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PREM 19/276

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PART 6

Confidential Filing

Internal Situation

Sanctions against Iran

IRAN

Part 1: May 1979

Part 6: April 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>11-4-80</del>							
<del>14-4-80</del>							
<del>15-4-80</del>							
<del>17-4-80</del>							
19-4-80							
21-4-80							
25-4-80							
<del>27-4-80</del>							
1-5-80							
- P66 Eds -							

PREM 19/276

PART 6 ends:-

MOD874 to Flo 30.4.80

PART 7 begins:-

cc (80) 18th Cms 1.5.80



## Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

House of Commons Hansard, 14 April 1980, columns 790 -799;  
25 April 1980, columns 464 – 478 and 25 April 1980, columns  
878 – 885: all “Iran”

Signed Wayland Date 27 May 2010

**PREM Records Team**



*file RB*

10 DOWNING STREET

From the Private Secretary

30 April 1980

*Original filed in: Euro P.M.: Community Budget Pt 3.*

DISCUSSIONS AMONG HEADS OF GOVERNMENT  
IN LUXEMBOURG

I have discussed with the Prime Minister the points raised during the Heads of Government dinner on 27 April and the tripartite breakfast the following morning. The discussion on both occasions was largely concerned with international problems.

Dinner

The Prime Minister said that the most substantial part of the discussion at dinner related to the question of sanctions against Iran. She had asked her colleagues whether or not they were prepared to break existing contracts. And whether, if contracts were broken, they proposed to compensate those who suffered. Chancellor Schmidt said that the German Government did intend to pay compensation. There were contracts to the value of £2,000 million between the two countries. When the Prime Minister pressed him on the question of whether the Government had already decided to sever those contracts, Chancellor Schmidt said that no decision had yet been taken. The Federal Government had passed an order instructing all companies engaged in contracts with Iran to refer to the Government. The Government had not yet decided how to respond when the references were made.

President Giscard, in the Prime Minister's view, made it clear that the French Government did not intend to break existing contracts. A very large number of contracts were at risk (fewer than Germany had outstanding but more than the UK). In particular there was a major nuclear power station contract. President Giscard thought that the Iranians would sue - he implied successfully - those who broke existing contracts. It would be for the Foreign Ministers of the Nine to determine whether or not the French view of the international legal situation was correct. The Prime Minister commented that there was little time available for them to do so.

At one point in the conversation about sanctions, Mr. Haughey said that it seemed clear to him that the Foreign Ministers had been ignorant of the full implications when they had taken their sanctions decision. It having been agreed that this was the case, Mr. Haughey asked whether it should not be made clear to the Americans that new factors were becoming apparent. It was agreed that this would be

*/wrong.*

wrong. Indeed, there was a remarkable absence of criticism of American policy towards Iran and unanimity on the need to show solidarity. As regards the rescue attempt, Chancellor Schmidt said that he would not have expected to be consulted and had no complaint on that score.

On the Middle East, it was agreed that it would be best to postpone any discussion of a Middle East initiative until after the expiry of the 26 May deadline. Mr. Haughey raised the question of problems relating to UNIFIL. He wondered whether an effort should not be made to revise the conditions under which there was a UN presence in South Lebanon. However, it was agreed it would be inopportune to try to do so at present. President Cossiga was asked to consider whether an approach could not be made to Haddad asking him to restrain the forces under his command.

### Breakfast

The discussion at breakfast was almost exclusively about extra-Community affairs. There was a reference to the Community budget when the Prime Minister said that she was pessimistic about the chances of achieving a settlement that day. President Giscard said that if agreement could not be reached, Heads of Government would no doubt have to revert to the issue on a later occasion.

Chancellor Schmidt and President Giscard both complained about the discussion at dinner the previous evening. They said that it was a thoroughly unsatisfactory forum in which to discuss international issues. Chancellor Schmidt argued that the Foreign Ministers of France, the UK and the Federal Republic should meet, without publicity, twice a month. In other words, a regular triangular arrangement should be established. In the Prime Minister's view there seemed to be a clear intention to enlarge the Franco/German axis to include the UK. (She also commented that the other two may now, of course, be less enthusiastic).

In relation to the proposal that Chancellor Schmidt should visit Moscow, the Prime Minister said it was clear that the Chancellor had not yet finally made up his mind about going. President Giscard was not enthusiastic. He thought that the Russians would try to use the occasion to single out Chancellor Schmidt from his colleagues and to divide Europe from America. Chancellor Schmidt made it clear that he would only go after the Venice Summit. The Prime Minister suggested to him that the proximity of the Olympic Games might make a visit in July awkward.

Chancellor Schmidt was angry that the Americans had failed to bring out their dead after the failure of the rescue bid in Iran. The strong impression was of a departure in panic. President Giscard was generally scornful about the operation. Both men criticised recent lack of consultation by the Americans but agreed on the overriding need to back the United States.

The idea of a quadrupartite summit before Venice received no support. Chancellor Schmidt commented on the need for any such summit to be carefully prepared. It was not clear what could be achieved at a summit held before the meeting in Venice.

