO THE SOUTH ATLANTIC SITUATION AT THE NATO SUMMIT HAD NOT BEEN ENTHUSIASTICALLY RECEIVED BY BRITISH MINISTERS. PEREZ-LLORCA SAID THAT THIS POINT HAD NOT GONE UNREMARKED. I EXPLAINED THAT I HAD REFERRED TO THIS SAD RECENT HISTORY TO SHOW THAT ANY SPANISH PROPOSAL TO DELAY IMPLEMENTATION OF THE LISBON AGREEMENT WOULD EXACERBATE SUSPICIONS IN LONDON. WE SHOULD CERTAINLY INSIST ON PINNING THE BLAME UNILATERALLY ON SPAIN THIS TIME. NOR WOULD IT BE AT ALL EASY TO CARRY THE GIBALTARIAN LEADERS WITH US ANY LONGER. IT WOULD PROBABLY MEAN THE END OF THE LISBON PROCESS. SPAIN WOULD THEN BE OFFERED THE WORSE ALTERNATIVE OF OPENING THE FRONTIER SIMPLY IN ORDER TO GET INTO THE COMMUNITY. PEREZ-LLORCA SAID THAT ALL THIS SQUARED WITH HIS OWN ANALYSIS. IT WAS USEFUL TO HAVE IT FOR THE CABINET.

5. I ADVISED PEREZ LLORCA NOT TO MAKE TOO MUCH OF A MEAL, EITHER WITH HIS COLLEAGUES OR WITH YOU, OF THE DRAFT PRESS STATEMENT FOR SINTRA. OUR DRAFT, WHICH I HAD COMMUNICATED THE EVENING BEFORE TO CUENCA (YOUR TELEGRAM NO. 209) WAS INEVITABLY VAGUE. BUT IT HAD AT LEAST THE MERIT FOR SPAIN OF FAILING TO SPELL OUT IN DETAIL OUR COMMITMENT TO THE PEOPLE OF GIBRALTAR. WE SHOULD HAVE TO DO THAT IF THEY PRESSED FOR MORE PRECISE LANGUAGE ABOUT THE AIMS OF THE NEGOTIATION. WE AGREED THAT IT WOULD PROBABLY BE DIFFICULT FOR ME TO REACH TOTAL AGREEMENT ON LANGUAGE WITH CUENCA AND THAT CERTAIN KEY POINTS MIGHT HAVE TO BE REVERSED FOR DISCUSSION BETWEEN MINISTERS. PEREZ LLORCA WOULD LIKE TO SEE YOU IN LUXEMBOURG ON 21 JUNE, IF YOU ARE THERE. HE ALSO WELCOMES THE IDEA OF MEETING YOU AT LUNCH IN SINTRA BEFORE THE MEETINGS BEGIN (YOUR TELEGRAM NO. 206).

6. IN SUPPORT OF THE ARGUMENT THAT TOO MUCH SHOULD NOT BE BUILT ON THE TEXT ITSELF, I EMPHASISED YOUR WILLINGNESS TO DISCUSS PERSONALLY WITH PEREZ LLORCA THE WHOLE QUESTION OF PUBLICITY (PARA 3 OF YOUR TELEGRAM NO. 208). THE OBJECT SHOULD BE TO MAKE SURE THAT NEITHER MINISTER, IN RESPONSE TO SUPPLEMENTARY QUESTIONS, GAVE A REPLY WHICH WOULD BE UNDULY AWKWARD FOR HIS COLLEAGUE.

7. IT IS CLEAR THAT WHAT PEREZ LLORCA NEEDS IS TO SHOW THAT NEGOTIATIONS HAVE BEGUN SERIOUSLY AT SINTRA; THAT HE HAS SAID HIS BIT AND YOU HAVE LISTENED; AND THAT A SYSTEM HAS BEEN AGREED FOR CARRYING THE DIALOGUE FORWARD IN A PURPOSEFUL MANNER. HE ATTACHES GREAT IMPORTANCE TO THE THREE COMMITTEES, THOUGH I REMINDED HIM THAT IN BONN (YOUR TELEGRAM NO. 203) YOU HAD DONE NO MORE THAN AGREE TO CONSIDER THIS IDEA ALONG WITH OTHERS. I MENTIONED BRIEFLY AND WITHOUT DETAIL THE VALUE OF SHOWING SOME GLIMMER OF MOVEMENT ON THE DEFENCE SIDE (YOUR TELEGRAM NO. 47 TO THE GOVERNOR OF GIBRALTAR PERSONAL). HE READILY AGREED.

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18. COMMENT

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8. COMMENT. PEREZ LLORCA CLEARLY REMAINS ON COURSE. BUT I TAKE AT ITS FACE VALUE HIS WARNING THAT HE STILL HAS TO CARRY THE SPANISH CABINET WITH HIM. FOR THIS PURPOSE, AND ALSO TO TAKE SOME OF THE HEAT OUT OF THE ISSUE OF THE COMMUNIQUE, IT WOULD BE VALUABLE IF, BY CLOSE OF PLAY TOMORROW, I COULD BE AUTHORISED TO SPEAK PERSONALLY TO PEREZ LLORCA IN THE SENSE OF THE FIRST SENTENCE OF PARAGRAPH 2 OF YOUR TELEGRAM NO. 47 PERSONAL TO THE GOVERNOR GIBRALTAR. I FULLY ENDORSE YOUR VIEW THAT THIS COULD CONTRIBUTE SIGNIFICANTLY TO A SUCCESSFUL OUTCOME AT SINTRA. PEREZ LLORCA WOULD FEEL THE SAME. THERE WOULD BE NO (NO) NEED TO PUT THE POINT IN THE COMMUNIQUE. THIS MIGHT BE UNSUITABLE, SINCE THE MATTER STILL HAS TO BE JUDGED BY THE NATO MILITARY AUTHORITIES. BUT IT WOULD HELP PEREZ LLORCA IF HE COULD TELL HIS COLLEAGUES THIS FRIDAY THAT HE HAS AN INFORMAL UNDERSTANDING WITH YOU THAT THIS POINT COULD BE MADE CLEAR AT THE CONCLUSION OF THE SINTRA MEETING.

9. MY IMMEDIATELY FOLLOWING TELEGRAM REPORTS MY SUBSEQUENT CONVERSATION WITH CUENCA ABOUT THE COMMUNIQUE.

PARSONS

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PS/PUS
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MR GOODISON

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GIBRALTAR

GRS 1200

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Gibraltar

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DESKBY 110700Z MADRID AND GIBRALTAR

FM FCO 102024Z JUN 82

TO IMMEDIATE MADRID

TELEGRAM NUMBER 203 OF 10 JUN 82

INFO IMMEDIATE GIBRALTAR(PERSONAL FOR GOVERNOR)

DISTRIBUTION
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FOLLOWING FROM PRIVATE SECRETARY
SECRETARY OF STATE'S MEETING WITH SPANISH FOREIGN MINISTER:
GIBRALTAR
SUMMARY

F.I.C.O. informed

17/6 p.a.

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1. THE SECRETARY OF STATE MET SENOR PEREZ LLORVJCA AT 14.00Z ON 10 JUNE IN THE MARGINS OF THE NATO SUMMIT IN BONN. BULLARD AND CUENCA WERE ALSO PRESENT.

2. PEREZ LLORCA'S EVIDENT PURPOSE WAS TO PRESS HOME THE MESSAGE THAT, WHILE HE UNDERSTOOD THE CONSTRAINTS PLACED ON US BY EVENTS IN THE SOUTH ATLANTIC, IT WAS ESSENTIAL FROM THE SPANISH POINT OF VIEW FOR SINTRA TO PRODUCE SOME SIGN OF MOVEMENT ON THE POLITICAL ASPECTS OF THE GIBRALTAR ISSUE. THE SECRETARY OF STATE REAFFIRMED HIS READINESS TO GO AHEAD WITH THE SINTRA MEETING, BUT STRESSED THE IMPACT OF THE FALKLANDS ON PUBLIC AND PARLIAMENTARY OPINION IN BRITAIN: ANY ATTEMPT TO MOVE TOO FAST OR TOO BRASHLY OVER GIBRALTAR COULD FRUSTRATE THE ENTIRE PROCESS.

DETAIL

3. PEREZ LLORCA BEGAN BY SPEAKING OF SPAIN'S PROGRESS IN DEMOCRACY AND OF HER ENTRY INTO NATO. NATO ENTRY HAD BEEN ATTACKED IN SPAIN BY THE LEFT AS PREJUDICING A SOLUTION ON GIBRALTAR, AND HE WAS ANXIOUS THAT THE SINTRA MEETING SHOULD NOT RESULT IN A DISAPPOINTMENT WHICH WOULD TURN OPINION IN SPAIN AGAINST THIS EVOLUTION. HE HOPED THAT WE WOULD UNDERSTAND THIS - AS HE UNDERSTOOD OUR PROBLEMS OVER THE FALKLANDS AND OUR COMMITMENTS TO THE PEOPLE OF GIBRALTAR - AND BE READY TO MAKE SOME MOVE AT SINTRA. HE RAN THROUGH THE SPANISH IDEA FOR A JOINT COMMUNIQUE WHICH HAD BEEN DISCUSSED IN THE CONTEXT OF THE EARLIER PLANNED SINTRA MEETING, INCLUDING THE REFERENCE TO SOVEREIGNTY AND TO THE ESTABLISHMENT OF THREE COMMISSIONS TO CARRY FORWARD THE PROCESS OF NEGOTIATION. ONE OF THEM DEALING WITH THE POSSIBLE FUTURE STATUS OF GIBRALTAR. HE UNDERSTOOD THAT IN THE CHANGED CIRCUMSTANCES IT MIGHT NOT BE POSSIBLE TO REACH AGREEMENT ON PRECISELY THE SAME KIND OF DOCUMENT, BUT IT WOULD NOT BE ENOUGH TO OFFER HIM A MERE STATEMENT THAT THE GIBRALTARIANS NEEDED TO BE PERSUADED BEFORE THERE COULD BE ANY CHANGE IN THEIR STATUS. HE NEEDED AN INDICATION THAT PROVIDED THE GIBRALTARIANS AGREED, BRITAIN DID NOT ENVISAGE A FUTURE FOR GIBRALTAR WHICH WAS OUTSIDE THE CONTEXT OF THESE NEGOTIATIONS.

