

DESKBY 121900Z JUL 83

CONFIDENTIAL

CONFIDENTIAL UK COMMS ONLY CYPHER CAT ALFA

FROM GIBRALTAR 121650Z JUL 83

TO IMMEDIATE FCO TEL NO PERSONAL 93 OF 12 JUL 83

INFO IMMEDIATE MOD FOR CFS AND DS12

IMMEDIATE ODA

MY TWO IPTS: GIBRALTAR DOCKYARD

1. HASSAN CALLED ON ME THIS EVENING TO DISCUSS FURTHER THE GIBRALTAR GOVERNMENT'S RESPONSE TO HMG'S OFFER.
2. HE WAS IN A RELAXED AND CHEERFUL MOOD AFTER EMERGING FROM WHAT HE ADMITTED TO BEING DIFFICULT PASSAGES WITH HIS COLLEAGUES. ON SEVERAL OCCASIONS HE REFERRED TO THE ABSOLUTE NEED FOR BRITAIN AND GIBRALTAR TO MOVE FORWARD TOGETHER WITH GOODWILL. HE FELT THAT THE GIBRALTAR POSITION WAS AS FAR AS THEY COULD GO IN MEETING HMG AND IT WAS CLEAR THAT HE ENVISAGED GREAT DIFFICULTIES IF HIS PROPOSALS WERE UNACCEPTABLE IN LONDON.
3. HE UNDERLINED THE GIBRALTAR POSITION THAT NEITHER THE £13 MILLION DEVELOPMENT AID NOR THE LANDS MEMORANDUM COULD LEGITIMATELY BE REGARDED AS FORMING PART OF THE DOCKYARD PACKAGE. HE PLACED PARTICULAR EMPHASIS ON THE SECTION OF THE GIBRALTAR PAPER (10 AND 11 OF MY SECOND TUR) DEALING WITH THE AVAILABILITY OF LAND SUITABLE FOR DEVELOPMENT. HE THOUGHT THAT A BREAKTHROUGH IN THIS AREA WOULD HAVE A PARTICULAR IMPACT ON PUBLIC OPINION AND WOULD MEAN THAT THE CONTINUING MOD ACTIVITIES IN GIBRALTAR WOULD BENEFIT AS A RESULT OF ~~TWO~~ THE PUBLIC ATTITUDE SO CREATED. IT WAS QUITE CLEAR THAT HASSAN DID NOT REPEAT NOT CONSIDER THE LAND QUESTION AS A DETAIL. RATHER IT HAS BECOME VERY CLOSE TO THE HEART OF THE GIBRALTAR POSITION AND PRESENTATIONALLY VITAL FOR PROGRAMME OF ECONOMIC DIVERSIFICATION THOUGH IT MAY BE TO ACHIEVE, THE TRANSFERS MUST BE ACHIEVED AS ONLY IN THIS WAY CAN WE LOOK TO THE GIBRALTAR GOVERNMENT TO PLAY ITS FULL PART IN SELLING THE IDEA OF COMMERCIALISATION.
4. HASSAN SAID THAT THE GIBRALTAR GOVERNMENT HAD COME A LONG WAY TO MEET BRITISH REQUIREMENTS AND THEIR CURRENT PROPOSALS STILL AMOUNTED TO A SEVERE CHALLENGE TO HIS GOVERNMENT. IT WAS HOWEVER ONE WHICH HE FELT ABLE TO CONFRONT.
5. I SOUNDED HASSAN ON HIS WISHES AS FAR AS A FURTHER VISIT TO LONDON WAS CONCERNED. HE SAID THAT FROM THE PRESENTATIONAL STANDPOINT IT WOULD BE VERY DESIRABLE IF GIBRALTAR'S PROPOSALS WERE ACCEPTABLE IF HE COULD HAVE FURTHER SHORT MEETING WITH THE PRIME MINISTER. IN THIS WAY (AND HE MADE NO BONES ABOUT IT) HE WOULD BE SEEN TO BRING HOME THE BACON. HE WAS EQUALLY FIRM IN SAYING THAT HE DID NOT REPEAT NOT WISH TO BE INVOLVED IN FURTHER MEETINGS IN LONDON IF THESE MEANT HAGGLING OVER DETAILS.

CONFIDENTIAL

16.

CONFIDENTIAL

6. ALL OF THE EVIDENCE THAT WE HAVE OBTAINED IN RECENT DAYS SUGGESTS THAT HASSAN HAS HAD A DIFFICULT TIME WITH HIS COLLEAGUES AND I DO NOT BELIEVE HE COULD CARRY THEM WITH HIM IN FURTHER CONCESSIONS. I THEREFORE TAKE PARA 4 OF HIS MESSAGE TO ME (MY FIRST TUR) AT ITS FACE VALUE.

WILLIAMS

BT

GIBRALTAR

LIMITED

SED
DEF D
NEWS D
FUSD
ECD (E)
PLANNING STAFF
PS

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

2

ADDITIONAL DISTRIBUTION

GIBRALTAR

CONFIDENTIAL