



Prime Minister

To note

A

1/9

PM/83/63

PRIME MINISTER

Gibraltar

1. The Spanish Foreign Minister has suggested that I should meet him for a bilateral session when I visit Madrid next week to attend the CSCE concluding session. I have welcomed his invitation, and intend to meet Sr Moran on 6 September for a working lunch, followed by talks. These will inevitably focus on Gibraltar. There may also be opportunity for calls on the Spanish Prime Minister and the King.

2. My two main aims will be to establish a personal relationship with Sr Moran and to impress upon him and Sr Gonzalez that they must reduce their expectations about obtaining concessions before the start of the discussions on implementation of the Lisbon agreement. I shall try to persuade Sr Gonzalez in particular of the need to ensure that our differences over Gibraltar are managed in such a way as to avoid obstructing Spanish entry to the Community (which we have always strongly supported) and complicating the question of Spain's membership of NATO.

3. Sr Moran has shown some signs that he genuinely wishes to improve the tone of our dealings over Gibraltar. He may consider himself largely to blame for the failure to achieve greater understanding during his visit to London in mid-March. This is very welcome, as far as it goes. But while Sr Moran has told the Ambassador at Madrid that he wants to implement the Lisbon agreement and is not seeking to revise it, he is still pressing for "clarification" of the letters exchanged

/during the



This is for Hassan.

during the then Spanish Prime Minister's visit to London in January 1982. In particular, he wants Spaniards to be granted the same status in Gibraltar as EC nationals and may envisage maintaining restrictions in connection with our use of Gibraltar airport.

4. I do not intend to offer Sr Moran any new formulations for dealing with our differences over Gibraltar. This will be my first contact with him, and I regard it as exploratory only. I shall restate our readiness to implement the Lisbon agreement as it stands, and aim to convince him that our position is as it is not because we do not understand the Spanish position (as he has claimed to believe) but because any alternative presents genuine difficulties. In particular, on the question of EC rights, I shall attempt to make him appreciate the impossibility of dispensing, in the case of Gibraltar, with the transitional period affecting the freedom of movement of labour which will apply in all member countries when Spain joins the EC. Gibraltarian worries about competition from Spanish labour will simply not allow a situation wherey Gibraltar alone of all the Community does not get a transitional period to prepare itself for the full effects of free movement.

5. I shall also take the opportunity to point out to Sr Moran that we have noted a number of public statements by him about the trade restrictions between Gibraltar and Spain, particularly in the context of Spanish obligations after accession on imports from Gibraltar (the application of Regulation 288/82). Although Spanish assurances on Regulation 288/82 (Common Regime for Imports) are being handled between the Presidency/Commission and Spain, I think it may be well to make it clear to Moran that, both legally and politically, there is no escape from the obligations on imports which Spain will assume on accession; I should also emphasise our preference for resolving this as a legal and technical rather than as a public political problem.



6. I shall also explore the scope for dispelling Spanish anxiety over the future use of Gibraltar airport by means of technical talks, covering fare structures and the extent of the competition it may represent for the Spanish airport at Malaga.

7. There is some risk that this line, which involves no substantive movement on our part, will so disappoint the Spaniards as to bring about a new setback in our relations. But the Ambassador at Madrid will have forewarned the Spaniards not to have false expectations, and the new political situation here, following the general election, should make them consider carefully the disadvantages of reverting to a confrontational approach. Depending on how this meeting goes, I have in mind suggesting to Sr Moran that we should meet again during the UN General Assembly in late September, when it may be possible to explore the possibilities for implementing the Lisbon agreement in more detail.

8. We shall need to deal carefully with the public presentation of the meeting on 6 September. In order to avoid focussing attention on it and arousing expectations from the press and public, I propose to describe it as one of several bilateral meetings in the margins of the CSCE gathering, and not as a special meeting to discuss Gibraltar.

9. If for any reason the CSCE meeting does not take place, then my meeting with Sr Moran will fall away and can take place during the United Nations General Assembly instead.

10. I am copying this minute to colleagues in OD and to Sir Robert Armstrong.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

1 September 1983

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

7 September 1983

GIBRALTAR

In his minute of 1 September the Foreign and Commonwealth Secretary explained the line he proposed to take on the above subject during his visit to Madrid this week. The Prime Minister and Sir Geoffrey Howe had a brief word about this matter during their meeting on 5 September. Mrs. Thatcher has since read the minute in question and has made no comment on its contents.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

A handwritten signature in blue ink, appearing to be 'R Bone', written over a horizontal line.

MS

PRIME MINISTER

GIBRALTAR

The Foreign and Commonwealth Secretary briefly described to you this afternoon the line he will take when he sees the Spanish Foreign Minister tomorrow. The attached minute describes this line in more detail.

Sir Geoffrey does not intend to make any new move. He will confirm our readiness to implement the Lisbon Agreement and try to dispel a number of Spanish illusions. There is some risk that this will produce a new setback in our relations.

If the meeting goes reasonably well, he will suggest another meeting in late September to explore the possibilities for implementing the Lisbon Agreement in more detail.

Content?

A.J.C.

5 September 1983