4. THE SECRETARY OF STATE SAID THAT THE BRITISH SIDE ALSO WANTED TO GO AHEAD WITH THE SINTRA MEETING. THERE WERE CLEARLY DIFFICULTIES FOR BOTH SIDES: THE NEGOTIATION WOULD BE A TENDER SHOOT, WHICH WOULD NEED TO BE CULTIVATED VERY CAREFULLY IN ITS EARLY STAGES. HE UNDERSTOOD THE POINT WHICH PEREZ LLOCRA HAD MADE: IT WOULD

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CERTAINLY BE POSSIBLE TO SAY AT SINTRA THAT A START HAD BEEN MADE IN A PROCESS OF NEGOTIATION, BUT IN PRESENT CIRCUMSTANCES IT WOULD BE UNTHINKABLE TO MAKE ANY REFERENCE TO SOVEREIGNTY - A TERM WHICH HAD NOT BEEN USED AT LISBON IN VERY MUCH MORE STRAIGHTFORWARD CIRCUMSTANCES. THE PARALLELS BETWEEN GIBRALTAR AND THE FALKLANDS WERE VERY MUCH IN THE EYE OF BRITISH OPINION.

IT WOULD BE A MISTAKE TO RAISE EXPECTATIONS TOO HIGH. HASSAN AND ISOLA HAD MADE IT CLEAR TO HIM THAT DESPITE THE IMPACT OF THE FALKLANDS ISSUE ON OPINION IN GIBRALTAR, THERE WAS NO CHANGE IN THE ATTITUDE OF THE GIBRALTARIAN GOVERNMENT: IT WAS VERY HELPFUL THAT THEY WANTED BOTH PARTS OF THE LISBON AGREEMENT IMPLEMENTED AND WOULD BE SEEN TO BE PARTICIPATING IN THE SINTRA MEETING.

5. HE WAS QUITE READY TO CONTEMPLATE FOLLOWING UP THE SINTRA MEETING, AND THE IDEA OF THREE COMMISSIONS COULD BE CONSIDERED, ALONG WITH OTHERS. BUT WHAT WAS SAID AT SINTRA WOULD HAVE TO BE KEPT IN A LOWER KEY THAN THE SPANIARDS MIGHT LIKE. IT WOULD BE IMPORTANT TO AVOID SETTING ARTIFICIAL DEADLINES, OR USING LANGUAGE WHICH MIGHT APPEAR TO HAVE SOME APPLICATION TO THE FALKLANDS: THE SENSITIVITIES OF BOTH SIDES MUST BE RESPECTED. HE WAS INCLINED TO THINK THAT THE STATEMENT SHOULD BE SHORT AND GENERAL. IT MIGHT PERHAPS INCLUDE AGREEMENT TO ESTABLISH A FRAMEWORK FOR DISCUSSION OF SECURITY, POLITICAL AND ECONOMIC ISSUES, AND TO AN EARLY MEETING - PERHAPS WITHIN A MONTH - AT A LOWER LEVEL. HE STRESSED THAT THIS MORE CAUTIOUS APPROACH REFLECTED ONLY THE ACCIDENT OF EVENTS IN THE SOUTH ATLANTIC, AND NO CHANGE OF MIND ON THE PART OF THE BRITISH GOVERNMENT.

6. PEREZ LLORCA SAID THAT, OF THE RECORD, HE COULD ENVISAGE THAT IF BRITAIN WAS PREPARED TO RECOGNISE THAT THE PROBLEM HAD TO BE SETTLED IN THE FRAMEWORK OF ITS RELATIONS WITH SPAIN, SPAIN WOULD BE ABLE TO ACCEPT SOME IMPLICATION OF THE NEED TO TAKE INTO ACCOUNT THE WISHES OF THE GIBRALTARIANS. CERTAINLY THEY WOULD HAVE TO BE PERSUADED, BUT BRITAIN MUST HELP WITH THIS. NEITHER SIDE MUST BE MESMERISED BY GALTIERI: HE RECOGNISED OUR PROBLEMS, BUT THERE WERE THOSE IN SPAIN WHO ARGUED THAT THE LESSON OF THE FALKLANDS WAS THAT THE ONLY WAY TO GET WHAT YOU WANTED FROM THE BRITISH WAS BY FORCE. BRITAIN SHOULD BE GLAD OF THE OPPORTUNITY TO SHOW THAT IN DEALING WITH A DEMOCRATIC COUNTRY WHICH CHOSE THE PATH OF NEGOTIATION IT WAS READY TO MAKE CONCESSIONS. IT WOULD NEVER FIND A SPANISH GOVERNMENT WHICH WOULD BE EASIER TO DEAL WITH THAN THE PRESENT ONE. SPAIN ATTACHED IMPORTANCE TO THE ISSUE OF SOVEREIGNTY BECAUSE FROM A SPANISH POINT OF VIEW THAT WAS THE ONLY ISSUE THERE WAS: ON EVERYTHING ELSE - INCLUDING THEIR LAWS AND THEIR BRITISH WAY OF LIFE - THEY WERE PREPARED TO MEET THE GIBRALTARIANS' WISHES. BRITAIN AND THE WEST HAD A STRATEGIC INTEREST IN GIBRALTAR, AND THERE WOULD BE NO PROBLEM IN MEETING THIS AS WELL.

7. THE SECRETARY OF STATE SAID THAT BRITAIN COULD NOT UNDERTAKE ANY COMMITMENT WHICH WENT BEYOND AN ACKNOWLEDGEMENT THAT THE PROCESS HAD BEGUN. BOTH SIDES SHOULD ACKNOWLEDGE THAT THE TIDE WAS UNFAVOURABLE AT PRESENT, AND SHOULD BE PREPARED TO WAIT WITH PATIENCE UNTIL IT TURNED. THEY COULD HELP TURN IT BY CONCENTRATING INITIALLY ON ECONOMIC DEVELOPMENT, FOR EXAMPLE THE AIRPORT AND TOURISM, IN SPAIN AS IN GIBRALTAR THIS WOULD BE THE LOGICAL CONSEQUENCE OF

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OPENING THE FRONTIER, AND WAS THE ARGUMENT MOST LIKELY TO WEIGH WITH THE GIBRALTARIANS, GIVEN THEIR PRESENT TROUBLES OVER THE LOSS OF EMPLOYMENT FROM THE DOCKYARD. THIS WOULD CREATE AN ATMOSPHERE WHICH COULD IN THE LONGER RUN HELP SECURE THE AGREEMENT OF THE ISLANDERS TO THE KIND OF DEVELOPMENT WHICH THE SPANISH WANTED. PEREZ LLORCA WAS PREPARED TO CONSIDER THIS, BUT IT MUST BE PARALLELED BY SOME MOVEMENT ON THE POLITICAL FRONT - SOME SIGN THAT IDEAS WOULD BE CONSIDERED, EVEN WITHOUT COMMITMENT. EXPANDING THE AIRPORT COULD NOT BE CONSIDERED IF IT APPEARED THAT THE SPANIARDS WERE CONSOLIDATING THE EXISTING SITUATION OR ALLOWING ECONOMIC COOPERATION TO GO AHEAD IN ISOLATION. THE SECRETARY OF STATE ACCEPTED THAT OTHER ASPECTS COULD NOT BE IGNORED: HE HAD SPOKEN ONLY OF WHERE IT WOULD BE TACTICALLY WISE TO PLACE THE EMPHASIS. IT MUST BE ACCEPTED THAT LESS WOULD COME OUT OF SINTRA THAN HAD BEEN ENVISAGED EARLIER. HE OFFERED TO PROVIDE A DRAFT TO ILLUSTRATE THE KIND OF THING HE HAD IN MIND, TO BE COMMUNICATED THROUGH THE EMBASSY IN MADRID. PEREZ LLORCA WELCOMED THIS. HE COULD NOT RISK HAVING TO ADMIT AFTER THE SINTRA MEETING THAT HE HAD ACHIEVED NOTHING.

8. IT WAS AGREED THAT IF THE PRESS ASKED ABOUT THIS MEETING THEY SHOULD BE TOLD THAT IT WAS ONE OF MANY BILATERAL CONVERSATIONS HELD IN THE MARGINS OF THE NATO SUMMIT.

[Handwritten mark: a vertical line with a dot at the top]

PYM

LIMITED

SED
NEWS D
DEFENCE D
PS
PS/LORD BELSTEAD
PS/PUS
MR BULLARD
MR GOODISON

A/D Gibraltar

- 3 -

CONFIDENTIAL

Ref: B06524

PRIME MINISTER

c Sir Robert Armstrong

OD: Gibraltar

BACKGROUND

1. When the Spanish Prime Minister, Senor Calvo Sotelo, visited you in January he agreed finally to implement the 1980 Lisbon Agreement and open the border with Gibraltar on 20th April: talks aimed at overcoming Anglo-Spanish differences on Gibraltar would begin simultaneously. The April talks and the border opening were postponed because of the Falklands crisis: the new date is 25th June. The Foreign and Commonwealth Secretary is due to meet the Spanish Foreign Minister in the margins of the North Atlantic Treaty Organisation Summit on 10th June. The full background is contained in his minute to you of 28th May which has been copied to all members of the Committee.

FLAGA

2. The Government is committed to "support and sustain" the economy of Gibraltar so long as the frontier with Spain remains closed. Closure of the Gibraltar Dockyard in 1983 has been announced and a study of possible commercialisation is in hand: recommendations will be put to Ministers in the late summer.

3. The essential issue for decision now is whether we should go ahead with the talks on 25th June (which will be accompanied by the re-opening of the frontier and the lifting of Spanish restrictions) given that, in the highly charged atmosphere generated by the Falklands crisis, British Parliamentary and public opinion may see parallels with the events which led to the Argentine invasion on 2nd April, especially in view of Spain's public support for Argentina in the United Nations. (You will recall that the point was made in Cabinet on 3rd June that we should be looking for ways of bringing pressure to bear on Spain to take a less unhelpful line over the Falklands.)



4. The Chancellor of the Exchequer and the Secretary of State for Trade have a long-standing commitment to attend the NEEDC on 7th June and will not be present. The Chief Secretary, Treasury, has been invited to attend: he has commented on the public expenditure implications in his minute of 4th June to the Foreign and Commonwealth Secretary, which has been copied to you and other OD members. The Lord Chancellor, the Lord President and the Lord Privy Seal were due to attend the rehearsal of the ceremonies when President Reagan addresses members of both Houses of Parliament in the Royal Gallery: the Lord President and the Lord Privy Seal have been asked if they can attend OD instead and go late to the rehearsal. The Foreign and Commonwealth Secretary has asked if he can bring Sir Antony Acland, who has been Ambassador in Madrid, to the meeting.

HANDLING

5. You may wish to invite the Foreign and Commonwealth Secretary to introduce the discussion and then invite other colleagues to comment.

