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Prime Minister

CYPHER CAT ALFA
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FROM GIBRALTAR 071700Z APR 83
TO PRIORITY FCO TEL NO PERSONAL 47 OF 7 APRIL 83
INFO PRIORITY ODA
AND PRIORITY MODUK (FOR DS12 CFS CED)

GIBRALTAR DOCKYARD: TIMETABLE

1. SINCE MY RETURN FROM TALKS IN LONDON I HAVE GIVEN FURTHER THOUGHT TO THE NECESSITY OF OUR UNDERSTANDING AND AGREEING THE TIMING AND FORM OF THE DECISION TAKING PROCESS HERE AND IN LONDON. WE ARE ALL WORKING TOWARDS CLOSURE ON 31 DECEMBER 1983. ANY EXTENSION OF THIS PERIOD WOULD, I UNDERSTAND, REQUIRE FURTHER REFERENCE TO CABINET.

2. AOP APPLIEDORE REPORT THEIR FINDINGS ON 28 APRIL: THE CONSULTANTS REPORT ON 3 MAY: THEN MY FINANCIAL SECRETARY REPORTS TO THE CHIEF MINISTER ON 13 MAY. THE CHIEF MINISTER WOULD THEN NEED TO CONSULT HIS MINISTERIAL COLLEAGUES ON ABOUT 18/19 MAY.

3. THUS FAR, PROVIDED THERE IS NO SLIPPAGE (BY NO MEANS A CERTAINTY) THINGS ARE RELATIVELY SIMPLE. BUT I SUSPECT HASSAN WILL NOT CARRY THINGS TO FINALITY WITH HIS COLLEAGUES FIRST TIME ROUND AND MAY NEED TO SEE THEM AGAIN, THE FOLLOWING WEEK AS WELL AS INTERESTED GROUPS BEFORE TAKING THE QUESTION TO THE HOUSE OF ASSEMBLY ON 1/2 JUNE.

4. HASSAN WILL WANT TO HAVE A CLEAR IDEA OF HMG'S ATTITUDE BEFORE COMMITTING HIMSELF. HIS RESOLVE IS ALSO LIKELY TO NEED STIFFENING. I BELIEVE IT WOULD BE WISE TO PLAN NOW ON HIM (AND CANEPA) HOLDING TALKS IN LONDON WITH MINISTERS (EG LORD BELSTEAD AND MR RAISON) ON OR ABOUT 23/24 MAY, IE BEFORE THE LIKELY SECOND ROUND WITH HIS COLLEAGUES. HASSAN HAS TOLD ME HE WOULD FAVOUR SUCH AN ARRANGEMENT. TO SCHEDULE IT NOW WOULD AVERT ANY IMPRESSION OF CRISIS LATER.

5. THE OUTCOME IN THE HOUSE OF ASSEMBLY DEPENDS ALMOST ENTIRELY ON HOW WELL HASSAN CAN HOLD HIS COLLEAGUES TOGETHER. THE OPPOSITION IS COOL OR HOSTILE. IT IS THEREFORE DESIRABLE TO GIVE HIM EVERY SUPPORT.

6. A FURTHER POSSIBLE COMPLICATION IS THE TIMING OF THE ODA PROJECT EVALUATION COMMITTEE PROCESS. I UNDERSTOOD IN LONDON THAT THIS WOULD TAKE SOME CONSIDERABLE TIME TO FINALISE. IF SO THIS MAY IMPEDE BRITISH MINISTERS' ABILITY TO HELP HASSAN. FURTHERMORE IT MAY JEOPARDISE THE FULL IMPLEMENTATION OF REDUNDANCY PROCEDURES WHICH FOR A 31 DECEMBER CLOSURE WOULD REQUIRE NOTICE OF REDUNDANCY TO BE ANNOUNCED ON 31 MAY AND REDUNDANCY NOTICES TO BE SERVED ON 30 JUNE. TO MAKE SUCH AN ANNOUNCEMENT ON 31 MAY IN THE MIDST OF GIBRALTAR'S PERIOD OF DECISION TAKING WOULD IN ANY CASE BE POLITICALLY CLUMSY.

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7. THE FOREGOING APPEARS TO LEAD TO TWO POSSIBLE APPROACHES:

A. AS SOON AS POSSIBLE (PERHAPS USING HMG'S REPLY TO THE HOUSE OF ASSEMBLY RESOLUTIONS AND MR HESELTINE'S LETTER TO THE GTC) MAKE 31 DECEMBER 83 THE DEFINITE DATE OF CLOSURE. THE ADVANTAGES OF SUCH A COURSE ARE THAT THEY WOULD REMOVE ANY LINGERING HOPES AND DOUBTS IN THE MINDS OF GIBRALTAR'S MINISTERS AND UNIONS AND THUS PERHAPS FORCE THEM TO CONFRONT REALITIES AT ONCE. THE LIKELY STRIKES AND DISORDERS SHOULD THEREBY BE EXHAUSTED WELL BEFORE GIBRALTAR'S ELECTIONS APPROACH (FEBRUARY 1984) AND THE HANDOVER TAKES PLACE. IT WOULD HOWEVER MEAN DECISIONS ON CLOSURE WERE FIRM BEFORE COMMERCIALISATION WAS FORMALLY CONSIDERED AND LOSE ANY MITIGATING INFLUENCE IN GIBRALTAR THE LATTER MIGHT HAVE ON THE FORMER:

B. ACCEPT NOW THAT WHILST CONFIRMING CLOSURE IN DECEMBER SOME SLIPPAGE OF CLOSURE/TRANSFER DATE MAY OCCUR BUT NOT BEYOND END OF FINANCIAL YEAR 1983-84. REDUNDANCY NOTICES MIGHT HAVE TO BE PHASED SO AS TO ALLOW DOCKYARD TRANSFER WORKS PROGRAMME TO BE COMPLETED POST CLOSURE.

8. GETTING THE LABOUR REACTION RIGHT APPEARS CRITICAL TO ACHIEVING THE RIGHT REACTION FROM GIBRALTAR AND CREATING THE BEST CONDITIONS FOR APPLIEDORE'S SUCCESS. IF THE DECISION TAKING PROCESS IS INDEED AS TIGHT AS IT APPEARS THIS SECOND OPTION SEEMS TO HAVE MUCH IN ITS FAVOUR

WILLIAMS

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