GRS 820

CONFIDENTIAL

FM MADRID 211358Z JULY 83

TO PRIORITY FCO

TELEGRAM NUMBER 441 OF 21 JULY

INFO GOVERNOR GIBRALTAR(PERSONAL)



## GIBRALTAR

- 1. THE SPANISH FOREIGN MINISTER SUMMONED ME AGAIN TODAY. BERDEJO WAS PRESENT. MORAN SAID (AS THE KING HAD DONE YESTERDAY) THAT HE WAS MORE THAN EVER CONVINCED THAT THERE SHOULD BE EARLY CONFIDENTIAL TALKS BETWEEN YOU AND HIM. PUBLIC STATEMENTS WERE NOT MAKING THINGS ANY EASIER. HE REFERRED IN THIS CONNECTION RATHER MILDLY TO THE PRIME MINISTER'S COMMENT IN THE HOUSE ON 19 JULY (MY TELNO 437). IL SAID. AS I HAD DONE TO THE KING (SEPARATE TELEGRAM) THAT THIS REPRESENTED NOTHING NEW AT ALL. OUR POSITION ON THE REMOVAL OF RESTRICTIONS BEFORE SPANISH ENTRY HINTO THE COMMUNITY HAD BEEN WELL KNOWN FOR YEARS. MORAN HAD BEEN CORRECT IN PLAYING THE MATTER DOWN WHEN BRIEFING THE SPANISH PRESS YESTERDAY (SEPARATE TELEGRAM). MORAN AGREED THAT IT WAS NOT A NEW DEVELOPMENT. BUT IT HAD AROUSED FRESH PUBLIC INTEREST AND TO THAT EXTENT IT INCREASED THE PRESSURE, HE HOPED VERY MUCH THAT YOU WOULD FEEL ABLE TO COME TO MADRID.
- 2. I CONFIRMED THAT YOU WERE INDEED PLANNING TO DO SO PROVIDED THAT THERE WAS NO LAST MINUTE HITCH ABOUT THE THAING (SEE UKDEL MADRID TELNO 192). YOU WERE PLANNING TO SPEAK TO THE CONFERENCE ON 7 SEPTEMBER BECAUSE YOU HAD TO BE BACK IN THE UK ON THE FOLLOWING DAY. I THOUGHT YOU MIGHT BE ABLE TO COME ON 6 SEPTEMBER. PERHAPS THERE WOULD BE TIME ON THAT DAY FOR A BILATERAL WITH MORAN BEFORE THE CSCE MEETING BEGAN. MORAN SAID THIS WOULD BE IDEAL. AS YOU WOULD REALISE, THE EVENING ON 6 SEPTEMBER MIGHT BE COMPLICATED FOR EVERYBODY. HE WOULD BE MOST GRATEFUL IF YOU COULD MANAGE TO FLY TO MADRID ON THE MORNING OF 6 SEPTEMBER. HE WOULD OFFER LUNCH TO YOU AND YOUR PARTY FOLLOWED BY AN AFTERNOON WORKING SESSION AT THE FOREIGN MINISTRY. I UNDERTOOK TO REPORT ACCORDINGLY . (I WOULD SEE CONSIDERABLE ADVANTAGE IN THIS PLAN. AS HOST FOREIGN MINISTER, MORAN MIGHT NOT BE ENTIRELY HIS OWN MASTER ON THE EVENING OF THAT DAY. BY GETTING OVER THE BILATERAL BUSINESS WITH SPAIN AT THE BEGINNING OF YOUR VISIT YOU WOULD FREE YOURSELF TO CONCENTRATE THEREAFTER ON THE CSCE AND POSSIBLE BILATERALS WITH OTHER FOREIGN MINISTERS. TIME PERMITTING, I WOULD HOPE THAT YOU COULD ALSO SEE BOTH THE KING AND THE SPANISH PRIME MINISTER AT SOME POINT DURING YOUR STAY. THE KING IN PARTICULAR WILL WISH (SEE SEPARATE TELEGRAM) TO EXPLORE WIDER ISSUES SUCH AS SPANISH MEMBERSHIP OF NATO).