6. The main questions which need to be addressed are -

(a) What would be the consequences

- i. in Gibraltar;
- ii. for Anglo-Spanish relations; and
- iii. for NATO

if we were to suggest further postponement beyond 25th June?

Would this put paid to any prospect of reopening the frontier in the foreseeable future?

(b) What is the likelihood of the Spanish themselves asking for a postponement, if fighting is still going on in the South Atlantic?

(c) What would be the domestic political implications of opening negotiations on Gibraltar while we are still fighting in the Falklands? How can we deal with the criticism that negotiations with the Spanish over sovereignty can only lead to the same sort of frustration that triggered the Argentine invasion of the Falklands? How difficult will it be to negotiate with a Spanish government which, whatever its private willingness not to obstruct us in the South Atlantic, nevertheless feels itself constrained by domestic opinion to take Argentina's side in public?



(d) What are the practical measures of co-operation between Spain and Gibraltar which the Foreign and Commonwealth Secretary has in mind? Is the Chief Secretary, Treasury, content that such a programme should be offered?

CONCLUSIONS

7. Subject to the discussion, you may wish to guide the Committee to the following conclusions -

- (a) it remains a British interest - stronger now that Spain is a member of NATO and has applied for membership of the European Community - to secure the re-opening of the border between Gibraltar and Spain;
- (b) talks with Spain are an acceptable price for securing this;
- (c) we should not seek to postpone the opening of the talks on 25th June, but should if necessary accept a Spanish request for postponement;
- (d) we should continue to make it clear to the Spanish that we stand absolutely by our commitment to respect the wishes of the people of Gibraltar. Our objective in the talks should be to get the Spanish to drop their policy of coercion and to improve the relationship between Spain and Gibraltar.

4th June 1982

A D S GOODALL

B.
Gibraltar

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Francis Pym
 Secretary of State for
 Foreign and Commonwealth Affairs
 Foreign and Commonwealth Office
 Downing Street
 London SW1A 2AL

4 June 1982

Francis,

GIBRALTAR

I have seen your minute of 28 May to the Prime Minister, and her reply. I welcome the opportunity to discuss these issues at an early OD.

We shall of course want to discuss the way in which our commitment to the Gibraltarians can best be put, but I see that in your minute you also speak of establishing a "programme of practical measures for cooperation between Spain and Gibraltar", a programme which might be spread out over a considerable period of time. Whatever use may prove in the end to be practicable for the naval dockyard, the Government might be required to find substantial financial assistance for the economic development of Gibraltar. I presume that the suggested "programme of practical measures" would be likely to entail expenditure over and above the development schemes currently under consideration. If that is so, then I suggest we must be cautious in any indications we may give at this stage, either to the Gibraltarians or to the Spanish authorities.

I have sent copies of this minute to the Prime Minister, to other members of OD, and to Sir Robert Armstrong.

Leon

LEON BRITTAN

Gibraltar

CONFIDENTIAL

da



c. CO WFO
CDL HMT
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MOD

10 DOWNING STREET

From the Private Secretary

2 June 1982

Gibraltar

The Prime Minister has seen the minute of 28 May from the Foreign and Commonwealth Secretary on this subject. She would like the matter to be discussed in OD at an early opportunity.

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

A J. COLES

B.J.P. Fall, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

RM

GRS 530
CONFIDENTIAL
FM MADRID 011129Z JUNE 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 311 OF 1 JUNE
INFO IMMEDIATE GOVERNOR GIBRALTAR(PERSONAL) MOD

CONFIDENTIAL

Prime Minister

*Important. See para. 607
in particular, but you should
read it all.*

MY TELNO 308: ANGLO SPANISH RELATIONS AND GIBRALTAR

A.J.C. 2/6.

WHEN SEEING THE SPANISH FOREIGN MINISTER LAST NIGHT YET AGAIN ABOUT COOPERATION IN DENYING ARMS TO ARGENTINA, I TOOK THE OPPORTUNITY TO TELL HIM ABOUT OUR LETTER TO THE SECRETARY GENERAL OF THE UNITED NATIONS, SUBSEQUENTLY DELIVERED IN NEW YORK.

*Passage deleted and closed, 40 years, under
Foi Exemption. O'Dayland, 11 October 2012*

HE HAD LITTLE CONFIDENCE EVEN NOW IN THE POSSIBILITY OF NEGOTIATION WITH THE ARGENTINE JUNTA (SEE PARA 4 OF MY TELNO 309). BUT THIS WAS NOT OF COURSE THE OFFICIAL PUBLIC VIEW OF THE SPANISH GOVERNMENT. IN SPEAKING ON SPANISH RADIO THAT DAY ABOUT ENTRY INTO NATO, HE HAD FELT IT RIGHT TO EMPHASISE THAT ALLIANCE POLICY WOULD BE STRENGTHENED THROUGH SPANISH CONNECTIONS WITH THE SPANISH SPEAKING WORLD. PEREZ-LLORCA ADDED THAT WE MUST NOT EXPECT TOO MUCH OF HIS PRIME MINISTER AT THE NATO SUMMIT ON JUNE 18, IF CURRENT DEVELOPMENTS OVER THE FALKLANDS STILL REQUIRED THEN A DEMONSTRATION OF ALLIANCE SOLIDARITY.

2. PEREZ-LLORCA ADDED THAT, IN SPITE OF THE SPANISH GOVERNMENT'S AMBIGUOUS POSITION, THEY WERE COMPLETELY SOLID WITH US IN DENYING ARMS TO ARGENTINA. CALVO SOTELO WAS WITH HIM ON THIS. I WOULD REALISE THAT SPAIN WAS A HOT BED FOR ARMS TRAFFIC WITH SOUTH AMERICA. WE SHOULD CONTINUE TO BRING ANY EVIDENCE ABOUT THIS TO HIS ATTENTION.

3. PEREZ-LLORCA SAID THAT THE PRIME MINISTER AND HE WERE NOT HAVING AN EASY TIME WITH THEIR OWN MILITARY PEOPLE AT THE MOMENT. THE NEW COMMANDER OF THE AIR FORCE WAS PARTICULARLY HAWKISH OVER BOTH THE FALKLANDS AND GIBRALTAR.

4. THE FOREIGN MINISTER SAID THAT HIS PRIME MINISTER HAD THAT DAY CONFIRMED TO HIM HIS WILLINGNESS THAT IMPLEMENTATION OF THE LISBON AGREEMENT SHOULD GO AHEAD AS PLANNED ON JUNE 25. CALVO SOTELO WAS KEEN THAT THERE SHOULD BE A GOOD TALK AT FOREIGN MINISTER LEVEL AT THE NATO SUMMIT NEXT WEEK ABOUT PROSPECTS FOR SINTRA. CALVO SOTELO WOULD ALSO NATURALLY EXPECT TO HAVE SOME CONVERSATION WITH THE BRITISH PRIME MINISTER. HE HAD ASKED PEREZ-LLORCA TO TRY TO FIND OUT SOMETHING BEFORE THEN ABOUT BRITISH THINKING REGARDING THE HANDLING OF THE SINTRA MEETING. (THIS CONFIRMS ME IN THE VIEW (MY TELNO 305) THAT A MESSAGE FROM YOU TO PEREZ-LLORCA, EVEN IF ONLY OF A MOST GENERAL NATURE, WOULD HAVE A STEADYING EFFECT HERE.)

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5. PEREZ-LLORCA ASKED ABOUT THE CURRENT MOOD OF THE CHIEF MINISTER OF GIBRALTAR. I SAID THAT THE GOVERNOR WAS EXERCISING HIS USUAL CALMING INFLUENCE (GIBRALTAR TELNO PERSONAL 69).

6. THE FOREIGN MINISTER SUBSEQUENTLY TELEPHONED ON REFLECTION TO WARN US ABOUT THE POSSIBLE DANGER OF ACTION AGAINST GIBRALTAR BY PRO-ARGENTINE ELEMENTS, NOW THAT THE FALKLANDS CRISIS WAS COMING TO A HEAD. HE THOUGHT WE SHOULD TAKE PRECAUTIONS THERE. THE SPANISH GOVERNMENT WERE ALSO DOING SO IN THE GIBRALTAR NEIGHBOURHOOD. WE ASKED WHETHER THIS ADVICE WAS BASED ON ANY PARTICULAR INFORMATION. PEREZ-LLORCA REPLIED IN THE NEGATIVE. WE ASSURED HIM THAT WE WERE IN FACT TAKING PRECAUTIONS, THOUGH WE GAVE NO DETAILS. MAUD SUBSEQUENTLY SPOKE TO THE DEPUTY GOVERNOR WHO CONFIRMED THAT THIS WAS INDEED THE CASE.

7. TODAY'S PRESS REPORTS PEREZ-LLORCA ON RADIO YESTERDAY AS REAFFIRMING HIS GOVERNMENT'S RENUNCIATION OF THE USE OF FORCE AGAINST GIBRALTAR, WHICH WAS NOT WORTH A SINGLE LIFE. HE ADDED THAT THE GOVERNMENT'S POLICY WAS TO RECOVER THE ROCK THROUGH THE CREATION OF COMMON INTERESTS AND THE BEGINNING OF A DYNAMIC PROCESS.

PARSONS

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NEWS D
PS
PS/MR HURD
PS/LORD BELSTEAD
PS/MR ONSLOW
PS/PUS

MR BULLARD
MR WRIGHT
MR GOODISON
MR GILLMORE

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CONFIDENTIAL

Prime Minister

do you wish to have an
ad discussion?

A.F.C. 1/6.

PM/82/40

PRIME MINISTER

ms

Gibraltar

1. I am due to meet Sr Perez-Llorca, the Spanish Foreign Minister, on 25/26 June in Lisbon. In fulfilment of the terms of the 1980 Lisbon agreement, we are to start negotiations 'aimed at overcoming all the differences' between us on Gibraltar. At the same time Spanish restrictions on Gibraltar, which have been in force since 1969, are to be lifted and the frontier with Spain is to be reopened. You will remember that the Spaniards finally agreed to hold this meeting and to open the frontier when their Prime Minister, Sr Calvo Sotelo, visited you here in January. The date then agreed, 20 April, was later postponed because of the Falklands crisis. In announcing the postponement, both we and the Spanish Government confirmed our commitment to carrying out on 25 June all the arrangements previously agreed for 20 April.

2. In June, the atmosphere for a meeting on Gibraltar will clearly be very different from that envisaged when a date was originally fixed in January. On our side, there will be great Parliamentary and press interest. Anything said on the subject of sovereignty, or our commitment (enshrined in both the Gibraltar Constitution and the Lisbon agreement) to respect the wishes of the people of Gibraltar, will be scrutinised with intense care. What we say about Gibraltar will be seen as having implications for how we deal in future with the Falklands problem and vice versa. Some people may claim that, by agreeing to negotiate with Spain on Gibraltar, we are starting down a path similar to that which led to the crisis over the Falklands.

