

012



Foreign and Commonwealth Office

London SW1A 2AH

28 March 1983

MS

Prime Minister

To note.

John H. ...

Gibraltar

A.F.C. 25. 3

The Gibraltar House of Assembly passed a resolution on 22 February about Gibraltar dockyard. The Chief Minister has now asked that it be brought to the attention of both the Foreign and Commonwealth Secretary and the Defence Secretary. I attach a copy of his letter.

Mr Pym considers that any response to the resolution must now take account of the Spanish Foreign Minister's visit to London last week and his marked reluctance to accept the agreements on Gibraltar entered into by his predecessors. Prospects for early implementation of the Lisbon agreement are not, at present, good and we must expect the mood in Gibraltar to become increasingly sensitive and nervous. More and more voices are likely to be raised in Gibraltar in support of the argument that by closing the dockyard Britain is signalling a weakening of its commitment to Gibraltar at a particularly inauspicious moment.

Despite these problems, Mr Pym does not believe that it would be right to recommend to his Cabinet colleagues that the decision to close the Gibraltar dockyard should be reviewed, particularly as there is to be no stay of execution for Chatham. But he considers that any response to the Gibraltarians informing them that the decision stands must be accompanied by a clear reaffirmation of Britain's commitment to the territory. I am attaching a reply to the Assembly resolution in the form of a draft telegram. I should be grateful if you would let me know whether Mr Heseltine agrees with the line suggested.

There is one small point about timing. As I mentioned to you on Friday, Sir J Hassan would no doubt find it helpful to have our comments about the resolution before Mr Heseltin's reply to the Gibraltar Trades Council letter of 21 February is handed over. You will recall that the Governor of Gibraltar has suggested one or two minor amendments to that reply, and has also recommended a slight delay (Gibraltar telno Personal 41, copied to your DS12).

/I am



I am copying this letter, and enclosures, to
John Coles.

*Yours
R B Bone*

(R B Bone)
Private Secretary

R Mottram Esq
Ministry of Defence

RESTRICTED

Gibraltar
WR
7/4



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~2307822~~ 218 2111/3

MO 5/16

7th April 1983

Dear Roger,

GIBRALTAR

You wrote to Richard Mottram on 28th March attaching a resolution by the Gibraltar House of Assembly and a proposed reply.

Mr Heseltine has seen your letter and the telegram and is content with the suggested line. He agrees that the reply needs to take full account of the talks Mr Pym had with the Spanish Foreign Secretary, and that it should be communicated by the Governor in advance of the Trades Council's receipt of Mr Heseltine's revised reply to them. We agreed on the telephone that the most sensible way of handling this, in order to ensure that the right timing was observed, would be for me to send to you the originals of Mr Heseltine's letter to the Trades Council and his covering letter to the Governor. These are now enclosed.

I am copying this letter to John Coles.

Yours ever

Michael Evans

(N H R EVANS)

R Bone Esq

RESTRICTED



OFFICE OF THE CHIEF MINISTER
GIBRALTAR

10 March 1983

His Excellency
Admiral Sir David Williams GCB
Governor and Commander-in-Chief
The Convent
Gibraltar

YE

I should be grateful if the following resolution, which was passed at the meeting of the House of Assembly held on 22 February 1983, could be transmitted to the Foreign and Commonwealth Office with the request that it be brought to the notice of the Secretary of State for Foreign and Commonwealth Affairs and the Secretary of State for Defence:

"That this House, while still opposed to the British Government's decision to close the Naval Dockyard -

- (1) appeals to Her Majesty's Government to reconsider its decision;
- (2) considers that it is in the interests of the Western Alliance, of the free world generally, and of Gibraltar itself that the British Naval Base at Gibraltar should be maintained;
- (3) endorses the view of the Gibraltar Government that, in the consideration of the proposals for a commercially-operated ship-repair yard, full regard should be had to the essential requirements of the Naval Base;
- (4) trusts that, conversely, the Ministry of Defence, and indeed the British Government as a whole, will have full regard -
 - (a) in the consideration of such proposals, to the needs of such a yard should it eventually be agreed by all concerned that a commercial

operation would be feasible and viable, and

(b) to such other needs as may be put forward to the Ministry by the Gibraltar Government in its efforts to diversify and strengthen the economy generally in order to offset the effects of the Dockyard closure,

(5) considers that full consultation should take place between all political parties represented in the House of Assembly before a final decision is made on the commercialisation of the Dockyard."

2. Ministers and all DPBG members voted in favour and Mr J Bossano abstained.

3. As on previous occasions, all the elected members expressed their great concern at the decision to close the Naval Dockyard. A copy of the verbatim record of the debate will be forwarded as soon as this is available.

4. In consultation with my colleagues and the other elected members of the House, I am considering what further steps might be taken in pursuance of the appeal to Her Majesty's Government to reconsider their decision.