M. O'D. B. ALEXANDER

G. G. H. Walden, Esq.,  
Foreign and Commonwealth Office.

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

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SUBJECT: POLITICAL DISCUSSION BETWEEN HEADS OF STATE AND GOVERNMENT AND FOREIGN MINISTERS DURING THE EUROPEAN COUNCIL

.....In Confidence

CAVEAT.....

On 27 April, the Nine Heads of Government dined together in Luxembourg, while their Foreign Ministers held a similar dinner in parallel. Discussion at both dinners appears to have been mostly political.

There was a remarkable absence of criticism of American behaviour over Iran. Even the Danes showed a sense of solidarity with the Americans. Nor was there any tendency to dwell on the reasons for the failure of the raid. At one point there was a suggestion that the President of the Community should go to Washington, but this was not followed through. There was no discussion about a summit meeting of the Four. On sanctions, there was general uncertainty about how these would apply to current contracts. But Chancellor Schmidt, among others, made it clear that they would not, and spoke at some length about the nuclear power station the Germans are building in Iran.

On Afghanistan, Lord Carrington argued strongly against accepting a Soviet fait accompli. But he also made it clear that he was not necessarily wedded

Enclosures—flag(s).....



to the precise wording of our neutrality proposal; the concept of an "independent and non-aligned" Afghanistan was not incompatible with our proposals. It was noted that the boycott of the Olympics was gathering steam, though concern was expressed about how the West would maintain evidence of its displeasure after the Olympics.

On the Arab/Israel issue, it was agreed that the best time for discussion of a European initiative would be at the Venice Summit, which would be conveniently close to the expiry of the 26 May deadline. But the Dutch and others argued strongly against the inclusion of self-determination in the text of the declaration on the international situation to be issued at the end of the Summit.

BLIND COPY: M O'D B ALEXANDER ESO  
10 DOWNING ST

WED

## TRIPARTITE BREAKFAST IN LUXEMBOURG

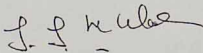
President Giscard invited Mrs Thatcher and Chancellor Schmidt to breakfast in Luxembourg on 28 April, together with their Foreign Ministers.

It was agreed that the three Foreign Ministers should meet soon to discuss Iran, the Middle East and Afghanistan in particular. The French undertook to make the arrangements. (After the failure of the budget negotiation, Chancellor Schmidt told Lord Carrington that he hoped that the meeting of Foreign Ministers would go ahead despite the breakdown on the budget.)

Chancellor Schmidt's invitation to Moscow was discussed. He himself saw some disadvantage, eg by exposing him to criticism from America. But his domestic opinion would favour a visit. He was thinking of going after the Venice Summit, but before the Olympic Games in Moscow. Lord Carrington said he thought it would be a good idea to go. Giscard was not encouraging, on the grounds that the Russians were trying to divide America from Europe, and that this must not be allowed to happen. It was the Prime Minister's clear impression that Schmidt intended to go.

On Iranian sanctions, it was clear that neither Giscard nor Schmidt were thinking of breaking existing contracts. Schmidt was scornful of the Americans' action in leaving their dead behind; and Giscard referred slightly to the Americans' "so-called professional army".

Giscard gave some account of Gromyko's visit to Paris. Gromyko had been very negative, contemptuous of the Americans, and clearly determined to concentrate on the Pakistanis. Neither Schmidt nor Giscard thought that the Americans were doing enough to help the freedom fighters in Afghanistan.



(G G H Walden)

30 April 1980

cc:- PS  
 PS/LPS  
 PS/Mr Hurd  
 PS/PUS  
 PS/Sir D Maitland  
 Lord Bridges  
 Mr Bullard  
 Mr Fergusson  
 EESD  
 WED

PRIME MINISTER

MEETING WITH THE CHANCELLOR ON THURSDAY 1 MAY

The Treasury tell me that the Chancellor wishes to discuss the attached minute which he has sent you on Iran.

This minute makes two points: first, sanctions should apply only to future contracts; and secondly, we should not move against Iranian assets in London.

I think it is already agreed amongst colleagues that we should not freeze Iranian assets. As for the question of sanctions, you have been inclined to agree with the Chancellor that existing contracts should not be affected. However, OD are due to have another discussion on this, and you will not want to pre-empt the outcome of that.

There is no other topic which the Chancellor has warned us he will raise. However, you might question him on the prospects for getting MLR down. The CBI have come out fairly strongly expressing disappointment that interest rates have not come down sooner.

UK interest rates have been falling. The inter-bank rate this evening was  $17\frac{1}{8}$  per cent. But this is still above MLR, and until there is a little more evidence that bank lending to the private sector is moderating I think it would be unwise to move quite yet. The worst thing would be to reduce MLR and either for the markets to take no notice, or for us to be forced to increase it again. Nonetheless, caution can be taken too far; and you might tell the Chancellor that you hope he can get MLR down as soon as it looks safe to do so.

30 April 1980

72



Chancellor of the Duchy of Lancaster

NAVY COUNCIL OFFICE  
11 DEHALL, LONDON SW1A 2AT

30 April 1980

*Handwritten signature/initials*

*Sean Myles*

Thank you for your letter of 24 April about the Iran Bill.