/3.

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In addition, the Gibraltar leaders have said that they will press for sizeable amounts of increased aid in fulfilment of our commitment to support and sustain their economy in face of Spanish restrictions if the border is not opened in June. The amount involved could be in the order of £5 million.

6. In addition, with Spain likely to become a full member of the NATO Alliance on or before the Summit on 10 June, the existence of a continuing dispute over Gibraltar and a closed frontier between the territories of two member states will make it impossible for us to give the unreserved welcome to Spanish membership which is in the interests of the Alliance as a whole. It will also complicate the negotiations about the terms of Spain's membership (Command Boundaries etc) which will follow Spain's entry. In addition, there will be implications for Spain's application to join the EC. We have said in the past that no British Government could recommend to Parliament acceptance of a Spanish application to join the EC while the frontier remains closed. We have also said publicly that we consider it in the British interest, and in the interest of strengthening democracy in Spain, if Spanish entry into the EC is achieved.

7. I conclude that the continuation of a closed frontier is undesirable both for Gibraltar and for our own interests. Further postponement of the discussions with the Spaniards would be likely to make the problem harder, rather than easier to resolve.

8. On the assumption that the talks take place as agreed, as I believe is desirable, the main Spanish objective will be to be able to say afterwards that no topic (ie sovereignty) would be excluded from the process of negotiation. I shall naturally make it plain in reply to what they say in the discussions that we are bound as ever by the wishes of the people of Gibraltar. I shall

/aim to



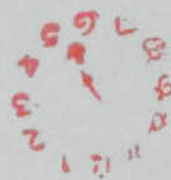
aim to make sure that false expectations cannot be raised. In close consultation with the Gibraltarian leaders, I shall seek to establish a programme of practical measures for co-operation between Spain and Gibraltar. It will be best for such a programme to be spread out over a considerable period of time. I shall want to defer any response to what the Spaniards may say about the future of Gibraltar to a later stage. My objectives will be to ensure that they abandon their previous policy of coercion towards Gibraltar, to improve the relationship between Spain and Gibraltar, and thereby to enable bilateral relations between Spain and the UK to develop on a proper footing. The Gibraltar leaders will be present at my talks with the Spaniards and will, I believe, support such an approach.

9. You may wish to have a discussion in OD on the basis of this minute.

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

(FRANCIS PYM)

Foreign and Commonwealth Office
28 May 1982



1 JULY 1982

SECRET



6 JP
Gibraltar

10 DOWNING STREET

From the Private Secretary

30 April 1982

GIBRALTAR: DEFENCE CAPABILITY

The Prime Minister has noted the contents of your letter of 26 April informing her that your Secretary of State has authorised the deployment to Gibraltar of a force of two Jaguars for a period in connection with the amphibious exercise which the Spanish forces will be holding in the period from 26 April to 4 May.

I am copying this letter to Brian Fall (FCO) and David Wright (Cabinet Office).

ALL COPIES

N.H.R. Evans, Esq.,
Ministry of Defence.

S



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~3307822~~ 218 2111/3

MO 5/16

26th April 1982

Dear John,

GIBRALTAR : DEFENCE CAPABILITY

With my letter of 19th April I forwarded an assessment of the UK's defence capability on Gibraltar and I undertook to keep you informed of any developments.

2. We have been aware for some time that the Spanish forces intend to hold an amphibious exercise in the period from 26th April to 4th May. It is clear that the Spaniards planned this exercise well before the Falklands crisis arose. It has now been established that the exercise will take place at a training area about 35 miles west of the Rock. The Governor accepts that it is unlikely that any attempt, whether authorised or not, would be made on Gibraltar by this force; but he considers it prudent to have operational aircraft capable of dealing with such an amphibious group if the necessity to do so were to arise.

3. In these circumstances, my Secretary of State has authorised, at the Governor's request, the deployment to Gibraltar of a force of two Jaguars. These will stay on the Rock for the duration of the exercise (and for a further two to three days to avoid giving the impression that the deployment was connected with the exercise).

4. Combat aircraft from UK and RAF Germany have been frequent visitors to Gibraltar over recent months; and every effort has been made to minimise the visibility of the measures already approved to reinforce Gibraltar's defence capability. While therefore there must be some chance that Spanish attention would be attracted by the conjunction of events, and that this would increase political tension, the risk is considered small and can be countered if necessary by a suitable cover story which has been prepared.

5. FCO officials were consulted before this decision was taken.

6. I am copying this letter to Brian Fall (FCO) and David Wright (Cabinet Office).

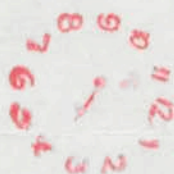
Yours ever
Nick Evans

(N H R EVANS)

A J Coles Esq

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-403 1234



26 APR 1982

Gibraltar 072
hell etc

Gibraltar

SECRET

O P 211430Z APR 82
FM CINC GIBRALTAR
TO REDWCR/MODUK AIR
RBDWDF/FCO
INFO RBDTYI/HQSTC

mf

BT

S E C R E T UK EYES BRAVO
SIC AAA/IAD/IPD/A3A/KAD
MODUK AIR FOR ACAS(GPS), STC FOR SASO,
SECURITY PREPAREDNESS AT GIBRALTAR

1. IN VIEW OF THE FORTHCOMING SPANISH AMPHIBIOUS EXERCISE
DUE TO TAKE PLACE 26 APR TO 4 MAY T SIERRA DE RETIN 35 MILES
WEST OF THE ROCK, I CONSIDER IT PRUDENT TO HAVE SOME
OPERATIONAL AIRCRAFT CAPABLE OF DEALING WITH THIS AMPHIBIOUS GROUP
IN THE EVENT, ADMITTEDLY UNLIKELY, THAT AN UNAUTHORISED ATTEMPT
WERE TO BE MADE ON GIBRALTAR TRIGGERED OFF BY SOME INCIDENT IN
THE FALKLANDS MEZ DURING THE EXERCISE PERIOD.

2. I UNDERSTAND THAT IT MAY BE POSSIBLE FOR BUCCANEERS EQUIPPED
WITH TV MARTEL MISSILES TO BE MADE AVAILABLE AND REQUEST THAT
A FLIGHT OF THESE AIRCRAFT WITH SUPPORTING ELEMENTS BE ATTACHED
TO RAF GIBRALTAR TO COVER THE PERIOD OF THE SPANISH EXERCISE.
THEIR ARRIVAL IS UNLIKELY TO BE COMMENTED UPON BECAUSE STRIKE
AIRCRAFT FROM UK AND RAF GERMANY HAVE BEEN FREQUENT VISITORS
TO GIBRALTAR OVER RECENT MONTHS.

3. THE ONLY WEAPON STOCKS APPROPRIATE TO THE BUCCANEER HELD
LOCALLY ARE QUANTITY 101 ONE THOUSAND POUND HE MK 10 BOMBS
WITH OUT TAIL UNITS OR FUSES.

BT

LIMITED
SEI
DEFENCE
NEWS
SAm
PUS
EMERGENCY UNIT
PS
PS MR HUR
PS LOR (BEKSTEAD)
PS PUS
MR BULLARD
MR HOODISON
MR SILLMORE

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FILE SW

Gibraltar

20 April, 1982

The Spanish Military Threat to Gibraltar

The Prime Minister was grateful for your letter of 19 April enclosing an assessment by the Chiefs of Staff of the United Kingdom's defence capability on Gibraltar. She has noted its contents.

I am copying this letter to Brian Fall (Foreign and Commonwealth Office) and David Wright (Cabinet Office).

A. J. COLES

N. H. R. Evans, Esq.,
Ministry of Defence

CONFIDENTIAL

A



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~930 7022~~ 218 2111/3

MO 5/16

19th April 1982

Dear John,

ms

Prime Minister
The assessment you requested.

A.S.C. $\frac{19}{4}$.

THE SPANISH MILITARY THREAT TO GIBRALTAR

In response to your minute of the 14th April to Sir Robert Armstrong, the Chiefs of Staff have prepared the attached assessment of the UK's defence capability on the Rock.

As you will see, a number of enhancements to our forces have already been made at the request of the Governor. All but two of his requirements - for the despatch of a reserve mobile radar station and Rapier missiles - have been met. Provision of an extra radar station would be unlikely to pass unnoticed and the penalties of attracting attention are considered to be greater than the benefits of having a station in reserve. For similar reasons, we do not want to send Rapier since the Firing Posts could not be deployed covertly and there are no detachments available which are uncommitted to high priority tasks. These conditions do not apply to the man-portable Blowpipe Air Defence system and my Secretary of State has today authorised a deployment of a Blowpipe troop of 32 Guided Weapon Regiment, Royal Artillery, which will arrive in Gibraltar tomorrow evening.

We will, of course, be keeping the security situation under close review.

I am copying this letter to Brian Fall (FCO) and to David Wright (Cabinet Office).

Yours sincerely
N H R Evans

(N H R EVANS)

A J Coles Esq

GIBRALTAR - DEFENCE CAPABILITY

1. The JIC assessment - paragraphs 5 and 6 - recognises that Spain has the military capability to attack Gibraltar at short notice, whilst noting the low probability under the present Spanish Government of such an attack. The assessment also addresses the possibility of some unauthorised small-scale action by individual elements of the Spanish Armed Forces. Such unauthorised action is not thought to represent a serious military threat to Gibraltar. The small-scale action could perhaps also include the possibility of some act of bravado by an individual or small group of individuals - (eg placing the Spanish flag in front of public buildings on the Rock, or other demonstrations).
2. Plans have existed for some time against the possible need to repel a military assault from Spain, and against the background of recent events these plans have been reviewed and the Governor has asked for certain precautionary measures to be taken. The permanent military capability on the Rock is described at Annex A, and the additional measures authorised by the Chiefs of Staff in response to the Governor's requests are listed at Annex B. These additional measures have included the return of the Guardship, improvements to our intelligence acquisition capability, and the return of B Company 1 STAFFORDS.
3. In making these enhancements to the defensive capability of Gibraltar, we have done this in a low key, using routine movements of ships and aircraft to avoid attracting undue publicity which could inflame Spanish nationalist sentiment and make it harder to achieve the United Kingdom objective of

getting the frontier re-opened on 25 June. In consequence, two measures requested by the Governor - the provision of an extra radar station and of Rapier Air Defence missiles - have not been authorised at present. However, a Blowpipe troop will be deployed from the United Kingdom to provide additional air defence in an emergency. This troop will arrive in Gibraltar on the evening of 20 April.

