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CONFIDENTAL AND AND STREET.

CONFIDENTIAL

FM MADRID 241145Z JAN 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 40 OF 24 JANUARY

INFO PRIORITY GOVERNOR GIBRALTAR (PERSONAL), UKREP BRUSSELS, DOT INFO ROUTINE BONN

my

ANGLO-SPANISH RELATIONS

- 1. THE NEXT TWO MONTHS SHOULD WITNESS A PERIOD OF CONSIDERABLE ACTIVITY. WE NEED TO PLAY THE CARDS IN THE BEST WAY FOR OUR NATIONAL INTERESTS. TIME IS SHORT.
- 2. WE REQUIRE QUICKLY FROM THE SPANISH GOVERNMENT SOME PALPABLE IMPROVEMENT IN THE PRESENT IMBALANCE OF OPPORTUNITY ON THE TRADE FRONT. THEY NEED FROM US ACTIVE SUPPORT IN THE ENLARGEMENT NEGOTIATIONS. FELIPE GONZALEZ STRESSED THE IMPORTANCE OF THE LATTER IN A RECENT TELEVISION ADDRESS TO THE NATION. AT THE SAME TIME THE MOMENT MAY NEVER BE MORE PROPITIOUS THAN IT IS NOW FOR THE IMPLEMENTATION OF THE LISBON AGREEMENT ON GIBRALTAR. THIS IS DESIRED BY BOTH GOVERNMENTS FOR THEIR OWN PURPOSES.
- AFFAIRS COUNCIL MEETING WITH SPAIN IS ENVISAGED FOR 21 OR 22
 FEBRUARY. WE DISCOVERED DURING GRAY'S RECENT VISIT TO MADRID THAT
 ONE MAIN MOTIVE BEHIND THE SPANISH FOREIGN MINISTRY'S WISH TO BE
 HELPFUL OVER THE AUTOMOBILE INDUSTRY ETC WAS A DESIRE TO GET THINGS
 RIGHT BEFORE THE EUROPEAN COUNCIL MEETING IN MARCH. ON 21 JANUARY
 MARIN (SECRETARY OF STATE FOR COMMUNITY RELATIONS) DECLARED
 PUBLICLY THAT THE SPANISH GOVERNMENT HAD PRESSED THE GERMAN
 PRESIDENCY TO OPEN THE AGRICULTURAL CHAPTER IN THE NEGOTIATIONS
 SHORTLY AFTER THE MARCH MEETING.
- 4. WE SHOULD TRY TO PLAY THIS TIMETABLE TO OUR ADVANTAGE, OVER BOTH TRADE AND GIBRALTAR. OF COURSE WE SHOULD MAKE NO CRUDE LINKAGE BETWEEN THESE TWO SUBJECTS. BUT IT WILL NOT BE DIFFICULT TO REINFORCE THE SPANISH GOVERNMENT'S EXISTING PERCEPTION THAT THE PRIME MINISTER'S ATTITIDE TOWARDS ENLARGEMENT AT THE EUROPEAN COUNCIL WILL INEVITABLY DEPEND ON THEIR DEGREE OF COOPERATION IN THE NEXT TWO MONTHS. THE CALENDAR ENVISAGED IN LONDON FOR THE INTERIM PERIOD ACCORDS WELL WITH THESE TACTICS. I HAVE TODAY PROPOSED TO THE SPANISH GOVERNMENT THAT BILATERAL TRADE TALKS AT SENIOR OFFICIAL LEVEL SHOULD BE HELD ON 7 AND 8 FEBRUARY (YOUR TEL NO 18). I HAVE ALSO, ON INSTRUCTIONS FROM HANNAY, SUGGESTED THAT MARIN SHOULD VISIT MR HURD IN LONDON ON 23 FEBRUARY FOR WIDER TALKS ABOUT COMMUNITY POLICY. I LIKEWISE WELCOME THE IDEA, ON WHICH

/I AWAIT

CONFIDENMAL I AWAIT INSTRUCTIONS, THAT WE MIGHT PROPOSE 10 AND 11 MARCH FOR IMPLEMENTATION OF THE LISBON AGREEMENT. NOT ONLY WOULD THIS STEER WELL CLEAR OF THE IMPORTANT SPANISH MUNICIPAL ELECTIONS IN MAY (MY TELEGRAM NO 32) BUT IT COULD ALSO PROVIDE A POSITIVE RUN UP TO THE EUROPEAN COUNCIL MEETING ON 21 MARCH. 5. THUS, NOW THAT THE SPANISH GOVERNMENT HAVE NAILED THEIR COLOURS SO FIRMLY TO THE MAST OF A SUCCESS AT THE EUROPEAN COUNCIL, WE SHOULD NOT SCRUPLE TO USE THE PRESSURE POINT PROVIDED BY OUR CAPACITY TO BE EITHER HELPFUL OR HARMFUL ON THAT OCCASION. PARSONS GIBRALTAR LTD SED DEF DEPT ADDITIONAL DISTRIBUTION NEWS D GIBRALTAR PUSD ECD(E) PLANNING STAFF PS PS/MR HURD PS/LORD BELSTEAD PS/PUS SIR J BULLARD MR GOODISON 2 MR GILLMORE MR HANNAY CONFIDENMAL