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FM MADRID 031116Z NOV 82

TO IMMEDIATE FCO

PS. NO 10. DOWNING STREET.

TELEGRAM NUMBER 582 OF 3 NOVEMBER

INFO IMMEDIATE GOVERNOR GIBRALTAR (PERSONAL), UKMIS NEW YORK
INFO PRIORITY UKDEL NATO. WASHINGTON

YOUR TELNO 322 (NOT TO ALL):

REPRESENTATIONS TO SPANISH FOREIGN MINISTER

I CARRIED OUT YESTERDAY WITH THE FOREIGN MINISTER YOUR
INSTRUCTIONS ABOUT SPANISH CONSTRUCTION IN GIBRALTAR WATERS.
HE TOOK THE POINT AND PROMISED TO FOLLOW THE MATTER UP PERSONALLY.
HE SAID THAT MAY WRITTEN REPLY WOULD INEVITABLE HAVE TO BE
UNHELPFUL. THE SPANISH LEGAL POSITION WAS TO DENY THE
EXISTANCE OF GIBRALTAR WATERS AT ALL. FOR THAT REASON HE
WOULD PREFER TO DEAL WITH THE MATTER ORALLY WITH ME. HE
EXPECTED TO BE IN OFFICE UNTIL ABOUT 26 NOVEMBER.

2. PEREZ-LLORCA WAS IN AN UNDERSTANDABLY DESPONDENT MOOD.

HE SAID THAT HE SAW LITTLE POLITICAL FUTURE HERE FOR HIMSELF

OR FOR OTHER POLITICIANS OF THE CENTRE. HE HAD BEEN PESSIMISTIC

ABOUT THE OUTCOME OF THE ELECTIONS BUT EVEN THE PESSIMISTS

IN THE UCD HAD FAILED TO PROGNOSTICATE THE EXTENT OF THE PARTY'S

POLITICAL COLLAPSE. HE EXPECTED THE POLITICAL TRANSITION TO BE

RESONABLY SMOOTH. THE CURRENT VISIT BY THE POPE SHOULD BE

A HELP. THE KING HAD BEEN VERY GOOD. GONZALEZ

HIMSELF WAS A MODERATE BUT HE FEARED THE INFLUENCE OF GUERRA

WHO HAD LEANINGS TOWARDS EXTREMISM. IN PARTICULAR, WE SHOULD

STUDY WITH CARE WHAT GUERRA SSID THIS MONTH BECAUSE OF HIS

RADICAL APPROACH TOWARDS INTERNATIONAL AFFAIRS.

3. PEREZ-LLORCA CONTINUED THAT, WHILE OUT OF OFFICE. THE SOCIALISTS HAD ENJOYED THE LUXURY OF BEING ABLE TO SAY DIFFERENT THINGS TO DIFFERENT PEOPLE. BUT A SOCIALIST GOVERNMENT WOULD NOW HAVE TO ADOPT FIRM POSITIONS. ON NATO THE SOCIALISTS HAD LET IT BE KNOWN PRIVATELY TO FOREIGN GOVERNMENTS THAT THEY WERE IN NO GREAT HURRY TO HOLD THE PROPOSED REFERENDUM. BUT PEREZ-LLORCA DID NOT THINK WE SHOULD RELY ON THIS. IT WOULD BE EXTREMELY DIFFICULT FOR THE NEW GOVERNMENT TO GET OFF THE REFERENDUM HOOK AND GUERRA MIGHT NOT WISH TO DO SO. I SAID THAT, AS HE WOULD HAVE HEARD FROM RUPEREZ IN BRUSSELS. THERE SEEMED TO BE AN UNDERSTANDING AMONG NATO GOVERNMENTS THAT NOTHING WOULD BE SAID PUBLICLY TO FORCE THE HAND OF THE NEW SPANISH GOVERNMENT. THEY WOULD BE TREATED AS ALLIANCE MEMBERS IN THE NORMAL WAY UNLESS THEY SIGNIFIED OTHERWISE. MY AMERICAN COLLEAGUE WAS RETURNING TO WASHINGTON SHORTLY TO MAKE SURE THERE WAS NO MISUNDERSTANDING ON THIS POINT, MEANWHILE. THE AMERICANS WERE SIGNALLING PRIVATELY TO THE SOCIALISTS THAT THEIR CURRENT DEFENCE AGREEMENT WAS NOT A VIABLE OPTION WITHOUT

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FULL ALLIANCE MEMBERSHIP. PEREZ-LLORCA SAID THAT ALL THIS WAS QUITE RIGHT. BUT AT SOME POINT PRACTICAL DECISIONS WOULD HAVE TO BE TAKEN. (SINCE THEN I HAVE SEEN UKDEL NATO TELNO 411).

4. PEREZ-LLORCA SAID HE WAS SURE WE WERE NOT TAKING TOO LITERALLY SOCIALIST COMMENTS ABOUT OPENING THE BORDER WITH GIBRALTAR QUICKLY. THEY HAD TO PLEASE THEIR CONSTITUENCY IN THE SOUTH. IN GENERAL HE DID NOT THINK I SHOULD FIND HIS SOCIALIST SUCCESSOR ANY EASIER TO DEAL WITH THEN HE HAD BEEN. THE SOCIALISTS MIGHT OPEN THE BORDER TO PEDESTRIANS QUITE SOON. WE SHOULD FIND THAT DIFFICULT TO RESIST, WHATEVER THE STATE OF GIBRALTAR OPINION. BUT HE THOUGHT THE SOCIALISTS WOULD MAKE THE FULL RESTORATION OF COMMUNICATIONS DEPENDENT ON THE OPENING OF NEGOTIATIONS ON ALL OUTSTANDING ISSUES. IN OTHER WORDS, WE SHOULD NOT BE OFFERED BETTER TERMS THAN THE LISBON AGREEMENT. (THIS ACCORDS WITH THE DEPARTMENT'S VIEW AS RECENTLY DISCUSSED IN LONDON.)

5. I SAID THAT I HAD PERSONALLY APPRECIATED THE WORK THAT
PEREZ-LLORCA HAD PUT IN TO OBTAINING THE CONSENSUS ON GIBRALTAR
FOR THE FOURTH COMMITTEE (UKMIS NEW YOK TELNO 1768). THIS
HAD BEEN A WISE DECISION BECAUSE IT HAD AVOIDED CONFRONTATION
DURING THE INTER-REGNUM HERE. I HOPED THAT DE PINIES WOULD BE
KEPT UNDER SIMILAR CONTROL IN THE DEBATE ON THE FALKLAND
ISLANDS. THE SPANISH POSITION ON SOVEREIGNTY AND ON NEGOTIATIONS
WAS WELL KNOWN. BUT I HOPED THERE WOULD NOT (NOT) BE YET ANOTHER
EXAMPLY OF THE SPANISH MISSION APPEARING TO TAKE THE LEAD
AGAINST BRITAIN. PEREZ-LLORCA, WHO DISCUSSES SUCH MATTERS
VERY FRANKLY, ASSURED ME THAT DE PINIES WOULD NOT BE ALLOWED TO MAKE
AN ATTACK ON HMG. (I HAD NOT AT THAT TIME HEARD ABOUT
THE LATEST AMERICAN POSITION.)

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