4. These precautionary measures relate to the Governor's immediate concern to counter any possible unauthorised action by local Spanish military commanders, bearing in mind the JIC's assessment of this threat. The Governor has also taken local measures to increase security, and he is currently considering further requirements against the possibility of some increase in the threat from Spain in the event of political change. The forces available for Joint Theatre Plan 52 for the emergency reinforcement of Gibraltar have been reviewed. The plan now excludes forces involved in the Falkland Islands Task Force and includes other forces comprising 2½ x infantry battalions, field, anti-tank and air defence artillery and engineers. Six Harriers can be added if required. Most of these forces are at 7 days notice - the Spearhead Battalion Group ~~is available~~ is available at less notice. Despite the major commitment of resources to the Falkland Islands operation, there is enough transport to deploy these forces if necessary. However, if further commitments were to arise, there could then be a conflict of priorities.

5. Given the small size of the Territory, and its defensibility against attack not only from the land, but from the sea as well, the British forces in place could put up effective resistance against the kind of unauthorised action by local Spanish military commanders identified in the JIC assessment. Although the territory could eventually be overwhelmed by vastly superior forces, such an armed assault would be a militarily hazardous undertaking, particularly if UK based forces were to be used in defence. The main burden of defence would fall on the land forces. The presence of HM ships is a valuable asset in deterring a seaborne assault. An airborne or heliborne assault would be a hazardous undertaking, but the airfield is vulnerable and its security is essential to rapid reinforcement. This is recognised in the force levels now maintained in Gibraltar and the plans of the Garrison.

6. The present Gibraltar defence capability, as enhanced by the measures described in this note, is considered as sufficient in relation to the threat described in the current JIC assessment. The JIC have told us that they will continue to watch the situation in the light of developments in, particularly, the Falkland Islands but also elsewhere, including Spain. Further consideration is being given to possible additional precautions that might be required in the event of political change in Spain.

FORCES STATIONED AT GIBRALTAR

1. Royal Navy
 - a. Guardship. HMS AMBUSCADE.
 - b. HMS ROOKE. The Royal Naval shore establishment, administering naval personnel and HM Ships refitting.
 - c. HMS CALPE. The Royal Naval Reserve Headquarters (HQ) Unit.
2. Army
 - a. A surveillance troop Royal Artillery (two radars deployed).
 - b. One Fortress Specialist Team Royal Engineers (STRE):
 - (1) HQ troop.
 - (2) Power station troop.
 - (3) Field troop.
 - c. A line troop Royal Signals.
 - d. One infantry battalion.
 - e. The Gibraltar Regiment (a territorial unit at 12 hours notice for full time employment) consisting of:
 - (1) Infantry company.
 - (2) Artillery troop (four L40/70 Air Defence guns).
 - (3) Artillery troop (two 105 mm Pack Howitzers).
 - f. Fortress HQ Staff and and Postal Courier and Communications Unit.
3. RAF. RAF Gibraltar. A unit of some 420 men provide airfield facilities for aircraft using the airhead and a base for the support of maritime operations. All are armed for ground defence purposes.

ADDITIONAL FORCES AND EQUIPMENT ALLOCATED BY THE CHIEFS OF STAFF TO GIBRALTAR1. Manpower

- (a) A crew has been sent by the Royal Navy to man the Gibraltar guard boat (the local patrol craft).
- (b) 4 men of 172 Intelligence and Security Unit flew on 11 April 1982.
- (c) The Air Force Department have provided a small unit of 14 men to provide a SIGINT capability, and 15 RAF Police.
- (d) One TA infantry company (on roulement) training until June 1982.

2. Equipment

- (a) HMS AMBUSCADE, the Gibraltar Guardship now stationed at Gibraltar, took with her:
 - (1) Six anti-tank gun sights.
 - (2) Two 81 mm mortars and ammunition.
 - (3) 1000 rounds of light gun ammunition.
 - (4) A Laser Range Finder.
 - (5) Six GPMG and ammunition for the RAF with a further two GPMG and their associated mountings for fitting to the two Sea King helicopters.
 - (6) 65 anti-tank mines.
 - (7) 15000 sandbags.

She also has a 4.5 gun and ammunition and a secure communications capability thereby meeting two of the Governor's other requests.

- (b) Two Sea King helicopters fitted with 2 x GMPG.

(c) Four MILAN firing posts with 60 missiles and a Training Simulator.

(d) HE the Governor's requests for additional food, medical stores and explosives are being met as soon as possible.



Faint, illegible text at the top of the page, possibly bleed-through from the reverse side.

19 APR 1962
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Gibraltar
file 15

Mol

10 DOWNING STREET

From the Private Secretary

16 April 1982

The Prime Minister has asked me to thank you for your letters of 24 and 30 March and to reply on her behalf.

Mrs Thatcher has considered carefully your request but feels that a meeting would not be useful at the present time. She has therefore asked me to respond in this letter to some of the points you have raised.

First, with regard to the possible effects of the Royal Naval dockyard closure, and the prospects for its transition to commercial operation starting in 1983, it is recognised that such a change must have a major impact for Gibraltar and that it is still too early to be sure of establishing a viable commercial enterprise. But to set up such an enterprise as quickly as possible could well be the best way of offsetting the economic and employment effects of the Navy's withdrawal from the dockyard. You will know that the Gibraltar Government is currently investigating the commercial possibilities with a number of firms. We believe that it would be in Gibraltar's interests to encourage potential operators in as positive a manner as possible. To suggest that HM Government's decision to close the dockyard can be reversed or deferred would be both wrong and liable to discourage interested firms.

The decision to close the RN dockyard was taken for operational reasons - there is no longer any military requirement for it - and there is a pressing need for this to be implemented to achieve savings that can be diverted to priority defence tasks. You correctly describe March 1983 as the target date for closure. But if commercial operation proposals acceptable to both the Gibraltar and UK Governments emerge within the timescale set for the current investigation, and if it would assist the transition to commercial management, then some flexibility about the date of closure in 1983 would be possible. If a viable commercial enterprise is established, the Navy is prepared also to continue to give some naval work to the dockyard in its first years of commercial operation, subject always to negotiation of satisfactory terms. Such an arrangement could have a similar effect to your Union's proposals for continued RN management of the dockyard. But given that the longer term future of the dockyard would clearly depend upon its commercial dimension, the continuation of naval management, which is not well suited for this, could only hinder the process of transition and put more jobs ultimately at risk. As to your points about wages,

/ conditions

054

conditions of service and training, these cannot be addressed in any detail until the current investigations by the Gibraltar Government are complete and more is known about firms' proposals.

You asked for assurances about the future status of our Moroccan employees in Gibraltar. I can confirm that there is no question of their employment being affected by the prospective changes in the relationship between Gibraltar and Spain. Furthermore, in the event of a state of redundancy being declared in the dockyard all our employees would be entitled to redundancy compensation under the terms of the existing agreements although, as you are probably aware, local trade union representatives are currently refusing to discuss the management offer to extend the redundancy provisions of the local pension scheme to those employees who opted not to join when it was instituted. Selecting the workers needed for a commercial ship repair facility will be the responsibility of any future commercial operator. Clearly, however, any ex-Dockyard workers, whether Moroccan or not, will have the advantage of direct work experience in the dockyard. As to your more general enquiry about the situation of Moroccans following reopening of the border, you may recall that the Governor of Gibraltar stated publicly at the beginning of this year that Gibraltar does not discriminate unfairly against anyone and that the Gibraltar Moroccan community had nothing to fear in relation to the reopening of the border with Spain.

You also raised the question of Gibraltar's transport industry and the possibility of competition from the port of Algeciras. Of course, there must be this possibility, but Gibraltar could respond with competition of its own. Although some of the initial effects of opening the border after years of restriction could be difficult, there is every reason to believe that in the longer term the change will be beneficial to the Rock's economy, just as the border closure was not. This should apply in respect of tourism, and in other fields.

Finally, the Ministry of Defence is examining with the Gibraltar authorities possible future arrangements for the continued military operation of the airfield in such a way as to achieve defence economies whilst providing a service that meets civil as well as military needs. It is too early to say what effect such arrangements could have on the balance of military and civil posts, but your proposal has been noted.

I hope that you will find the points in this letter helpful in your consideration of the matters which you raised. You may be sure that the consideration promised in the June 1981 Defence White Paper is taking place, in close consultation with the Gibraltar Government. UK Ministers have recently discussed this matter with Sir Joshua Hassan, the Chief Minister for Gibraltar, and other elected representatives of the people of Gibraltar. These discussions were attended by Mr. Bossano, who is a member of your Union and who also attended your meeting with the Minister for the Armed Forces in January. It is evident that whilst the current investigations by the Gibraltar Government of commercial possibilities for the

/ dockyard

dockyard are continuing, it is difficult to address in any detail many of the points which you raised. Meanwhile, you may be assured that the Prime Minister and her Ministerial colleagues have taken full note of the representations which you have made.

A. J. COLES

A.H. Kitson, Esq.

16 April, 1982

GIBRALTAR: EFFECT OF THE FALKLANDS
CRISIS

The Prime Minister has taken note of
your letter of 8 April.

A. J. COLES

Francis Richards, Esq
Foreign and Commonwealth Office

Gibraltar



3

RM

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

THE SPANISH MILITARY THREAT TO
GIBRALTAR

B/HF
The Prime Minister read with interest JIC(82)(N)31 on the Spanish Military Threat to Gibraltar. She has commented that she understands that our military capability to defend Gibraltar is being urgently reviewed. Mrs Thatcher considers that we must take precautions, especially in view of paragraph 5 of the assessment. She would be grateful if an appreciation of our own capability to defend Gibraltar against the Spanish Military Threat could be made available to her very quickly.

I am copying this minute to David Omand (Ministry of Defence) and Brian Fall (Foreign and Commonwealth Office).

A. J. COLES

14 April, 1982

SECRET

To note.

MS 14/4.



Foreign and Commonwealth Office

London SW1A 2AH

8 April 1982

h.a.
MS 14/4

Dear John,

MS

Gibraltar: Effect of the Falklands Crisis

The Falklands crisis has had consequences for our policy on Gibraltar. The Foreign and Commonwealth Secretary would like to bring colleagues up to date on what has happened and on some of the implications for the future.

On 6 April the Spanish Foreign Minister proposed a postponement of the two events due to take place simultaneously on 20 April: the restoration of communications between Gibraltar and Spain, and the opening of negotiations between the two Foreign Ministers' aimed at overcoming all the differences between them on Gibraltar'. This phrase is quoted from the Lisbon agreement of 10 April 1980, of which the two events would (at last) constitute the implementation.