I understand that instructions have been sent to Parliamentary Council on the preparation of this Bill and the Chancellor of the Duchy of Lancaster is prepared to authorise Counsel to continue work on it.

I understand that the present intention is that the Bill will be coming to Legislation Committee on 7 May and that it has to secure Royal Assent before 17 May. If these assumptions are correct, and it would be helpful if you could confirm them, the Chancellor of the Duchy and the other business managers will be faced with the need to take the Bill through all its stages in both Houses in the week beginning 12 May. In planning how to do this and, in particular, in consulting the Opposition, it would be very helpful if the Chancellor of the Duchy, the Acting Leader of the House of Lords and both Chief Whips could be provided as soon as possible with a short note setting out what is likely to be in the Bill, what measures in the vetoed Security Council resolution can be implemented under the 1939 Act, and what action it will be necessary to take to implement sanctions once the new Bill is implemented. Could you please let us have such a note by the end of this week at the latest? Members on both sides of the House will be interested in the question of the application of sanctions to existing contracts and of compensation. I understand that the policy issues are not yet settled, but it would be very helpful to know what, if anything, could be said at this stage on these matters.

The Chancellor of the Duchy hopes that in this way there can be a more useful discussion at Legislation Committee on 7 May of the handling of the Bill in Parliament and the likely reaction, both of the Opposition and of Government supporters.

I am copying this letter to the Private Secretaries to the Acting Leader of the House of Lords and the Chief Whips in both Houses. Copies go also to the Private Secretaries to First Parliamentary Counsel and Sir Robert Armstrong.

*Yours sincerely*  
*Miss Petra Laidlaw*

Myles Wickstead Esq  
Private Secretary to the  
Lord Privy Seal  
Foreign & Commonwealth Office

MISS PETRA LAIDLAW  
Private Secretary

1-2 JULY 1960





Foreign and Commonwealth Office

London SW1A 2AH

30 April 1980

*Draft to issue*

*Paul*

*Dear Mr Alexander*

Message to the Japanese Prime Minister

With my letter to you of 25 April, I enclosed a draft reply for the Prime Minister to send to Mr Ohira's message of 18 April.

That draft was overtaken by events.  
/ I attach an updated one.

*Yours etc*

*Paul*

(P Lever)  
Private Secretary

M Alexander Esq  
10 Sowing Street

DRAFT MESSAGE FROM THE PRIME MINISTER TO MR OHIRA,  
PRIME MINISTER OF JAPAN

Thank you for your message of 18 April. I greatly value your desire to cooperate with the European countries over the measures that can best be taken in support of the United States against Iran. If measures taken now are to have the right effect it will be essential that they have the widest support possible.

I am particularly pleased that our two Governments have been able to <sup>winnet</sup> ~~keep~~ so closely (in touch) over this issue in recent weeks. Peter Carrington much appreciated his talk <sup>with</sup> ~~and it was of~~ ~~great help for~~ Dr Okita in Luxembourg on 21 April.

As you know the Foreign Ministers of the European Community countries announced on 22 April a series of measures to be taken in respect of Iran. I am most grateful that you have been able, ~~to~~ in your statement in 24 April, to associate yourself with <sup>these</sup> ~~the~~ measures, ~~on which the European Community has agreed.~~ Our determination to take <sup>them</sup> ~~these~~ measures has not been affected by the unsuccessful attempt to rescue the hostages last week. You will have seen that the European <sup>reaffirmed them at its</sup> ~~Council meeting in Luxembourg~~ on 27 and 28 April, ~~reaffirmed these decisions.~~

We shall all need to keep in ~~close~~ touch over the implementation of these measures. Instructions are being sent to our Embassy in Tokyo to <sup>maintain</sup> ~~keep in~~ the closest possible contact with the Japanese authorities, ~~on this, and~~ I hope that here in London

we can enjoy similar contact with the Japanese  
Embassy.

I look forward to seeing you in Venice in June.



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FM CANBERRA 300040Z APR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 280 OF 30 APRIL

INTERVIEW WITH THE AUSTRALIAN PRIME MINISTER

1. WHEN I DELIVERED THE PRIME MINISTER'S LETTER OF INTRODUCTION TO MR FRASER ON 30 MARCH, THE LATTER TOLD ME THAT HE WAS HIMSELF ABOUT TO ADDRESS A LETTER TO THE PRIME MINISTER. HE SAID THAT HE HAD BECOME INCREASINGLY DISTURBED ABOUT THE LACK OF STRATEGIC AND POLITICAL CO-ORDINATION AMONG THE PRINCIPAL WESTERN POWERS, WHICH ENDANGERED THE SURVIVAL OF THE WESTERN WORLD. HE WAS MUCH RELIEVED THAT THE COMMUNITY, LIKE AUSTRALIA, HAD EXPRESSED ITS SUPPORT FOR THE UNITED STATES, BUT IT WAS NOT SUFFICIENT FOR THE UNITED STATES TO BE LEFT TO MAKE THE RUNNING, THE REST OF US GIVING OUR SUPPORT AFTER THE EVENT. HE WAS GOING TO SUGGEST TO THE PRIME MINISTER THAT SHE SHOULD TAKE AN INITIATIVE DESIGNED TO ESTABLISH A MACHINE OF CONSULTATION ON STRATEGIC POLICY AND ACTION, THE PARTICIPANTS IN WHICH SHOULD BE THE UNITED STATES, BRITAIN, GERMANY AND FRANCE.
2. I ENQUIRED WHETHER AUSTRALIA, JAPAN AND CANADA SHOULD NOT BE INCLUDED IN HIS PLAN. MR FRASER SAID NOT: IF THEY WERE INCLUDED OTHERS WOULD HAVE TO BE TOO, AND THE MACHINE WOULD BECOME LARGE AND UNWIELDY.

