



PM/79/71

PRIME MINISTER

Gibraltar

Prime Minister

Agree with his approach,  
subject to colleagues'  
views?

Yes  
13/8

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

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

/ might





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

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

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

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

/ sovereignty





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

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

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

C

(CARRINGTON)

Foreign and Commonwealth Office

13 August 1979



13 AUG 1979





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Gibraltar



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

4 September 1979

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

NBPN

Plans 4/5

Dear George,

GIBRALTAR.

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

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

Yours sincerely,  
Jim Buckley.

J BUCKLEY  
Private Secretary

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4 SEP 1979





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Gibraltar



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000  
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MO 5/16

FOREIGN AND COMMONWEALTH SECRETARY

GIBRALTAR

*NSPM  
GJM  
28/8*

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

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

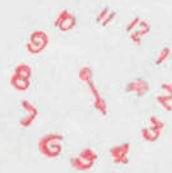
3. I am sending a copy of this minute to the Prime Minister and to the other recipients of yours.

28th August 1979

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28 AUG 1979





FROM THE PRIVATE SECRETARY

*Gibraltar*



HOUSE OF LORDS,  
SW1A 0PW

24 August 1979

*Dear George,*

*NJPM  
GJM  
25/8*

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

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

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

*Yours sincerely  
Ian Maxwell*

I H MAXWELL

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

SW1A 2AL



20 AUG 1979





Gibraltar

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DEPARTMENT OF TRADE

1 VICTORIA STREET LONDON SW1H 0ET

Telephone 01-215 7877



From the Secretary of State

WJH  
GJH  
21/8

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

20 August 1979

Dear Secretary of State

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

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

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

Contd...





*From the Secretary of State*

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

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

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

*Yours sincerely*

*J Nott*

*JN*

JOHN NOTT

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



20 AUG 1979





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HO  
LWS  
HMT  
HSD  
LPO  
LSD

TRADE  
CO  
Gibraltar

10 DOWNING STREET

From the Private Secretary

14 August 1979

GIBRALTAR

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

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

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

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

B. G. CARTLEDGE

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

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