Perez-Llorca no doubt fears that, in present circumstances, it would be very difficult to imagine a meeting of minds and to present the meeting to Spanish public opinion as a major step forward in dealing with the Gibraltar problem; he is clearly right about this. If he does not want to proceed, we cannot force him to do so. In any case, the Foreign and Commonwealth Secretary could not easily have set aside two days as planned to talk to the Spaniards on 20/21 April. Mr Pym has therefore agreed to the Spanish suggestion of a postponement, although with regret for the disappointment this will cause in Gibraltar and with no great confidence that the Spaniards will be readier for talks on 25 June, the new date now agreed. He had agreed that officially the decision will be presented as a joint one.

We are watching the Spanish mood very carefully. Spain of course supports the Argentine claim to the Falkland Islands, and the Spanish press, while almost unanimously opposing the use of force in the case of Gibraltar, were jubilant at the Argentine invasion. There is however no sign of weakening of the intention of the Spanish Government to join NATO this year and the European Community later. The Spanish Foreign Minister has expressly confirmed that implementation of the Lisbon agreement remains his government's objective. But factors clearly exist, or could develop, which might affect Spanish policy, eg the course of events in the South Atlantic and in the accompanying diplomatic moves; the role which Gibraltar is necessarily playing in support of the British task force; the result of the trials of the right wing conspirators now in progress in Madrid; and regional elections in Andalucia on 20 May. All in all, the march of events looks more likely to damage than to improve the prospects for the progress which we had hoped for on the Gibraltar problem.

/One



One aspect of this is the way in which Gibraltar is used in support of the Falklands operation. We must, of course make full use of our facilities there, as necessary. This cannot be done without the fact becoming known. But if we are to get the Spaniards to stick to the agreement to open the frontier in June, it is in our interests not to inflame Spanish attitudes. From this point of view, therefore, we should avoid seeking - and, indeed, do what we can to avoid - publicity about Gibraltar's role in support of the task force.

Events in the Falklands, and the reaction to them in Spain, require a re-examination of whether there is an increased threat to the colony from Spain. This is being undertaken by the JIC. I understand that the Ministry of Defence are also expecting proposals on precautionary measures to reach them very soon from the Governor. If reinforcements are considered necessary it will be important, for the same reason of trying to get the Spaniards to stick to the revised date for opening the frontier, to ensure that the operation is carried out as inconspicuously as possible.

I am copying this letter to the Private Secretaries to Ministers in OD.

Yours over,

(F N Richards)
Private Secretary

A handwritten signature in black ink, appearing to read 'Francis Richards', written in a cursive style.

A J Coles Esq
10 Downing St

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

JIC(82)(N) 31

COPY NO 2

8 April 1982

UK EYES A

CABINET
JOINT INTELLIGENCE COMMITTEE

THE SPANISH MILITARY THREAT TO GIBRALTAR

The attached Note was approved out of Committee on Thursday 8 April 1982.

*understand
that our military
capabilities on Gibraltar is being
reviewed - urgently. We must take
precautions, especially in view of
para 5. Day!
have an appreciation
of our position quickly
out.*

Signed A H R YORK

For Secretary
Joint Intelligence Committee

Cabinet Office

8 April 1982

DISTRIBUTION

JIC (Note)

Telegraphed to - LIC Gibraltar, Governor Gibraltar, Madrid.

Sent by bag to - JIC Rep Washington, JIC Rep Canberra, BHC Ottawa, BHC Wellington, UK Del Nato, UK Mil Rep Brussels, UK Perm Rep EEC, UK Miss to UN New York, UK Miss UN Geneva, BEs Bonn, Lisbon, Paris, Rabat, Rome.

Mr Coles
010
Gibraltar.



CABINET OFFICE

With the compliments of

A.S.C. ^{13.}/₄

Mr Wade-Gery

70 Whitehall, London SW1A 2AS

Telephone 01 233

SECRET



CABINET OFFICE
70 WHITEHALL
LONDON SW1A 2AS

01-~~XXXXXXXXXX~~ 233 8378

8th April 1982

Ref: B06463

Dear David,

Gibraltar

During the course of yesterday morning's meeting of the Defence and Oversea Policy Committee's Sub-Committee on the South Atlantic and the Falkland Islands (OD(SA)(82) 1st Meeting) the Prime Minister asked whether all necessary precautions had been taken against a possible military attempt on Gibraltar. Your Secretary of State and the Chief of the Defence Staff replied in the affirmative, and the Foreign and Commonwealth Secretary concurred. It was noted that the Governor was now back at his post.

2. The Prime Minister gave instructions that this point should be recorded. Since the subject matter lies outside the immediate purview of OD(SA) it did not seem appropriate to include it in the regular minutes. Hence this letter.

3. I am copying this letter for information to John Coles at No 10, John Holmes in the FCO (whose letter of 5th April to John Coles touched on the same subject) and David Wright.

John Coles

R Wade-Gery

R L WADE-GERY

D B Omand Esq.
Ministry of Defence



(2)

Prime Minister

I have acknowledged.

April 7, 1982

AM 14/4

h-a.

AM 15/4

Dear Clive,

The Spanish Ambassador button-holed me in the House of Commons to-day. He told me that he was very anxious that the Prime Minister shd. know herself that Spain's recent offer (as put to the British Ambassador in Madrid) to delay the beginning of the negotiations on Gibraltar from April 22 until June or even September denied entirely from a desire to be helpful, & to be able to talk in a serene atmosphere. He said that he was afraid the Andalusian regional elections, on May 23, might raise the issue.

I told him I wd. pass this message on in the way that I thought best. I am therefore sending you this letter & sending a copy to Anthony Acland.

Yours sincerely
Hugh Thomas

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MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~930 7022~~ 218 6169

MO 5/16

5th April 1982

Dear John,

Type letter H.

M 15/4.

GIBRALTAR

Further to your letters of 25th and 31st March, I attach a draft letter which you may care to send to the TGWU Deputy General Secretary on the Prime Minister's behalf.

You will see that this draft tries to dissuade the TGWU from pursuing the idea of a meeting with the Prime Minister any further. If the delegation were to be received this could lead to similar requests from the union for the Prime Minister to receive deputations on the future of Chatham and Portsmouth. The Minister of State for the Armed Forces has already met TGWU officials to discuss both Gibraltar and Chatham, and undertaken to meet a further group on the rundown of the Portsmouth dockyard. Furthermore, the FCO see potential difficulties if any meeting covering the effects of the border reopening takes place before 20th April. Also, as the draft notes, a number of the points raised about the dockyard's possible commercial future cannot be addressed meaningfully until we are much clearer about the outcome of the Gibraltar Government's current investigations, not due for completion until end May. Any meeting before then could only argue about alternative hypotheses, and would not be helpful at a time when FCO and Defence Ministers' firmness about the closure decision appears to have convinced Sir Joshua Hassan and other Gibraltar political interests that they must look positively and urgently at alternatives for the future. Finally if the Prime Minister were to see to Mr Kitson and his colleagues - who include Mr Bossano, the leader of the Gibraltar opposition - the Chief Minister could legitimately argue that the privilege of such a meeting should first of all have been extended to him.

Yours ever,

Henry Piper

(D T PIPER)

A J Coles Esq

DRAFT

From: PS/Prime Minister
To: Mr Alex Kitson of TGWU

GIBRALTAR

1. The Prime Minister ^{has} asked me to thank you for your letters of 24th and 30th March, and to reply on her behalf.
2. ^{Ms. Thatcher} ~~The Prime Minister~~ has considered carefully your request for a meeting. ^{but} However ~~she~~ feels that ~~such~~ a meeting would not be useful at ~~this date~~. ^{the present time.} She has ~~asked me~~, therefore, ^{asked me} to respond in this letter to some of the points you have raised, ~~in order to clarify the background against which this decision was taken.~~
3. ^{with} First of ~~all~~, ~~in~~ regard to the possible effects of the Royal Navy dockyard closure, and the prospects for its transition to commercial operation starting ⁱⁿ 1983, it is recognised that such a change must have a major impact for Gibraltar, and that it is still too early to be sure of establishing a viable commercial enterprise. But to set up such an enterprise as quickly as possible could well be the best way of offsetting the economic and employment effects of the Navy's withdrawal from the dockyard. You will know that the Gibraltar Government is currently investigating the commercial possibilities with a number of firms, ~~and we~~ believe that it would be in Gibraltar's interests to encourage potential operators in as positive a manner as possible. To suggest that HM Government's decision to close the dockyard can be reversed or deferred would be both wrong and liable to discourage interested firms.

4. The decision to close the RN dockyard was taken for operational reasons - there is no longer any military requirement for it - and there is a pressing need for this to be implemented to achieve savings that can be diverted to priority defence tasks. You correctly describe March 1983 as the target date for closure, but if commercial operation proposals acceptable to both the Gibraltar and UK Governments emerge within the timescale set for the current investigation, and if it would assist the transition to commercial management, then some flexibility about the date of closure in 1983 would be possible. If a viable commercial enterprise is established, the Navy is prepared also to continue to ^{give} put some naval work to the dockyard in its first years of commercial operation, subject always to negotiation of satisfactory terms. Such an arrangement could have a similar effect to your Union's proposals for continued RN management of the dockyard, but given that the longer term future of the dockyard would clearly depend upon its commercial dimension, the continuation of naval management, which is not well suited for this, could only hinder the process of transition, and put more jobs ultimately at risk. As to ^{you} the points which you also mention about wages, conditions of service and training, these cannot be addressed in any detail until the current investigations by the Gibraltar Government are complete and more is known about firms' proposals.

5. You asked for assurances about the future status of our Moroccan employees in Gibraltar. I can confirm that there is no question of their employment being affected by the prospective changes in the relationship between Gibraltar and Spain.

Furthermore, in the event of a state of redundancy being declared in the dockyard all our employees would be entitled to redundancy compensation under the terms of the existing agreements although, as you are probably aware, local ^{Trade union} ~~TU~~ representatives are currently refusing to discuss the management offer to extend the redundancy provisions of the local pension scheme to those employees who opted not to join when it was instituted. Selecting the workers needed for a commercial ship repair facility will be the responsibility of any future commercial operator. Clearly, however, any ex-Dockyard workers, whether Moroccan or not, will have the advantage of direct work experience in the dockyard. As to your more general enquiry about the situation of Moroccans following reopening of the border, you may recall that the Governor of Gibraltar stated publicly at the beginning of this year that Gibraltar does not discriminate unfairly against anyone, and that the Gibraltar Moroccan community had nothing to fear in relation to the reopening of the border with Spain.