/3. MORAN

CONFIDENTIAL

3. MORAN SAID FRANKLY THAT HIS MEETING WITH YOUR PREDECESSOR LAST MARCH HAD NOT BEEN A SUCCESS. THIS WAS BECAUSE MR PYM HAD BEEN TAKEN ABACK BY THE SPANISH POSITION AND HAD REACTED BY ACCUSING MORAN OF BAD FAITH. (I KNOW FROM BERDEJO THAT MORAN LARGELY BLAMES HIMSELF FOR THAT OUTCOME). WITH THIS IN MIND MORAN ASKED ME TO REPEAT TO YOU QUITE FRANKLY HIS BASIC POSITION. HE WANTED TO IMPLEMENT THE LISBON AGREEMENT AS SOON AS POSSIBLE. AND HE HOPED NOT TO BE PUT IN A POSITION WHERE HE HAD TO APPEAR TO BE GOING BACK ON THE EXCHANGE OF LETTERS OF JANUARY 1982. BUT HE TRUSTED YOU WOULD NOT PRESS HIM SPECIFICALLY ON THAT POINT. THE REALITY WAS THAT, IN TERMS OF PUBLIC OPINION HERE, THERE WERE TWO POINTS NOT COVERED IN THAT EXCHANGE OF LETTERS ON WHICH THE SPANISH GOVERNMENT MUST SEEK CLARIFICATION. ONE, AS WE KNEW, WAS THE FAMOUS ASSUE OF THE RAIGHTS OF SPANNARDS IN GIBRALTAR. THE SECOND WAS THE QUESTION OF GIBRALTAR AIRPORT. THIS WAS A VERY NEURALIGIC ISSUE IIN SPAIN. THE AIRPORT WAS CON-STRUCTED ON THE ISTHMUS WHICH SPAIN DID NOT ACCEPT AS BRITISH SOVEREIGN TERRITORY. MORAN HAD TO WATCH HIS OWN PUBLIC OPINION. HE HAD BEEN STRONGLY CRITICISED BY THE OPPOSITION FOR OPENING THE FRONTIER LAST JANUARY TO CERTAIN CATEGORIES OF PEDESTRIANS. HE HOPED YOU WOULD UNDERSTAND HIS POLITICAL DIFFICULTIES. THESE WERE POOTED IN A GENUINE PRACTICAL POINT. THE SPANIARDS STILL FEARED THAT BY BRINGING IN TOURISTS TO GIBRALTAR ON THE REDUCED DOMESTIC TARIFF AND THEN SYPHONING THEM INTO THE WESTERN PART OF THE COSTA DEL SOL, GIBRALTAR COULD UNDERCUT COMMERCIAL INTERESTS AT MALAGA.

CONFIDENTIAL

/6. COMMENT

<sup>4.</sup> IF SAID IT WAS A CARDINAL POINT FOR US THAT THE REMOVAL OF ALL RESTRICTIONS ENVISAGED AT LISBON SHOULD INCLUDE COMPLETE USE OF GIBRALTAR AIRPORT FOR ALL PURPOSES. AT THE SAME TIME IT SAW NO REASON WHY WE SHOULD NOT REITERATE OUR OFFER TO HOLD TECHNICAL TALKS ABOUT THE CIVIL AVIATION ASPECTS INCLUDING FARE PRICES ETC. GIVEN THE SMALL SIZE OF GIBRALTAR AIRPORT, IN BELIEVE THAT SUCH TALKS WOULD LARGELY DISPOSE OF SPANISH PREOCCUPATIONS ON THAT SCORE.

<sup>5.</sup> BERDEJO, WHO HAS CLEARLY INFLUENCED MORAN HINTO EMPHASISING THE NEED FOR ADVANCE PREPARATION, SAID THAT, IF YOU THOUGH IT USEFUL, HE WOULD BE PREPARED TO GO TO LONDON IMMEDIATELY AFTER THE SUMMER BREAK AND BEFORE YOUR VISIT TO HOLD PRELIMINARY TALKS WITH OFFICIALS. MORAN AGREED THAT THIS MIGHT BE A GOOD PLAN. HE REPEATED HIS ANXIETY THAT YOU SHOULD BE WELL BRIEFED IN ADVANCE ABOUT HIS POSITION, IN ORDER THAT YOUR TALKS WITH HIM MIGHT BE HELD ON A BASIS OF MUTUAL UNDERSTANDING. (PERHAPS THE BEST PLAN MIGHT IN FACT BE FOR A SENIOR OFFICIAL TO COME TO MADRID ON THE DAY BEFORE YOUR OWN ARRIVAL SO AS TO TLD ADVANCE.

