

O 231530Z FEB 83
FM GOVERNOR GIBRALTAR
TO RBDWDA/FCO LONDON
INFO RBDWDA/MADRID
RBDWDA/SAVING LISBON
BT
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FROM GOVERNOR GIBRALTAR 231530Z FEB 83 TELNO PERSONAL 26 OF 23/2/83

TO IMMEDIATE FCO LONDON
INFO PRIORITY MADRID
SAVING LISBON

FCO PLEASE PASS TO SAVING ADDRESSEE

MADRID TEL NOS 94 AND 95 AND YOUR TEL NO PERSONAL 7: IMPLEMENTATION OF THE LISBON AGREEMENT ON GIBRALTAR

1. HE SAW HASSAN AND ISOLA SEPARATELY TODAY AND ACTED AS INSTRUCTED DRAWING ALMOST EXCLUSIVELY ON MADRID TEL NO 94 BUT EXCLUDING REFERENCE TO GRADUALISM OR PRE-NEGOTIATION.
2. HE TOLD THEM OF MORAN'S AGREEMENT WITH POINTS (A)-(D) OF FIRST MADRID TUR AND OF THE DANGER HE SAW OF MISLEADING PUBLIC OPINION (AGAIN EXCLUDING REFERENCE TO GRADUALISATION). HE OUTLINED THE DIFFICULTIES, WHICH THEY ALREADY KNEW ABOUT, ARISING FROM THE USE OF GIBRALTAR AIRPORT. HE CONCENTRATED THEN ON MORAN'S WISH FOR A PERSONAL MEETING WITH YOU SAYING THAT HE HAD MUCH APPRECIATED YOUR EARLIER CONTACTS AND FELT IT WAS IMPORTANT THAT YOU AND HE SHOULD MAINTAIN CLEAR PERSONAL UNDERSTANDINGS ABOUT THE WAY IN WHICH THE LISBON AGREEMENT WAS TO BE IMPLEMENTED. HE EXPLAINED MORAN'S WISH TO REPRESENT THIS AS PART OF THE WIDE-RANGING TALKS WITH OTHER IMPORTANT FOREIGN MINISTERS ADDING THAT HE HAD PROPOSED THE DATES OF 10 AND 11 MARCH. HE LEFT OPEN THE QUESTION OF WHETHER THIS SHOULD BE IN MADRID OR LONDON IN VIEW OF PARA 2 OF YOUR TUR.
3. HASSAN WHO WAS IN GOOD FORM SAW MORAN'S REACTION AS 'PREDICTABLE' AND DESCRIBED THE IDEA OF A MEETING WITH YOU AS A 'FACE SAVER'. HE DREW BRIEFLY ON MADRID TEL NO 95 TO SUGGEST THAT MORAN MAY BE UNDER PRESSURE AND WOULD WELCOME A FURTHER MEETING WITH YOU AS A MEANS OF PROTECTING HIS POSITION. HASSAN HAD BEEN WARNED BY BRAVO THAT THE MARCH DATE MIGHT BE TOO EARLY FOR THE SPANIARDS WHO MIGHT PREFER APRIL. HE SAID THAT IT WAS IMPORTANT TO TRY AND ACHIEVE IMPLEMENTATION IN APRIL BECAUSE OF THE DAMAGE BEING DONE TO GIBRALTAR'S ECONOMY BY THE PRESENT PARTIAL OPENING AND THE FACT THAT BY APRIL THE STUDY PHASE ON THE DOCKYARD WOULD BE DRAWING TO ITS END. IT WOULD BE VERY DIFFICULT TO HANDLE DISAPPOINTMENTS ON THE FRONTIER AND THE MOMENT OF TRUTH ON THE DOCKYARD AT THE SAME TIME.

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HE WAS THEREFORE PERSUADED THAT YOU SHOULD AGREE TO MORAN'S PROPOSAL IN THE CONTEXT OF A SERIES OF MEETINGS WITH EUROPEAN FOREIGN MINISTERS BUT ADDED THAT FROM HIS POINT OF VIEW IT WOULD BE MUCH EASIER TO HANDLE IF THE MEETING WERE TO BE IN LONDON. LOCAL SUSPICIONS WOULD BE BOUND TO BE AROUSED BY A MADRID MEETING.

4. ISOLA TOO THOUGHT THAT THE MARCH DATE HAD ALWAYS SEEMED A BIT EARLY FOR THE SPANIARDS BUT WAS RATHER LESS OPTIMISTIC THAN HASSAN. PERCEPTIVELY HE COMMENTED THAT MORAN MIGHT BE COMING TO THE VIEW THAT THE LISBON AGREEMENT DID NOT OFFER THE SOLUTION TO THE GIBRALTAR PROBLEM WHICH MIGHT HAVE TO BE FOUND IN OTHER WAYS. HE ALSO AGREED THAT MORAN'S PROPOSAL COULD NOT BE RESISTED AND THAT IT SHOULD BE HELD IN LONDON IN A SIMILAR CONTEXT TO THAT DESCRIBED BY HASSAN. HE LAY PARTICULAR STRESS ON THE IMPORTANCE OF ACHIEVING IMPLEMENTATION IN APRIL OR AT THE WORST MAY BECAUSE OF THE COINCIDENCE WITH DEVELOPMENTS ON THE DOCKYARD FRONT. HE SAID HE COULD NOT SEE HIS PARTY GOING ALONG WITH PROPOSALS FOR COMMERCIALISATION OF THE DOCKYARD IF THE FRONTIER WAS STILL OPEN IN ITS PRESENT STATE WHEN SUCH DECISIONS WERE REQUIRED, POINTING OUT THAT STUDIES ON ECONOMIC DIVERSIFICATION EMPHASISED THE NEED FOR AN OPEN FRONTIER TO SUCCEED. HE FEARED THAT MORAN MIGHT BE INCREASINGLY AWARE OF THE ECONOMIC DISADVANTAGE TO GIBRALTAR OF THE FRONTIER SITUATION AND THUS INCLINED TO DRAW OUT NEGOTIATIONS.

5. BOTH MEN LEFT IN GOOD SPIRITS ACCEPTING MY FINAL POINT THAT IT WAS IMPORTANT POLITICALLY FOR US TO MAINTAIN THE POLITICAL INITIATIVE AND NOT ALLOW THIS TO PASS TO THE SPANIARDS BY REFUSING MORAN'S PROPOSAL.

(REPEATED AS REQUESTED)

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