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TO IMMEDIATE FCO

TELEGRAM NUMBER 640 OF 1 DECEMBER
INFO LISBON PARIS RABAT UKREP BRUSSELS UKDEL NATO WASHINGTON GIBRALTAR
INFO SAVING OTHER EC POSTS

## SPAIN: NEW GOVERNMENT

- 1. IN HIS OPENING SPEECH AT THE INVESTITURE DEBATE ON 30 NOVEMBER GONZALEZ OUTLINED THE NEW GOVERNMENT'S PROGRAMME.
- 2. GONZALEZ PLACED PATICULAR EMPHASIS ON ECONOMIC POLICY, ESPECIALLY THE REVIVAL OF ECONOMIC GROWTH AND THE REDUCTION OF UNEMPLOYMENT. THE GOVERNMENT'S AIM WOULD BE TO REDUCE INFLATION (CURRENTLY 15%) BY 3% IN 1983 AND TO INCREASE GDP BY 2.5%. 800,000 NEW JOBS WOULD BE CREATED BY 1986.
- 3. ON FOREIGN POLICY GONZALEZ STRESSED THE NEED TO STRENGTHEN RELATIONS WITH NEIGHBOURING COUNTRIES, IN PARTICULAR PORTUGAL, FRANCE AND NORTH AFRICA. THE GOVERNMENT WOULD AIM TO ACCEDE TO THE COMMUNITY ''DURING THE LIFETIME OF THE PRESENT LEGISLATURE'' (IE BY 1986), AND WOULD ''STUDY CLOSELY THE TERMS OF THE OPEN SQUARE BRACKETS DEFENCE CLOSE SQUARE BRACKETS RELATIONSHIP WITH THE UNITED STATES.'' IT WOULD ALSO RE-EXAMINE ''WITH THE NECESSARY THOROUGHNESS AND MAINTAINING OUR PROMISES TO THE SPANISH PEOPLE'' THE DECISION TAKEN BY THE PREVIOUS GOVERNMENT TO JOIN NATO (NO MENTION WAS MADE OF A REFERENDUM).
- 4. ON GIBRALTAR GONZALEZ STATED THAT THE GOVERNMENT ''WOULD REAFFIRM WITH VIGOUR THE CLAIM TO THE COLONY, WHOSE PRESENT COLONIAL SITUATION UNDERMINED THE INTEGRITY OF THE NATIONAL TERRITORY AND DETRACTED FROM SPAIN'S INTERNAL AND STRATEGIC POSITION. AS A RESULT THE GOVERNMENT MAINTAINED ITS AIM OF RE-INTEGRATING GIBRALTAR IN THE NATIONAL TERRITORY THROUGH NEGOTIATIONS WITH THE UNITED KINGDOM LEADING TO THAT END, IN ACCORDANCE WITH THE RELEVANT RESOLUTIONS OF THE UNITED NATIONS.

IN CARRYING OUT THIS PRIORITY ASPECT OF ITS POLICY THE
GOVERNMENT WOULD PROCEED IN A WAY WHICH PENALISED NEITHER THE
POPULATIONS OF GIBRALTAR NOR THAT OF THE CAMPO AND WHICH WOULD
ENSURE THAT THE OUTCOME OF THE NEGOTIATIONS RESPECTED THE
LEGITIMATE INTERESTS OF THE POPULATION''.

FCO PLEASE PASS TO SAVING ADDRESSEES

PARSONS

[REPEATED AS REQUESTED]

- PE, HO MO. DOWNERS STREET,

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ADDITIONAL DISTRIBUTION
GIBRALTAR