MASON

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10 DOWNING STREET

*From the Private Secretary*

30 April, 1980.

Thank you for your letter of 29 April enclosing the text of a letter to the Prime Minister from the Prime Minister of Australia. I have of course brought Mr. Fraser's letter to Mrs. Thatcher's immediate attention.

M. O'D. R. ALEXANDER

His Excellency Sir James Plimsoll, A.C.,  
C.B.E.

GPS 300

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TO PRIORITY F.C.O.

TELEGRAM NUMBER 1688 OF 30 APRIL.

INFO PRIORITY TEHRAN.

INFO SAVING EEC POSTS, UKDEL NATO, UKMIS NEW YORK.

*ant*

MY TELEGRAMS 1633 AND 1638 : IRAN - U.S. RESCUE MISSION.

1. OVER THE LAST TWO DAYS THE NEW YORK TIMES HAS PUBLISHED FURTHER PURPORTED DETAILS OF THE RESCUE PLAN:

- I) THE THREE AMERICANS HELD AT THE FOREIGN MINISTRY WERE TO HAVE BEEN RESCUED BY A SMALL GROUP FROM THE PARA-MILITARY FORCES INFILTRATED INTO IRAN EARLIER THIS YEAR. THEY WERE TO HAVE BEEN TAKEN TO THE EMBASSY COMPOUND AND FLOWN OUT WITH THE OTHER HOSTAGES;
- II) U.S. INTELLIGENCE AGENTS PERSONALLY RECONNOITRED LANDING AREAS IN THE DESERT AND NEAR TEHRAN;
- III) ALL THE PARA-MILITARY AGENTS INFILTRATED EARLIER HAD NOW SLIPPED OUT OF IRAN IN THE SAME WAY THEY ENTERED, POSING AS EUROPEAN BUSINESSMEN. THEY BELONGED TO A UNIT IN EUROPE CONTAINING PEOPLE WHO SPOKE EUROPEAN LANGUAGES;
- IV) THE INFILTRATORS BOUGHT THE WAREHOUSE IN TEHRAN THAT WAS TO HAVE SERVED AS THE FINAL STAGING AREA FOR THE ASSAULT ON THE EMBASSY.

*1*

2. WHEN ASKED ABOUT DETAILS OF THE LATTER STAGES OF THE PLAN AT HIS 29 APRIL NEWS CONFERENCE, PRESIDENT CARTER CONFINED HIMSELF TO THE FOLLOWING LANGUAGE:

WE HAD INTENDED TO PLACE THE RESCUE TEAM IN AN ISOLATED REGION WITHIN A PROPER DISTANCE OF TEHRAN. AND THEN IF EVERY-THING WAS SATISFACTORY -- IF THEY WERE UNDETECTED, IF THERE WAS NO APPARENT CHANGE IN THE CIRCUMSTANCES WITHIN THE COMPOUND ITSELF, IF THE WEATHER CONDITIONS WARRANTED AND EQUIPMENT WAS IN A SATISFACTORY CONDITION -- ONLY THEN WERE WE TO UNDERTAKE THE ACTUAL RESCUE OPERATION.

THERE'S A GENERAL CONSENSUS, WITH WHICH I THINK NO ONE DISAGREES, THAT THE ACTUAL RESCUE OPERATION WOULD HAVE BEEN THE EASIEST OF THE THREE PHASES: THE MOST DIFFICULT THE INTRUSION INTO IRAN AND THE PLACEMENT OF THOSE FORCES, AND THE SECOND MOST DIFFICULT, THE ACTUAL EXTRACTION OF OUR HOSTAGES AND MEN FROM IRAN, AFTER THE RESCUE ITSELF FROM THE COMPOUND.

*/ BUT THE*

BUT THE DETAILS OF WHAT WOULD HAVE BEEN UNDERTAKEN IS SOMETHING THAT I WOULD PREFER NOT TO COMMENT ON, SINCE IT DID NOT OCCUR.

FCO PASS SAVING UKDEL NATO, BONN, BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, PARIS, ROME, THE HAGUE, UKREP BRUSSELS.

HENDERSON

[REPEATED AS REQUESTED]

Repetition to TEHRAN  
referred for departmental decision,  
repeated as requested to other posts.

