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FM MADRID 061250Z DEC 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 650 OF 6 DECEMBER

INFO PRIORITY GOVERNOR GIBRALTAR (PERSONAL), UKDEL NATO,
UKREP BRUSSELS, WASHINGTON, UKMIS NEW YORK, MOD.
INFO SAVING TO RABAT.

YOUR TELEGRAM NO. 346 (NOT TO ALL): GIBRALTAR FRONTIER

THE NEW FOREIGN MINISTER HAS SUMMONED ME TO SEE HIM TOMORROW EVENING. THIS SHOULD BE AFTER THE FIRST CABINET MEETING AT WHICH A DECISION MAY BE TAKEN TO OPEN THE FRONTIER TO PEDESTRIANS, THOUGH NOTHING IN SPAIN IS EVER CERTAIN. HE MAY ALSO POSSIBLY HAVE A MEETING WITH YOU IN THE MARGINS OF THE MEETING OF NATO FOREIGN MINISTERS ON 9 AND 10 DECEMBER. THE DEPARTMENT WILL HAVE SEEN THE ACCOUNT OF MY EARLIER TALK WITH MORAN BEFORE HE WAS NOMINATED AS MINISTER (MY TELEGRAM NO. 599 OF 16 NOVEMBER) AS WELL AS MY TELEGRAM NO. 577 OF 29 OCTOBER COMMENTING ON THE IMPLICATIONS FOR THE UK OF THE ELECTION OF A SOCIALIST GOVERNMENT IN SPAIN.

2. AS ALREADY REPORTED, MORAN STARTS WITH A THIRD WORLD AND PRO-ARAB BIAS. BUT IN PRACTICE HE IS LIKELY TO FIND HIMSELF LARGELY OCCUPIED WITH EUROPEAN AND ATLANTIC AFFAIRS. YOUR CONTACT WITH HIM WILL THEREFORE BE IMPORTANT IN SETTING THE TONE FOR HMG'S FUTURE DEALINGS WITH SPAIN ON THE THREE KEY ISSUES OF GIBRALTAR, NATO AND THE COMMUNITY.

3. ON GIBRALTAR I RECOMMEND THAT YOU SHOULD TELL MORAN THAT THE OPENING OF THE FRONTIER TO PEDESTRIANS, IF INDEED IT HAS BEEN DECIDED BY THEN, IS A STEP IN THE RIGHT DIRECTION. THE MAIN REQUIREMENT, IN THE INTERESTS OF BOTH SIDES, IS TO BRING THE PEOPLE OF THE ROCK AND THE CAMPO CLOSER TOGETHER. WITH THIS OBJECT IN MIND, THE PEDESTRIAN OPENING MUST BE IMPLEMENTED FAIRLY AND SHOULD BE PROPERLY COORDINATED. YOU COULD ADD THAT HMG REMAIN COMMITTED TO THE IMPLEMENTATION OF THE LISBON AGREEMENT. MORAN MAY TRY TO EXTRACT ASSURANCES THAT WE ENVISAGE THIS AS COVERING PROGRESS ON THE SOVEREIGNTY ISSUE. YOU WILL WISH TO DISABUSE HIM OF ANY NOTION THAT THERE COULD BE EARLY PROGRESS ON THIS FRONT UNTIL THE SPANIARDS HAVE MADE THEMSELVES MORE ATTRACTIVE TO GIBRALTARIAN OPINION. AT THE SAME TIME IT SEEMS DESIRABLE TO LET MORAN UNDERSTAND THAT WE REMAIN GENUINELY PREPARED TO DISCUSS "ALL THE DIFFERENCES" BETWEEN US ON GIBRALTAR, AS THE LISBON AGREEMENT PUT IT. IF THEY ABANDON ALL HOPE OF PROGRESS BILATERALLY, THE NEW SOCIALIST GOVERNMENT MAY BE TEMPTED TO TAKE THE MATTER TO THE UNITED NATIONS WHERE THEY COULD EXPECT SUPPORT, PARTICULARLY AFTER A PEDESTRIAN OPENING BASED ALLEGEDLY ON HUMANITARIAN GROUNDS.