67 You also raised the question of Gibraltar's transport industry ~~in relation to the prospective reopening of the border with Spain~~ and the possibility of competition from the port of Algeciras. Of course, there must be this possibility, but Gibraltar could respond with competition of its own. Although some of the initial effects of ^{opening the} ~~an open~~ border after years of restriction could be difficult, there is every reason to believe that in the longer term the change will be beneficial to the Rock's economy, just as the border closure was not. This should apply in respect of tourism, and in other fields.

7. Finally, the Ministry of Defence is examining with the Gibraltar authorities possible future arrangements for the continued military operation of the airfield in such a way as to achieve defence economies whilst providing a service that meets civil as well as military needs. It is too early to say what effect such arrangements could have on the balance of military and civil posts, but your proposal has been noted.

8. I hope that you will find the points in this letter ~~to be~~ helpful ⁱⁿ to your consideration of the matters which you raised. You may be sure that the consideration promised in the June 1981 Defence White Paper is taking place, in close consultation with the Gibraltar Government, ~~and~~ UK Ministers have recently discussed this matter with Sir Joshua Hassan, the Chief Minister for Gibraltar, and other elected representatives of the people of Gibraltar. These discussions were attended by Mr Bossano, who is a member of your Union and who also attended your meeting with the Minister for the Armed Forces in January. It is evident that whilst the current investigations by the Gibraltar Government of commercial possibilities for the dockyard are continuing, it is difficult to address in any detail many of the points which you raised. Meanwhile you may be assured that the Prime Minister and her Ministerial colleagues have taken full note of the representations which you have made.

MJC $\frac{16}{4}$

Gibraltar

①

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH



5 April 1982

Prime Minister

A rather more reassuring picture.

A.S.C. 5/4

Dear John

Gibraltar

I understand that the Prime Minister has expressed concern about the implications of the Falkland Islands crisis for Gibraltar, particularly in the light of reports of the jubilant reaction in the Spanish press.

I enclose a note on the subject, prepared by officials in consultation with the Ministry of Defence, which you may like to bring to the Prime Minister's attention. Mr Hurd has seen it and agrees. I am sending a copy of this letter, with enclosure, to David Omand (Ministry of Defence) and to David Wright (Cabinet Office).

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

An urgent assessment of our ability to defend Gibraltar has been commissioned.

AR 5/4.

t-a.

before

with a land boundary, no

This is suspiciously like the Falkland Islands assessment - 1000 soldiers invasion. air-cover. etc. mt

GIBRALTAR: IS THERE A SPANISH MILITARY THREAT?Summary and Conclusion

1. Despite the reported jubilant press reaction in Spain to the Argentines capture of the Falkland Islands, we have no reason to believe that there is an increased military threat to Gibraltar from the Spanish Government. We cannot however wholly rule out minor acts of provocation by individual or small groups in the armed forces. There is also a possibility of more aggressive patrolling by the Spanish navy in Gibraltar Waters. There is a small but effective British military presence on the Rock.

Background and Argument

2. The Spaniards, like the Argentinians, claim Gibraltar on the basis of re-assertion of their territories integrity. They reject the British view that the wishes of the Gibraltarians must be paramount. Spanish press reaction to the Argentinian capture of the Falklands was jubilant: headlines drew the parallel by saying: "Argentina recovers its Gibraltar".
3. But the Spanish Government reaction has been much more cautious. An official statement claimed that the cause of the tension lay in continuation of a dispute about territorial integrity without prospect of effective solution; but it went on to state Spain's opposition to the resolution of such disputes by force. Although Spain abstained in the Security Council debate on the Falklands, the Foreign Minister sent a personal message of good wishes to Lord Carrington saying that the Spanish Government stood ready to do anything considered helpful within the limited range of the possibilities open to them.
4. There are a number of powerful political constraints against the Spaniards taking military action against Gibraltar. They have applied to join NATO and expect application to be ratified before the June NATO summit. They are negotiating to join the EC. They will know that

/military

military action against Gibraltar would lead to both applications being blocked. Furthermore, following the Lisbon Statement of 1980, as reconfirmed by the two Prime Ministers on 8 January, they are about to start negotiations with us on 20-21 April, aimed at resolving all differences over Gibraltar (ie not excluding discussion of sovereignty although they are fully aware of our commitment to the wishes of the Gibraltar people). Simultaneously the border, which has been closed since 1969, will be re-opened. Any attempt at military action would totally negate these negotiations.

5. Although there are strong reasons to believe the Spanish Government will not attempt, in the near future, to take military action against Gibraltar, we cannot be so certain that there will be no isolated acts of provocation by individuals or even small groups within the military. The armed forces contain some extremist right wing elements, who are opposed to their Government's policy of re-opening the border and negotiating with Britain. We cannot wholly rule out the possibility of attempts by ill-disciplined individuals or small groups to demonstrate patriotism by some provocation; but we believe that any such incidents would be minor in scale. Nor can we rule out the possibility of an increase in ostentatious naval patrolling near Gibraltar including minor incursions into territorial waters; but we would expect this to be a result of local initiative not central command.

Military

6. Plans exist in Gibraltar to repel a military assault from Spain. The territory is joined to the mainland by a narrow isthmus and would thus be relatively easy to defend against a land assault. Forces at present in Gibraltar consist of:

Army

- 1st Battalion Staffordshire Regt (about 600 men) with small arms;
- The Gibraltar Regt (TA) (about 400 men) with small arms and 1 battery of 105 mm pack howitzers;

/Navy

Navy

HMS Broadsword))
 HMS Yarmouth) frigates) due to sail on 5 April to
) join Operation ARMILLA
 RFA Plumleaf tanker))
 HMS Oracle (diesel powered submarine)
 RFA Gold Rover (tanker - in self maintenance)
 /HMS Galatea (frigate - in refit/

RAF

None

7. Plans exist for the emergency reinforcement of Gibraltar by a Commando Group or by two infantry battalions. The first of these options cannot at present be used because the Commando Group is embarked for the Falklands operation: but the infantry battalions could deploy to Gibraltar, on 7 days notice, if required. Transport could be by air or sea: but in either case access would be difficult after commencement of hostilities.

8. Given the small size of the territory, and its defensibility against attack not only from the land, but from the sea, the British forces in place are in a good position to make an armed assault a militarily hazardous undertaking. Although the territory could no doubt eventually be overwhelmed by vastly superior forces, the defender could put up effective resistance. The main burden of defence would fall on the land forces. Although the presence of HM ships would be a valuable asset in deterring a seaborne assault their presence is not essential for deterrence. An airborne assault would be hazardous and of little apparent military value. The likelihood of civilian resistance and casualties would also give an aggressor pause.



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Sup

Gibraltar

31 March 1982

CLOSURE OF GIBRALTAR DOCKYARD

Would you please refer to my letter of 25 March about Mr. Kitson's request for a meeting with the Prime Minister. He has now sent a further pressing letter (copy enclosed). I should be grateful for a draft reply to his letter of 24 March by close of play on 5 April.

BJF

A. J. COLES

S

Derek Piper, Esq.,
Ministry of Defence.

At pps?



Transport and General Workers Union

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

OUR REF AK/JS

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

YOUR REF

231

March 30, 1982

The Rt. Hon. Margaret Thatcher, MP,
Prime Minister,
10 Downing Street,
London SW1.

Dear Prime Minister,

GIBRALTAR

I was surprised to receive your acknowledgement of March 25 in which you say that I will receive a "substantive reply" as soon as possible.

I would respectfully point out that the purpose of outlining our proposals was to form a basis for discussions with you, which we have repeatedly been requesting and do so again now.

Perhaps, therefore, you will let us know when it will be convenient for you to receive our deputation.

Yours sincerely,

A. H. Kitson
Deputy General Secretary



Gibraltar JR
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10 DOWNING STREET

From the Private Secretary

25 March 1982

CLOSURE OF GIBRALTAR DOCKYARD

You wrote to me on 19 February.

84 /
I enclose a copy of a further letter which the Prime Minister has received from Mr. Kitson. I should be grateful for your advice on whether the Prime Minister should now agree to receive a deputation from the TGWU and other organisations with membership in Gibraltar, together with a draft reply to Mr. Kitson's letter for my signature.

I am copying this letter and its enclosure to John Holmes (FCO).

A. J. COLES

Derek Piper, Esq.,
Ministry of Defence.



JR

10 DOWNING STREET

From the Private Secretary

25 March 1982

Thank you for your letter of 24 March to the Prime Minister. This is being considered and you will receive a substantive reply as soon as possible.

A. J. COLES

A.H. Kitson, Esq.



OUR REF AK/JS

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

YOUR REF

March 24, 1982

The Rt. Hon. Margaret Thatcher, MP,
Prime Minister,
10 Downing Street,
London SW1.

Dear Prime Minister,

GIBRALTAR

Thank you for your letter of February 22. Our views and the items we would like to discuss with you are outlined below. We now feel that a meeting with you is imperative in view of the time-scale and would urgently request you to agree to see a deputation from our Union and the other organisations with membership in Gibraltar.

Naval Dockyard

The effect of the closure of the naval dockyard would be to create a pool of unemployment which could not be carried by the Gibraltar economy unless there were substantial increases in taxation of all other workers to provide unemployment benefit, or aid from the UK Government.

The loss of parity of wages with the UK which would flow from the closure would immediately reflect through the rest of the public and private sectors of the economy on the Rock having a drastic effect.

Our proposal is that the Royal Navy should continue to operate the dockyard under the Ministry of Defence and should any commercial work become available that this could be carried out in the dockyard to offset some of the cost of keeping it open.

The cost to the Government of keeping the dockyard open is £10 millions per year, or the equivalent of three frigate refits. The cost of closure without a viable alternative will be much greater.

You propose to close the dockyard by March 1983. This target date is quite impractical in our view. We feel that it would be impossible to find a viable alternative and make it operational within that time-scale, particularly as there would be a long period of very difficult negotiations relating to the wages and conditions of our Gibraltar membership which we would be seeking to protect.

With regard to the closure and the proposal in the Report on Commercialisation, this would involve a period of retraining for the necessary skills and would add further to the cost of the operation at a time when the Government is drastically cutting back the training services in the UK.

Moroccan Labour

You have given assurances to the Spanish Government on non-discrimination against Spanish workers. We would seek from you assurances for the protection of the Moroccan workers who have served Gibraltar and the UK over the past 15 years that their jobs will not be sacrificed in order to give work to the Spaniards when the border opens on April 20.