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TO PRIORITY FOO

TELEGRAM NUMBER 1687 OF 30 APRIL

INFO ROUTINE BONN, PARIS, MOSCOW, ROME

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UKREP BRUSSELS, ATLANTA, BOSTON, CHICAGO, CLEVELAND, DETROIT,

HOUSTON, LOS ANGELES, C.G. NEW YORK, SAN FRANCISCO, SEATTLE,

UKDEL NATO, TEHRAN.

MY TELNO 1627: PUBLIC REACTION TO ABORTIVE RESCUE ATTEMPT. mt

1. CRITICISM IN THE PRESS OF THE RESCUE ATTEMPT IS MOUNTING, PARTICULARLY FOLLOWING VANCE'S RESIGNATION.

2. EDITORIAL COMMENT REMAINS BALANCED FOR AND AGAINST THE RESCUE ATTEMPT. BUT THE MAIN SYNDICATED COLUMNISTS (KRAFT, RESTON, SIDNEY ETC) HAVE BEEN GENERALLY CRITICAL.

3. THE COLUMNISTS QUESTION CARTER'S JUDGEMENT, DECISION-MAKING CAPACITY, CREDITIBILITY AND WHOLE CONDUCT OF THE PRESIDENCY. THE MORE APOCALYPTIC CRITICS SUGGEST HE WILL NOT BE ABLE TO RECOVER POLITICALLY. THERE IS INCREASED SCEPTICISM ABOUT CARTER'S CLAIM THAT THE RESCUE OPERATION HAD AN EXCELLENT CHANCE OF SUCCESS. CARTER IS ACCUSED OF DOING TOO LITTLE TOO LATE, OF BUNGLING, AND (FROM THE OTHER WING) OF RECKLESS ADVENTURISM AND WARMONGERING. AND THERE IS MUCH CRITICAL AND SERIOUS QUESTIONING OF AMERICAN MILITARY PLANNING, COMPETENCE AND TECHNOLOGY.

4. CARTER IS ATTEMPTING TO COUNTER-ATTACK. HIS VISIT TO TEXAS TO SEE THE SURVIVORS OF THE RAID, HIS PRIME-TIME PRESS CONFERENCE YESTERDAY, IN WHICH HE EMPLOYED SOME HIGHLY CHARGED LANGUAGE, AND HIS SWIFT CHOICE OF MUSKIE HAVE ALL DOMINATED THE NEWS. DETAILED PRESS BRIEFINGS ON THE LATTER STAGES OF THE RESCUE HAVE HELPED TO MEET THE CRITICISM THAT THE RAID HAD NO CHANCE OF SUCCESS, THOUGH PEOPLE REMAIN TO BE CONVINCED BY THE ASSERTION THAT TEHRAN PART OF THE OPERATION WAS THE ONE IN WHICH THE PLANNERS HAD THE GREATEST CONFIDENCE. CRITICISM OF CARTER HAS ALSO BEEN SOMEWHAT MUTED BY THE WIDESPREAD REVULSION AT THE TELEVISION DISPLAY OF THE BODIES IN TEHRAN.

5. YOUR OWN SUPPORTING REMARKS AND THOSE OF THE PRIME MINISTER AND OTHER EUROPEAN LEADERS HAVE BEEN WIDELY REPORTED AND WELL RECEIVED, ESPECIALLY BY THE ADMINISTRATION WHO GREATLY VALUE SUCH HELP IN THEIR BATTLE TO CONTAIN CRITICISM.

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6. PUBLIC OPINION REMAINS MORE SOLIDLY BEHIND THE PRESIDENT THAN DES MEDIA COMMENT. OUR OWN SOUNDINGS AROUND THE COUNTRY SUGGEST CONTINUING STRONG SUPPORT FOR HAVING MADE THE RESCUE ATTEMPT, COUPLED WITH STRONG CRITICISM AND DISAPPOINTMENT AT THE FAILURE. THIS IS BORNE OUT BY PUBLIC OPINION SURVEYS SUGGESTING MAJORITY SUPPORT FOR CARTER'S DECISION TO LAUNCH THE RESCUE ATTEMPT. THERE REMAINS A GOOD DEAL OF PUBLIC SYMPATHY AND UNDERSTANDING FOR CARTER'S PREDICAMENT, TOGETHER WITH A STRONG UNDER-CURRENT OF RALLYING AROUND THE FLAG AT A TIME OF NATIONAL CRISIS. THIS PERHAPS EXPLAINS THE RELATIVE RESTRAINT OF CARTER'S ELECTORAL OPPONENTS SO FAR IN ATTACKING THE RESCUE EFFORT AND ITS HANDLING. BUT THIS MAY CHANGE IF PRESS CRITICISM CONTINUES TO BURGEON. WE HAVE HEARD THAT A PUBLIC OPINION POLL (ABOUT TO BE PUBLISHED) TAKEN AFTER THE ABORTED RESCUE SHOWS CARTER DROPPING ABOUT 20 POINTS IN COMPARISON WITH REAGAN.

FCO PASS SAVING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE, UKREP BRUSSELS, UKDEL NATO, TEHRAN.