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4. ON NATO OUR MAIN OBJECTIVE MUST BE TO AVOID PRESENTING THE NEW SPANISH GOVERNMENT WITH STARK CHOICES AT TOO EARLY A STAGE (YOUR TELEGRAM NO. 1943 TO WASHINGTON OF 2 NOVEMBER). AT THE SAME TIME THEY MUST UNDERSTAND THAT A 'FRENCH OUTCOME' IS NOT ON OFFER AND THAT INDEFINITE SPANISH NON-PARTICIPATION IN THE MILITARY STRUCTURE CANNOT BE ACCEPTED. IT WOULD BE NECESSARY TO RESIST FIRMLY ANY SUGGESTION THAT SPANISH POLICY OVER NATO COULD BE EASED BY A UNILATERAL BRITISH GESTURE OVER THE COMMAND STRUCTURE IN THE STRAITS OF GIBRALTAR, IN ADVANCE OF FULL ABOLITION OF RESTRICTIONS ON MOVEMENT TO AND FROM GIBRALTAR.

5. AS REGARDS THE COMMUNITY, GONZALEZ NOW HOPES TO GET SPAIN IN BY 1986. THIS WILL REMAIN A HIGH PRIORITY. DESPITE THE TEXT OF THE PRESIDENCY'S CONCLUSIONS TO THE EUROPEAN COUNCIL (COPENHAGEN TELEGRAM NUMBER 427) THE IMMEDIATE REACTION HERE HAS BEEN ONE OF DISAPPOINTMENT. OUR MAIN OBJECTIVE MUST BE TO ENSURE THAT THE BLAME HERE FOR ANY LACK OF PROGRESS IS LAID AT OTHER DOORS THAN OUR OWN. IN PARTICULAR YOU COULD LEAVE MORAN IN NO DOUBT OF THE UK VIEW THAT ENLARGEMENT NEGOTIATIONS SHOULD GO AHEAD WITHOUT BEING COMPLICATED BY ADVANCE STUDY ABOUT A LINK BETWEEN ENLARGEMENT AND NEW OWN RESOURCES (PARAGRAPHS 6 AND 7 OF UKREP TELEGRAM NUMBER 4584).

6. IN ANY EXPRESSION TO MORAN OF CONCERN ABOUT THE OPERATION OF THE 1970 TRADE AGREEMENT, YOU MAY WISH TO TAKE ACCOUNT OF HIS PROBABLE ARGUMENT THAT THE DEVALUATION OF THE PESETA OVER THE WEEKEND IS AN INDICATION OF THE ECONOMIC DIFFICULTIES INHERITED BY THE SOCIALIST GOVERNMENT.

7. IT WOULD ALSO BE INTERESTING TO DRAW OUT MORAN ON HIS THIRD WORLD IDEAS, GIVEN SPAIN'S INABILITY TO PRODUCE MUCH ECONOMIC AID, HER NATIONAL INTEREST IN SUSTAINING THE KINGDOM OF MOROCCO, AND HER NEED TO MAINTAIN GOOD RELATIONS WITH THE MORE CONSERVATIVE ARAB GOVERNMENTS ON WHOM SHE DEPENDS FOR OIL.

8. BUT THE MAIN OBJECT OF THE EXERCISE, I SUGGEST, WILL BE TO PUT OVER TO MORAN OUR CONSIDERED VIEW THAT THE ONLY REAL HOPE OF PROGRESS OVER GIBRALTAR, WITH ALL THAT THIS IMPLIES FOR SPANISH MEMBERSHIP OF BOTH NATO AND THE COMMUNITY, IS TO GET LOCAL CONTACTS GOING: SO THAT THE PEOPLE OF GIBRALTAR THEMSELVES REALISE THAT THE SPANISH LEFT, OUT OF OFFICE FOR FIFTY YEARS, ARE AT LAST OFFERING THEM A NEW DEAL. I UNDERSTAND THAT SIR JOSHUA HASSAN IS ALREADY FAVOURABLY INCLINED IN THIS DIRECTION.

FCO PLEASE PASS SAVING TO RABAT.

PARSONS
LIMITED
SED
DEFENCE
NEWS
PUS

EC(D)
PLANNING STAFF
PS
PS/MR HURD 2

PS/LORD BELSIEAD
PS/PUS
SIR J. BULLARD
MR WOODISON
MR BILKMORE
MR HANNAH

ADDITIONAL DISTR:
GIBRALTAR
[PASSED AS REQUESTED]

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