Yours sincerely
John Allan



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALING 01-218 2111/3

MO 5/16

6th April 1983

I am grateful to the Gibraltar Trades Council for drawing to my attention their views, as set out in your letter of 21st February, about the closure of HM Dockyard Gibraltar. I have read and considered them with care.

I have accordingly examined the plans for Gibraltar Dockyard in the context of the plans for Naval Dockyards generally. The conclusion I reach is that the much reduced facilities in the Home Dockyards are adequate for the refit of military ships, which is the prime purpose of HM Dockyards. I know how difficult this decision must be to accept after Gibraltar Dockyard's long and distinguished record of service to the Royal Navy, including their contribution during the Falklands conflict. Nevertheless I urge the Council to accept this and to look to the positive aspects of the commercialisation proposals.

When Her Majesty's Government decided in November 1982 to support the idea of a commercially operated dockyard, we did so in the belief that it offered the best means of meeting HMG's undertaking to support the Gibraltar economy. You accept, as I understand it, that ship repair activity in Gibraltar should be more business-orientated. I am sure that you are right. But I am firmly convinced that in pursuing



a commercial future, genuine commercial management and other changes from present arrangements will be necessary if a new departure is to succeed. This is not to say that there is no longer any defence interest in Gibraltar. The important Naval Base will continue in full operation, as will the Army and RAF facilities.

I am glad to see that you have no wish for confrontation - a view we share. The redundancy terms we are prepared to offer will be directly comparable to those applying in the UK. The commercialisation plans which Her Majesty's Government has declared itself ready to support in principle are precisely those intended to do most to provide satisfactory employment after Dockyard closure. The Government is in effect ready to invest substantially in Gibraltar ship repair activity if all parties can agree to co-operate together for this desirable aim.

You will understand from the above that I do not see good cause to delay the closure as you request. It remains the intention to complete the process in 1983.

A handwritten signature in black ink, appearing to read "Heseltine", with a large, sweeping flourish at the end.

Michael Heseltine

Gibraltar Policy Pt 3



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALLING 01-218 2111/3

MO 5/16

6th April 1983

I am enclosing a revised version of my reply to the Gibraltar Trades Council's letter of 21st February. I am grateful to you for your signal suggesting certain changes to the original, to take account of local sensitivities. It was also helpful to have your thoughts about the timing of the letter's release.

We have discussed the timing point with the FCO, who have been co-ordinating the HMG response to the House of Assembly resolution of 22nd February. That response will also be passed to you shortly. We have agreed that the reply to the Chief Minister should be communicated before the letter to the Trades Council is released. Perhaps you would be kind enough to arrange accordingly.

Michael Heseltine

Admiral Sir David Williams GCB

OUT TELEGRAM

Classification and Caveats

Precedence/Deskby

UNCLASSIFIED

PRIORITY

ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	UNCLASSIFIED
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO
PRE/ADD	7	TO PRIORITY GIBRALTAR
TEL NO	8	TELEGRAM NUMBER
	9	
	10	GIBRALTAR DOCKYARD: ASSEMBLY RESOLUTION
	11	1. Please tell the Chief Minister that the House of Assembly
	12	resolution of 22 February about Gibraltar dockyard has been brought
	13	to the attention of Ministers as requested in his letter to you
	14	of 10 March.
	15	2. You should tell Sir J Hassan that Ministers quite understand
	16	the concerns that have been expressed by many sectors of opinion
	17	in Gibraltar over the effects of dockyard closure. They accept
	18	without hesitation that, in considering the establishment of a
	19	commercial ship repair yard, full regard must be given to
	20	the essential requirements of the continuing naval base which
	21	it is of course in the interests of Western defence to maintain.
///	22	3. Ministers also expect that during the consultations now
//	23	going on about future plans for the naval dockyard, all the parties
/	24	directly concerned will be mindful of the continuing requirements
	25	of British Forces in Gibraltar. The British Government has also

NNNN ends telegram	BLANK	Catchword recently
File number	Dept PRIVATE OFFICE	Distribution
Drafted by (Block capitals)		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

OUT TELEGRAM (CONT)

		Classification and Caveats UNCLASSIFIED	PRIORITY	Page 2.
--	--	--	----------	------------

<<<< 1 <<<<
 2 recently given concrete expression to its support for the
 3 efforts of the Government of Gibraltar to diversify and strengthen
 4 the local economy through its offer of a further development aid
 5 grant of £13m. There is no question of any weakening of
 6 Britain's long-standing commitments towards Gibraltar.
 7 4. Nevertheless, the reasons for closing the naval dockyard
 8 remain as valid today as when the decision was first taken, on the
 9 basis of a review of future requirements in dockyard support
 10 services, in 1981. Consequently Ministers do not propose to alter
 11 the decision to close the Royal Dockyard in 1983.
 12
 13 PYM
 14 NNNN
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31 ///
 32 //
 33 /
 34

NNNN ends telegram	BLANK	Catchword
--------------------	-------	-----------

28 MAR 1983