HENDERSON

REPEATED AS REQUESTED

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TO IMMEDIATE FCO

TELEGRAM NUMBER 1672 OF 30 APRIL 1980

INFO TEHRAN MOSCOW PEKING PARIS BONN ROME UKMIS NEWYORK

INFO SAVING TO ANKARA ATHENS BRUSSELS COPENHAGEN LISBON LUXEMBOURG

OSLO OTTAWA REYKJAVIK THE HAGUE UKDEL NATO DUBLIN AND UKREP BXLS.

PRESIDENT CARTER'S PRESS CONFERENCE m

PRESIDENT CARTER GAVE A HALF-HOUR PRESS CONFERENCE, ALMOST WHOLLY DEVOTED TO IRAN, ON 29 APRIL.

2. IN HIS OPENING STATEMENT, PRESIDENT CARTER REITERATED THAT IT WAS HIS RESPONSIBILITY TO LAUNCH AND TERMINATE THE RESCUE ATTEMPT. WHILE EXPRESSING DISAPPOINTMENT AT THE FAILURE OF THE MISSION AND GRIEF AT THE DEATHS INVOLVED, HE BELIEVED THAT NOT TO ATTEMPT A RESCUE WOULD HAVE REPRESENTED A DEEPER FAILURE. AMERICA'S GOAL HAD NOT BEEN TO CONQUER, DESTROY OR INJURE ANYONE. THEY HAD RELEASED THOSE IRANIAN CIVILIANS HELD, IN SHARP COMPARISON TO THE GHOULISH ACTION OF THE TERRORISTS AND MEMBERS OF THE IRANIAN GOVERNMENT IN DISPLAYING THE AMERICAN BODIES. THE PRESIDENT REAFFIRMED HIS INTENTION TO CONTINUE TO TRY FOR A PEACEFUL SOLUTION AS DIPLOMATIC AND ECONOMIC PRESSURES CONTINUED TO PUNISH IRAN. HE WOULD NOT FORGET THE HOSTAGES AND WOULD TAKE WHATEVER STEPS WERE NECESSARY AND FEASIBLE TO SECURE THEIR RELEASE.

3. PRESIDENT CARTER MADE THE FOLLOWING POINTS IN ANSWER TO QUESTIONS:

h A) HE SAW NO NEED FOR AN EARLY SUMMIT WITH AMERICA'S ALLIES IN ADVANCE OF VENICE. THERE WAS NO DOUBT ABOUT AMERICA'S BASIC FOREIGN POLICY AND VENICE WOULD PROVIDE AN ADEQUATE OPPORTUNITY TO DISCUSS POLITICAL MATTERS:

) B) IT WAS NOT TRUE THAT BRZEZINSKI'S INFLUENCE HAD GROWN AT THE EXPENSE OF THE SECRETARY OF STATE OR THAT THIS HAD LED TO VANCE'S RESIGNATION. THERE WAS A PROPER BALANCE OF ADVICE ON THE NSC AND, WHILE THERE HAD BEEN AND WOULD BE NO UNWARRANTED INTERVENTION IN THE STATE DEPARTMENT'S CONDUCT OF FOREIGN POLICY THE PRESIDENT RESERVED HIS RIGHT TO TAKE ADVICE FROM ALL HIS ADVISERS. THE PRESIDENT REITERATED THAT VANCE'S DECISION TO RESIGN HAD BEEN THE PROPER ONE IN THE CIRCUMSTANCES:

C) DECLINING TO GO INTO DETAILS ABOUT THE PLANS FOR THE RESCUE MISSION ITSELF, THE PRESIDENT DEFENDED BOTH THE TIMING OF THE ATTEMPT AND ITS ORGANISATION. EVERY PEACEFUL PROCEDURE HAD BEEN EXHAUSTED BEFORE THE MISSION WAS LAUNCHED. WHILE VANCE WOULD HAVE PREFERRED NO ACTION INSIDE IRAN WHICH HAD ANY MILITARY CONNOTATIONS AND TO WAIT LONGER, THE PRESIDENT HAD NO DOUBT OF THE WISDOM OF HIS

/ DECISION,

DECISION, TAKEN WITH THE OVERWHELMING CONCURRENCE OF HIS OTHER ADVISERS. HAD THE MISSION BEEN SUCCESSFUL, OR EVEN HAD IT CONCLUDED WITHOUT COMPLETE SUCCESS, IT WOULD HAVE ENDED A CONTINUING CRISIS WHICH WAS DESTABILISING IRAN AND WOULD HAVE RENDERED UNNECESSARY THE MUCH MORE SEVERE ECONOMIC PRESSURES WHICH WOULD RESULT FROM THE IMPOSITION OF SANCTIONS BY AMERICA'S ALLIES IN MID-MAY. THE U.S. COULD HAVE STARTED TO RESTORE IRAN AS AN ACCEPTED NATION IN THE WORLD COMMUNITY. THE PRESIDENT WAS CONVINCED THAT THE HOSTAGES COULD HAVE BEEN REMOVED SUCCESSFULLY AND SAFELY:

