



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.

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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

Gibraltar

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CDL HMT
DOT LCO
LPSO HD
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

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

2 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
Len

LEON BRITTAN

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

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Prime Minister

*Important. See para. 6e7
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
Fol 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, THE 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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GIBRALTAR

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