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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)

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~~*Check the Spanish*~~  
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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 LLORCA 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.

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PS/PUS  
MR BULLARD  
MR GOODISON

*A/D Gibraltar*

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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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ADDITIONAL DISTN  
GIBRALTAR