D) THE PRESIDENT EMPHASISED THE QUOTE TREMENDOUS RESTRAINT UNQUOTE SHOWN BY THE UNITED STATES AND THE CRIMINAL NATURE OF IRANIAN ACTION HE PRAYED THAT THE IRANIANS WOULD KEEP TO THEIR COMMITMENT TO RETURN AMERICAN BODIES BUT THE DESECRATION OF THE BODIES INDICATED WHAT KIND OF PEOPLE THE IRANIAN TERRORISTS WERE. IT APPEARED THAT A UNANIMOUS DECISION WOULD BE REQUIRED ON THE PART OF THE TERRORISTS, IRANIAN OFFICIALS, THE REVOLUTIONARY COUNCIL AND KHOMEINI HIMSELF BEFORE THE CRIME OF HOLDING THE HOSTAGES COULD BE TERMINATED. HE HOPED THAT WHEN THE ALLIES JOINED THE U.S. IN SANCTIONS, THE IRANIANS WOULD REALISE THE NEED TO RESOLVE THE CRISIS:

E) HE HAD NOT TAKEN DECISIONS ON IRAN WITH AN EYE TO THEIR DOMESTIC POLITICAL CONSEQUENCES. NOR HAD HE NEGLECTED OTHER VITAL AREAS SUCH AS AFGHANISTAN (WHERE THE U.S. GOVERNMENT HAD MET THE SOVIET INVASION AS FORCEFULLY AS WAS PRACTICABLE AND ADVISABLE), THE MIDDLE EAST OR THE DOMESTIC ECONOMY:

F) HE HAD CHOSEN MUSKIE TO SUCCEED VANCE BECAUSE OF HIS MORE THAN 28 YEARS IN THE SENATE, INCLUDING SERVICE ON THE FOREIGN RELATIONS COMMITTEE; HIS NATIONWIDE ROLE AS VICE PRESIDENTIAL AND PRESIDENTIAL CANDIDATE, WHICH MADE HIM SENSITIVE TO THOSE ASPIRATIONS WHICH SHOULD BE MIRRORED IN U.S. FOREIGN POLICY; AND BECAUSE OF HIS EXPERIENCE AS CHAIRMAN OF THE SENATE BUDGET COMMITTEE. HIS BROAD EXPERIENCE, THE RESPECT WITH WHICH HE WAS HELD ACROSS PARTY LINES AT HOME AND HIS INTERNATIONAL REPUTATION MADE HIM QUOTE EXTREMELY WELL QUALIFIED UNQUOTE FOR THE JOB.

FCO PASS SAVING TO ANKARA ATHENS BRUSSELS COPENHAGEN LISBON  
LUXEMBOURG OSLO OTTAWA REYKJAVIK THE HAGUE UKDEL NATO DUBLIN AND  
UKREP BRUSSELS

HENDERSON

[REPETITION TO TEHRAN REFERRED FOR DEPARTMENTAL DECISION, REPEATED  
AS REQUESTED TO OTHER POSTS]

FCO/WHITEHALL DISTRIBUTION

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SECRET



B/F S.S. 80

11A

10 DOWNING STREET

*From the Private Secretary*

30 April, 1980.

Message from Mr. Fraser

I enclose a copy of a letter which the Prime Minister has received from the Prime Minister of Australia. In it Mr. Fraser proposes that there should be a quadripartite summit meeting. Mr. Fraser has also written to President Carter, Chancellor Schmidt and President Giscard. It is not entirely clear whether he has also put the idea of a quadripartite summit to them.

I should be grateful for early advice as to how the Prime Minister should reply to Mr. Fraser. It may be that you will wish to suggest a holding reply, followed by a more substantive response submitted after the other recipients of Mr. Fraser's letter have been consulted as to their reaction.

M. O'D. B. ALEXANDER

G.G.H. Walden, Esq.,  
Foreign and Commonwealth Office.

SECRET

02.



THE HIGH COMMISSIONER

Covering **SECRET**

AUSTRALIAN HIGH COMMISSION · LONDON

*La.*  
*[Handwritten signature]*

*Prime Minister*

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*I have asked FCO for a draft  
29 April 1980  
reply. (Mr Fraser has placed the question  
of a quadripartite summit firmly on the  
agenda!)*

*Phil = 20/4*

Dear Mr Alexander,

I have been asked by the Australian Prime Minister, the Rt Hon. Malcolm Fraser, to convey the attached text of a letter of 29 April from him to your Prime Minister, the Rt Hon. Margaret Thatcher.

I should be grateful if you could bring this letter to Mrs Thatcher's attention as soon as possible.

Yours sincerely,

*Plim  
Dubs  
R  
S  
me*

*J. Plimsoll*

(J. Plimsoll)

Mr Michael Alexander,  
Private Secretary (Overseas Affairs)  
to the Prime Minister,  
Prime Minister's Office,  
10 Downing Street,  
LONDON SW1.

**SECRET**

SUBJECT.



T96/80.

PRIME MINISTER  
CANBERRA

cc. ~~Walter~~

591

29 APR 1980

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 98/80.

My dear Margaret

I have been thinking deeply about the consequences of the unsuccessful United States attempt to release the hostages in Iran. I cannot and would not criticise President Carter for attempting the release of the hostages. What the Iranians have done is unforgivable and outside the law. The frustration of a great nation such as the United States is something which even those of us who are not Americans can well understand.

