

C O N F I D E N T I A L UK COMMS ONLY

SIC

**CONFIDENTIAL**

CYPHER CAT A

FM GIBRALTAR 111730Z JUL 83

TO IMMEDIATE FCO TEL NO PERSONAL 90 OF 11 JUL 83

INFO IMMEDIATE DESKBY 120800Z MODUK FOR CFS AND DS12

INFO IMMEDIATE DESKBY 120800Z ODA

YOUR TELNO PERSONAL 52: GIBRALTAR DOCKYARD

1. NASH AND CASEY ARE BOTH IN GIBRALTAR. WE HAVE KEPT IN CLOSE CONTACT WITH BOTH AND KNOW THAT CASEY'S ADVICE TO THE COUNCIL OF MINISTERS IS AS SET OUT IN PARA 3 OF YOUR TUR. NASH SAW HASSAN THIS AFTERNOON AND WE BELIEVE HE MADE SIMILAR POINTS. HE CONSIDERS HMG'S OFFER TO BE A GENEROUS ONE.
2. THERE HAS BEEN A NUMBER OF MEETINGS OVER THE LAST THREE DAYS AND CLEAR SIGNS OF TENSION WITHIN THE COUNCIL OF MINISTERS ARE APPARENT. IT MAY BE DIFFICULT FOR HASSAN TO HOLD HIS TEAM TOGETHER.
3. OUR INFORMATION IS THAT GIBRALTAR MINISTERS ARE LIKELY TO ASK FOR A DELAY OF SIX MONTHS BEYOND THAT PROPOSED BY HMG. THEY MAY PRESS FOR SPECIFIC AGREEMENTS ON THE HANDOVER OF CERTAIN LANDS WHICH THEY BELIEVE OFFER REAL PROSPECTS OF DIVERSIFICATION IN THE ECONOMY. THEY MAY ALSO REQUIRE COMPLETION OF LANDS SURVEY BY THE END OF JUNE 1984. WE BELIEVE THAT THEY WILL NOT, REPEAT NOT, BE SATISFIED WITH A GENERAL UNDERTAKING SUCH AS THAT CONTAINED IN PARA 4 OF YOUR TELNO 34
4. I INVITED HASSAN TO GIVE ME A PERSONAL APPRAISAL OF THE SITUATION IN THE LIGHT OF THE MEETING WITH THE PRIME MINISTER TOMORROW MORNING. HE FELT UNABLE TO DO SO AT THIS STAGE AS POLICY GUIDELINES HAD ONLY JUST BEEN AGREED AMONGST MINISTERS. HE EXPECTS TO BE ABLE TO DELIVER A MESSAGE IN REPLY TO THAT IN YOUR TELNO 34 TOMORROW AFTERNOON. HE ADDED 'THE MATTERS UNDER CONSIDERATION ARE OF VITAL IMPORTANCE AND COMPLEX AND I REGRET THAT I CANNOT BE MORE FORTHCOMING UNTIL I AM SATISFIED THAT OUR VIEWS ARE CAREFULLY AND ACCURATELY SET OUT'.

WILLIAMS

**GIBRALTAR**

**LIMITED**

- SED
- DEF D
- NEWS D
- PUSD
- ECD (E)
- PLANNING STAFF
- PS

- PS/LADY YOUNG
- PS/MR WHITNEY
- PS/FUS
- SIR J BULLARD
- MR JAMES
- MR CARTLEDGE
- MR HANNAY
- MR WRIGHT

**ADDITIONAL DISTRIBUTION**

**GIBRALTAR**

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