

Britain and Spain exchange threats over Gibraltar

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Spain and Britain have agreed to hold talks in an effort to resolve a conflict over Gibraltar that has taken on war-like dimensions over the last week. Gibraltar is a 6.5 square kilometre rock lying at the southern tip of the Iberian Peninsula. It has a population of less than 30,000 and functions almost solely as a tax haven for its residents and 53,000 registered companies. How is it that its fate should have so soured relations between two European allies?

Britain has controlled Gibraltar since Spain was forced to cede the outpost in the Treaty of Utrecht in 1713. Throughout much of the nineteenth and twentieth century, it functioned as a strategic military base for British forces, but it is now primarily a commercial outpost. As a "UK dependent territory", Gibraltar is exempt from many European Union regulations. It does not pay Value Added Tax or turnover taxes, does not belong to either the EU Customs Union or the Common Agricultural Policy and does not contribute to the EU Budget. Little wonder then that Gibraltans are renowned for their fierce patriotism!

Spain has never accepted British sovereignty and the "Rock", as it is known, has been the flash point of many confrontations between the two countries. In the 1960s Gibraltar's decolonisation was placed on the agenda of a UN Special Committee, which favoured the Spanish claim. Britain refused to budge and organised a counter-offensive. In 1963 it initiated self-government and, in 1967, carried out a referendum on British sovereignty, confident that it would return a massive vote in favour. In the same year, the Labour government of Harold Wilson drew up military contingency plans in case of an invasion by Spain. The Franco regime imposed a series of restrictions at Spain's land frontier and by 1969 a complete blockade was in force.

Franco's death and Spain's desire for entry into the European Economic Community broke the deadlock. In 1982 the siege was lifted in return for talks on Gibraltar's future. In 1986, following Spain's entry into the European Union, Madrid and London formally accepted the Brussels Accord framework for negotiations. This achieved very little, as the Conservative government of Margaret Thatcher had already made clear its response to such claims in 1982 when it declared war on Argentina over control of the tiny Malvinas (Falklands) islands. The Rock's government, under Socialist Labour Party leader

Bossarno, also rejected the accord.

This stand-off created many problems, including hold-ups in European Union legislation. Flights to the Rock are restricted, as in December 1987 Gibraltar was excluded from European measures on civil aviation. The site of Gibraltar's airport falls outside the area specified in the Ulbrecht Treaty, and the Rock's government refused to jointly co-operate with Spain. Its inhabitants are also barred from voting in elections to the European Parliament. Although the British parliament could extend the franchise--as demanded by Gibraltans--Spain has blocked this as part of its claim to the territory. London and Madrid have both become increasingly concerned over the impact of the dispute on trade. In 1995 British exports to Spain were worth £6 billion and Spain's to Britain almost £4 billion.

Political changes over the last two years brought hopes of a breakthrough. In Gibraltar the incoming Social Democrats ruled out a compromise on sovereignty, but pledged a dialogue with Spain on other (economic) issues. More significant was the election of the Labour government in Britain in 1997, which sparked a blossoming relationship between Prime Minister Blair and his Spanish counterpart Jose Maria Aznar, from the conservative right.

In 1998 Spain's Foreign Minister Abel Matutes re-tabled proposals to the United Nations previously rejected by the Tories, which mooted a period of joint British/Spanish sovereignty over the Rock as part of the Brussels framework agreement. Gibraltar's inhabitants could retain British citizenship and Gibraltar would keep its special EU status. Arrangements could also be made concerning British military forces, in return for Britain conceding that the Rock was Spanish territory. The Spanish system of autonomous regions would constitutionally defend the Gibraltar's rights.

Matutes described the Rock as an "obstacle which is interfering with the good relations between two countries that are partners and allies and which also have great potential for developing their ties." The Blair government, whilst stipulating that there could be no change without the consent of Gibraltans, held informal talks with its authorities on the future relationship to the UK. Labour made clear that it had not ruled out going the "extra mile" to satisfy some of Spain's demands and did not block Spain's application for membership of NATO--something

about which the Conservative opposition has since bitterly complained.