Further, as the immigration control is still a UK responsibility and Moroccans are required to leave Gibraltar after a period of unemployment, how do you see their situation with the border open and the dockyard closed?

Since January 1, 1982, our organisation has been informed of some 300 redundancies in the building industry in Gibraltar, which is a sign of the lack of employment within the private sector with a 25% cut-back in building projects. Most of the redundancies fall upon Moroccan workers who, although they pay taxes, receive no redundancy payment whatsoever.

Transport Industry

Our members are concerned that with the opening of the border companies importing direct into Gibraltar at present will be more attracted to using containers through the port of Algeciras, thereby undermining the port of Gibraltar and the small transport industry which exists.

Gibraltar Airport

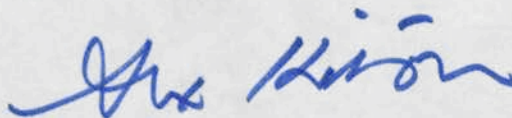
Although the airport is under Ministry of Defence control, and we are happy to see it continue, we would seek to develop the airport commercially and in doing so we believe that the jobs at present carried out by servicemen, i.e. involving drivers, firemen, air traffic control, could be more effectively carried out by civilians. We estimate this would show a saving in defence expenditure of approximately £1½ millions and at the same time would provide more employment for the civilian population.

Tourism

With the opening of the border it is not unreasonable to assume that tourism will expand. We feel that the UK Government has a positive responsibility to encourage this development in order to contribute to the future stability of the Gibraltar economy.

In conclusion I would refer to your statement (Defence White Paper "The Way Forward") that "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". This is why we wish to meet you to discuss the points we have outlined and others which develop from them.

Yours sincerely,



A. H. Kitson
Deputy General Secretary

25 MAR 1982



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[Faint, illegible handwritten text]



10 DOWNING STREET

From the Private Secretary

22 February 1982

The Prime Minister has asked me to thank you for your letter of 11 February about the closure of Gibraltar Dockyard. She was glad that you found your meeting with the Minister of State for the Armed Forces informative and notes that there are some points which you still wish to discuss.

In your letter you raise questions related to proposals to reopen the Gibraltar/Spanish border on 20 April and to discussions with the Spanish Government. Clearly the possible lifting of border restrictions must be taken into account in the current consultations between HMG and the Gibraltar Government on ways to support and sustain the Rock's economy following the closure of the naval dockyard. But it would be helpful if before the possibility of a meeting with the Prime Minister or with Ministers with direct responsibility for these matters is considered further, you could clarify the particular points which you wish to discuss relating to the assurances given to the Spanish Government, which were described in the Lord Privy Seal's statement in Parliament on 19 January.

As the same time it would be helpful if you could describe in some detail your proposal for an alternative to the dockyard closures. I understand that in broad terms you envisage that the Royal Navy will continue to operate the dockyard until such time as it attracts sufficient commercial work to become an independent enterprise. As you will already know, the possibilities for commercial operation are being examined, and the Ministry of Defence expects to be able to provide some continuing work to the dockyard in the first years of such an operation to assist its introduction. Ministers expect to discuss these possibilities with the Gibraltar Government in a few weeks' time.

A. J. COLES

A.H. Kitson, Esq.



MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1
 Telephone 01-~~938 7022~~ 218 6169

MO 5/16

19th February 1982

Agreed
ms

Prime Minister

Agree that you should not receive
Mr. Kitson and that we should avoid
any commitment to other Ministers to see
him, at least to the time being?

A.S.C. 19/2

Dear Tom,

CLOSURE OF GIBRALTAR DOCKYARD

Thank you for your letter of 15th February enclosing a copy of a further one to the Prime Minister from Mr Kitson of the Transport and General Workers Union about the effects locally of the closure of Gibraltar Dockyard, and asking for a meeting with the Prime Minister. We recommend that the Prime Minister does not commit herself or any of her Ministers to seeing Mr Kitson and his colleagues at this point, and a draft reply is attached for your consideration.

The meeting Mr Kitson had with the Minister of State for the Armed Forces on 28th January was used by the Trade Union representatives largely as an occasion to stress their strong opposition to the dockyard closure and their scepticism about its future as a commercial operation. They showed little inclination to take into account the Ministry of Defence's willingness to considering putting naval work to such an operation in its first years to assist its introduction, and they pressed for a guarantee of no closure and no redundancies until such times as commercial success was fully assured. No such guarantee was given - the Overseas Development Agency's Consultants Report and the Gibraltar Government's discussions with firms suggest that it is very unlikely that any commercial operation could employ all of the current dockyard workforce. But Mr Blaker encouraged the trades union representatives to take a positive approach to the examination of commercialisation possibilities, and he reaffirmed HMG's intention to assist in this and in identifying other ways to support Gibraltar's economy.

Mr Blaker closed the meeting with the hope that a constructive dialogue could be maintained with the trades unions; but clearly their representatives continue to be deeply suspicious, especially against the background of the announcement of negotiations with Spain for implementation of the Lisbon Agreement. The decision to close the Naval dockyard in 1983 took into account the real possibility that the border might be reopened in the same year, and it was recognised that this would have short-term adverse effects on the

John Coles Esq

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Rock's economy. But this juxtaposition worries all of the Gibraltar interests, and the Chief Minister, Sir Joshua Hassan, is likely to return to it when he visits the Lord Privy Seal in March, with Gibraltar opposition leaders as well, and to press for reconsideration of the dockyard decision.

It would be especially difficult to discuss the linkage between the Lisbon Agreement negotiations and the dockyard's future with the TU representatives at just about the time when discussions are to take place with Gibraltar Ministers, and when the preparations for discussions with Spain will be reaching an increasingly delicate stage. Mr Kitson's letter is far from precise as to what particular aspects he and his colleagues wish to discuss, or what exactly they propose as alternatives to dockyard closure. His reference to assurances given to Spain most likely relates to the question of equality for Spanish workers in Gibraltar, and the worry this causes on the Rock that Moroccans and some Gibraltarians could be displaced. However, this point is also a sensitive one for the Spaniards, who are concerned to secure equality with EC nations as opposed to non-EC nationals. There seems to us to be no merit in agreeing to an early meeting between the delegation and the Prime Minister or any other Minister. It would seem quite appropriate to ask for some amplification before the possibility of a meeting is considered further. If it takes Mr Kitson some time to provide this, it may allow progress to be made in discussions with the Gibraltar and Spanish Governments. We shall then have the option of answering Mr Kitson's detailed points in writing, or agreeing to a meeting if this seems appropriate at the time.

The terms of the draft reply for you to send on the Prime Minister's behalf have been agreed with the Foreign and Commonwealth Office, and I am, therefore, sending a copy of this letter, and of Mr Kitson's of 11th February, to John Holmes.

Yours sincerely

Alley Piper

(D T PIPER)

Please type as letter from me.
A.J.C. 22

DRAFT LETTER FROM No 10 TO THE TGWU DEPUTY GENERAL SECRETARY

The Prime Minister has asked me to thank you for your letter of 11th February about the closure of Gibraltar Dockyard. ~~The Prime Minister~~ ^{he} was glad that you found your meeting with the Minister of State for the Armed Forces informative, and notes that there are some points which you still wish to discuss.

In your letter you raise questions related to proposals to reopen the Gibraltar/Spanish border on 20th April and to discussions with the Spanish Government. Clearly the possible lifting of border restrictions must be taken into account in the current consultations between HMG and the Gibraltar Government on ways to support and sustain the Rock's economy following the closure of the naval dockyard. But it would be helpful if before the possibility of a meeting with the Prime Minister or with Ministers with direct responsibility for these matters is considered further, you could clarify the particular points which you wish to discuss related ^{ing} to the assurances given to the Spanish Government, which were described in the Lord Privy Seal's statement in Parliament on 19th January.

At the same time it would be helpful ~~to the Prime Minister~~ if you could describe in some detail your ^{proposal for an alternative} alternative proposal to the dockyard closures, which ^{I understand that} is understood in broad terms ^{you envisage} to be a ~~continuation of Royal Navy operation of~~ ^{that the Royal Navy will continue to operate} the dockyard until such time as it attracts sufficient commercial work to become an independent enterprise. As you will already know, the possibilities

for commercial operation are being examined, and the Ministry of Defence expects to be able to provide some continuing work to the dockyard in the first years of such an operation to assist its introduction. Ministers ~~here~~ expect to discuss these possibilities with the Gibraltar Government in a few weeks time.

AM 22 -



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19/2

Mr. KITSON

15 February 1982

Closure of Gibraltar Dockyard

I enclose a copy of a further letter from Mr. Kitson, Deputy General Secretary of the Transport and General Workers Union. Following his recent meeting with Mr. Peter Blaker he reiterates his wish for a meeting with the Prime Minister. I should be grateful if you could let me have advice and a draft reply for my signature by 19 February.

JOHN COLES

David Omand, Esq.,
Ministry of Defence.

Lo

PPS
Transport
and General
Workers Union

R13/2



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

February 11, 1982

The Rt. Hon. Margaret Thatcher, MP,
Prime Minister,
10 Downing Street,
London SW1.

CF?

Dear Prime Minister,

Closure of Gibraltar Dockyard

Further to my letter to you dated December 9, 1981, I have taken up your invitation and had a meeting at the Ministry of Defence with Mr. P. Blaker, MP, together with a deputation of our people from Gibraltar.

We had a very informative discussion but I have to inform you that the situation remains unsatisfactory inasmuch as Mr. Blaker was unable to deal with some of our problems as they did not relate to his particular responsibilities.

The problems we wish to continue to discuss with you are as follows:

- 1) The effect on the Gibraltarians and their employment situation when the Border opens on April 20 and the assurances which have been given to the Spanish Government by you.
- 2) In conjunction with the above, the effect on the Gibraltar economy of the closure of the dockyard coupled with the assurances which you have given the Spanish Government at a time when unemployment has been created.
- 3) We would wish to discuss with you our alternative to the above which we have put to Mr. Blaker and which has been made public.

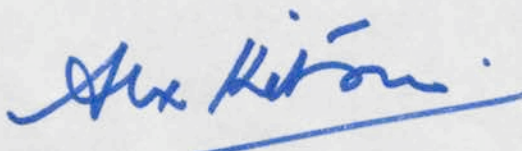
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It is, therefore, necessary that once again we request a meeting with you, at which we would be accompanied by representatives from our Union in Gibraltar.

I am requesting this meeting on behalf of all organisations concerned.

Yours sincerely,



A. H. Kitson
Deputy General Secretary

PART 1 ends:-

Fco to Madras cd: 23 of 20/1/82

PART 2 begins:-

A. Kisson (T+GW Union) to PM of 11/2/82.

