

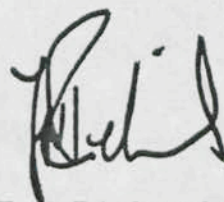
*Gibraltar*

A.F.C. 5/1

Mr Wilson - SEDSpain/Gibraltar

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

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



(F N Richards)

4 January 1982

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



PRIME MINISTER

2

Gibraltar

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

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

*Very unwise policy.*

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

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

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

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

*Must not*

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

*CWBR*

31 December 1981



CONFIDENTIAL

GRS 878

DESKBY 301615Z

CONFIDENTIAL

FM MADRID 301337Z DEC 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 506 OF 30 DECEMBER

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

INFO ROUTINE UKDEL NATO

MIPT: GIBRALTAR (NOT TO ALL)

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

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

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

CONFIDENTIAL

/ 3. AS REGARDS



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

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

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



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

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

PARSONS

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PS/PUS

MR BULLARD

MR FERGUSSON

ADDITIONAL DISTN.

GIBRALTAR

3

CONFIDENTIAL



GRS 953  
DESKBY 301600Z

CONFIDENTIAL

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

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

MY TELEGRAM NO 501: GIBRALTAR.

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

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

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

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/4. PEREZ-LLORCA

*The Spanish  
plan.*



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

*This draft  
is in the  
telegram  
at B.*

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

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



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

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

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

9. COMMENT FOLLOWS.

PARSONS

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PS/LPS  
PS/PUS  
MR BULLARD  
MR FERGUSSON

ADDITIONAL DISTN.  
GIBRALTAR



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

MY TELNOS 505 AND 506: GIBRALTAR.

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

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

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

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

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

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

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

2. COMMENT FOLLOWS.

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MR BULLARD

MR FERLUSON

ADDITIONAL DISTN:

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CONFIDENTIAL



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

*Prime Minister*

*Comment from  
Gibraltar.*

*WM  
21/12*

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CYPHER CAT A  
CONFIDENTIAL

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

MADRID TELNOS 505 AND 506: GIBRALTAR

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

/4. I AM

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

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

FCO PLEASE PASS

JACKSON  
BT

[PASSED AS REQUESTED]

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MR BULLARD  
MR FERGUSSON

ADDITIONAL DISTRIBUTION  
GIBRALTAR



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

CONFIDENTIAL

*getwallen*  
Prime Minister

*Disappointing, but see X  
overleaf.*

*wh*

*30/12*

MY TELNO 500: GIBRALTAR

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

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

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

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

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

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

THIS TELEGRAM  
WAS NOT  
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MR BULLARD  
MR FERGUSSON

ADDITIONAL DIST:  
GIBRALTAR

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GRS 470  
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FM MADRID 281230Z DEC 81  
TO IMMEDIATE FCC  
TELEGRAM NUMBER 530 OF 28 DECEMBER  
INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL)

*Prime minister*

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

*Wm  
20/12*

YOUR TELNO 274: GIBRALTAR .

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

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

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

*Text attached*

BEGINS:

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

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

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/ I ALSO



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

ENDS.

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

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

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

PARSONS

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PS/PUS  
MR BULLARD  
MR FERGUSSON

ADDITIONAL DISTN.  
GIBRALTAR

[COPIES SENT TO NO 10  
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