This met a hostile response from the Rock's government, fearing it would mean the loss of their privileged status. They countered with a farcical plan for "self-determination", under which the Rock would cease to be a British colony but would retain the British Governor as the crown's representative--a measure aimed at thwarting the Spanish claim.

The *Gibraltar Chronicle* noted that the head of the Social Democrats, Peter Caruana, had to "talk tough" with Spain and Britain at the Labour Party conference last year. Britain, it declared in bellicose tones, "is making it clear it has no appetite for a fight in the Bay." Other articles warned that efforts by Britain and Spain to "get on" were a "danger for Gibraltar".

Gibraltar's government subsequently set out to create a confrontation with the Spanish authorities. At the beginning of 1998, it decided to heavily enforce an "ecological law" passed in 1991 that outlawed all methods of fishing in the Bay except by hook and line. Between January and April that year, 115 Spanish fishing boats were ordered out of the Bay, in comparison to just 16 the previous year. This caused several clashes between Rock police and Spanish fishermen in which gunfire was exchanged. Spain rejected Gibraltar's jurisdiction over the waters, whilst Caruana raged that the issue at stake wasn't "fishing", but "British waters".

Publicly the Blair government bowed to this chauvinism, promising to send in naval reinforcements to defend the waters.

Foreign Minister Robin Cook held meetings with Matutes in October last year, which the latter described as "fruitful and constructive". The two had been able to address concrete terms for Gibraltar's future, including sovereignty issues, without prejudice, Matutes said. But Spain's historical claim to the territory "cannot cease to be a permanent priority in our foreign policy".

At the end of January this year, the Spanish fishing boat *Piranha* was impounded by the Rock's police, accused of breaching the "new rules" regulating access to its territorial waters. Gibraltar claimed these had been agreed in principle between Cook and Matutes, and limited the number of ships allowed in the waters around the Rock at any one time. This supposed verbal agreement had not been communicated elsewhere, however.

Following the *Piranha's* impounding angry Spanish fishermen blockaded the border. Their nets and catch were confiscated and the crews forced to stand trial for fishing in British territorial waters. Talks were held between Caruana and local fishermen, which were endorsed by Britain as a "sensible conclusion". But last week Matutes angrily denounced the deal struck, which effectively gave Gibraltar sovereignty over the waters. This had been ruled out in his discussion with Cook, he said, where they had agreed fishermen's access to "traditional waters". He complained that Spain had "been the victim of broken promises by a friend and ally". Meanwhile Sir Richard

Luce, Gibraltar's governor, threatened to resign if the Blair government did not take a stand.

Madrid complained that Anglo-Spanish talks on the territory's future had reached a "watershed". Ramon de Miguel, junior foreign minister, said Spain had maintained an "open and flexible" policy towards Gibraltar since 1996, but could "no longer tolerate that [the territory's] prosperity is being made parasitically". He called for an immediate end to "illicit and irregular activities". The Spanish authorities began tightening border controls and threatened to prevent any flights to the territory from crossing Spanish air space. Matutes said, "As parasites go, Gibraltar is too big a parasite. It lives on 53,000 companies set up to avoid Spanish taxes and to launder drugs money."

The response to this in Britain was a wave of rabid jingoism. In parliament the Tory shadow Foreign Minister Michael Howard denounced Labour's policy as a mixture of "equivocation, retreat and surrender", whilst another Tory MP complained that Britain was playing cricket with a "nation of bullfighters". But it was Labour MPs who openly demanded blood. Andrew Mackinlay said the government had been "far too soft for years" with Spain, whilst Lindsay Hoyle called for the Royal Navy to be immediately despatched. "Let's take the kid gloves off", Hoyle demanded.

Commenting on Blair's silence in the face of all this, the Spanish daily *El Pais* asked if he couldn't find "a Third Way solution, between the do-nothing policy and confrontation". But Labour's way is that of traditional British imperialist policy. Fresh from its escapades in Iraq and poised to enter Kosovo, moreover, the party is once again demonstrating extreme recklessness.

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