TALKS WITH BERDEJO AND MYSELF AND THEN BRIEF YOU BEFORE SEEING MORAN IN PRACTICE I DOUBT WHETHER BERDEJO WILL HAVE MUCH NEW TO SAY.)

## CONFIDENTIAL

6. COMMENT

THE SPANISH GOVERNMENT, HAVE BEGUN TO UNDERSTAND THAT THE PRINCIPAL AIM OF SPANISH FOREIGN POLICY, ENTRY INTO THE COMMUNITY, COULD BE SHIPWRECKED ON THE ROCK OF GIBRALTAR. HENCE THE STRONG FEELING DISPLAYED BY THE KING AND THE FOREIGN MINISTER IN FAVOUR OF THE RESUMPTION OF TALKS AT FOREIGN MINISTER LEVEL. MORAN WILL CLEARLY TRY TO CONDUCT HIS TALK WITH YOU IN A CORDIAL MOOD. IN PARTICULAR HE IS LIKELY TO TRY TO AVOID THE PITFALL OF APPEARING TO RENEGE ON EXISTING SPANISH COMMITMENTS. NEVERTHELESS THERE CAN BE NO DOUBT OF HIS DETERMINISTION, IN HIS OWN SELF DEFENCE AGAINST OPPOSITION ATTACKS, TO TRY TO OBTAIN CLARIFICATION SATISFACTORY TO SPAIN BOTH ABOUT THE AIRPORT AND ABOUT THE POSITION OF SPANIARDS IN GIBRALTAR. THE PROBLEM OF THE AIRPORT IS PROBABLY NOT INSOLUBLE AND MAY WELL BE BASED ON SPANISH MISAPPREHENSIONS, HARD THOUGH WE HAVE ALREADY TRIED TO REMOVE THESE.

7. ON THE OTHER HAND THE QUESTION OF COMMUNITY STATUS FOR SPANIARDS IN GIBRALTAR COULD WELL BE A VIRTUALLY INSOLUBLE PROBLEM FOR THE TIME BEING, GIVEN THE CURRENT ATTITUDE OF THE GIBRALTARIANS AND THE SPANIARDS. I HAVE BEEN MOST CAREFUL TO AVOID HOLDING OUT HOPES ON THIS SCORE. MORAN SHOULD THEREFORE BE WELL AWARE OF THE UNDERLYING DIFFICULTIES FACED BY BOTH GOVERNMENTS. AT THE SAME TIME HE IS PROBABLY RIGHT IN THINKING THAT A MEETING AT FOREIGN MINISTER LEVEL COULD RESTORE SOME DEGREE OF MUTUAL UNDERSTANDING. IT MIGHT BE WORTH DOING SOME ADVANCE WORK ON THE INTERESTING IDEA (ENCLOSURE TO CODRINGTON'S LETTER OF 13 JULY TO WILDE) THAT THE PROBLEM OF RECIPROCITY AND FULL EQUALITY OF RIGHTS SHOULD BE COPED WITH BY REMOVING RIGHTS IN GIBRALTAR AVAILABLE TO UK (AND PRESUMABLY NON-RESIDENT EC) CITIZENS RATHER THAN BY INCREASING THOSE APPLICABLE TO SPANIARDS.

PARSONS

[THIS TELEGRAM WAS NOT ADVANCED]

## GIBRATATAR

PLANNING STAFF

LIMITED

SED

DEF D NEWS D

PUSD ECD (E) PS/LADY YOUNG PS/MR WHITNEY PS/FUS

SIR J BULLARD MR JAMES MR CARTLEDGE

PS

MR HANNAY MR WRIGHT ADDITIONAL DISTRIBUTION

GIBRALTAR

3

CONFIDENTIAL