But there are aspects of events over the last six months which do fill me with the gravest concern. I believe that as Prime Minister of Britain you are one of the leaders who may be able to do something to redress that concern.

Helmut Schmidt and Giscard d'Estaing, after the invasion of Afghanistan, issued a communique which indicated their anxiety that this crisis could set in motion a process which, step by step, and whatever intentions might be, could have the gravest consequences for the world. Their concern must be compounded by recent events in Iran.

After the invasion of Afghanistan I said that I believed this was the gravest crisis since World War II. I adhere to that for reasons which we both share. But what has been happening since then in Iran has deepened my concern. Unless the dangerous accumulation of recent events can be arrested, the result could well be a slide into a third world war.

It is my belief from a careful reading of the statement issued at the conclusion of the European Council Summit in Luxembourg, that you and your colleagues in Europe are very conscious of the dangers that the world is facing.

Actions and reactions regarding Iran are indeed unpredictable. At what point would the Soviet Union become deeply involved in an effort to wrest the greatest prize that the communist world could possibly have - control over Persian Gulf oil, which is vital to Europe, Japan, and to so many other countries?

I do not pretend to have the answers about what might happen in Afghanistan or Iran. But from the Australian standpoint I do have the strongest views about the way in which these grave and serious issues should be handled by the key Western powers - the United States and the major European countries. What ultimately happens to you and to us will depend very greatly on the actions and policies of Britain, France, Germany and the United States together.

When I last spoke with Helmut Schmidt and Giscard d'Estaing, they both, but especially the former, expressed grave and serious concern about inadequate consultation and preparation; about differing strategies and techniques for handling these issues. That was why Helmut asked me to return to Washington. How much more must he feel these concerns now.

The risks of division are not risks at all: division will create its own certainties, and they will not be ones that you or I would like. The whole Western world is crying out for a common strategy and a common approach, which I believe only you and those other three leaders can achieve.

The containment of the Soviet Union, the averting of a more serious situation in the Middle East, and the resolution of outstanding conflicts there, whether they be old ones of long standing or newer ones created by Iran, will depend upon that unity of approach.

Let me say finally that my Government is grievously concerned at any sign of lack of unity of approach amongst the four major nations upon whom our freedom and way of life so greatly depend. Unity with the United States is of the highest importance. I respect enormously the strength of your support for the United States. But that is not the same as unity in an agreed strategy and an agreed approach. I urge you to do what you can to establish both the private reality and the public perception of unity amongst Britain, France, Germany and the United States.

I wonder if you, with Giscard and Helmut, would see value in seeking to achieve a meeting with Jimmy Carter to discuss these issues, with the objective of achieving and demonstrating the common purpose that I have referred to? The world would be greatly heartened by the knowledge that there was going to be a meeting between the four major heads of government to support the United States in these extraordinarily difficult circumstances, and at the same time to establish common strategies for the handling of the twin problems of Afghanistan and Iran.

What I have in mind is not necessarily just one meeting, but a framework and process of consultations which might be begun by an early first meeting in the United States, and which should be carried on at all levels of ministerial and official contact. Such a process would so establish the strength of the Western alliance, led by the United States, that the Soviet Union would know with total certainty that when policies were announced, they were shared policies; that the Iranians would know also that Europe stood absolutely with the United States in securing the release of the hostages.

You should know that I am writing also to Jimmy Carter, Helmut Schmidt and Giscard d'Estaing, emphasising the need for unity and suggesting that they participate in a fuller process of consultations with you.

*My* *warrant good*  
*writes*

*Richard James*

The Rt. Hon. Margaret Thatcher, M.P.,  
Prime Minister of Britain,  
Parliament House,  
LONDON.  
UNITED KINGDOM.

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SECRET (11)

*SUBJECT*  
PRIME MINISTER'S  
PERSONAL MESSAGES  
SERIAL No. *T98/80*

TEXT OF A LETTER FROM THE PRIME MINISTER  
OF AUSTRALIA, THE RT. HON. MALCOLM FRASER  
TO THE RT. HON. MARGARET THATCHER,  
PRIME MINISTER

*T98/80*

29 April 1980

My dear Margaret,

I have been thinking deeply about the consequences of the unsuccessful United States attempt to release the hostages in Iran. I cannot and would not criticize President Carter for attempting the release of the hostages. What the Iranians have done is unforgivable and outside the law. The frustration of a great nation such as the United States is something which even those of us who are not Americans can well understand.

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Helmut Schmidt and Giscard d'Estaing, after the invasion of Afghanistan, issued a communique which indicated their anxiety that this crisis could set in motion a process which, step by step, and whatever intentions might be, could have the gravest consequences for the world. Their concern must be compounded by recent events in Iran.

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It is my belief from a careful reading of the statement issued at the conclusion of the European Council Summit in Luxembourg, that you and your colleagues in Europe are very conscious of the dangers that the world is facing.

Actions and reactions regarding Iran are indeed unpredictable. At what point would the Soviet Union become deeply involved in an effort to wrest the greatest prize that the Communist world could possibly have - control over Persian Gulf oil, which is vital to Europe, Japan, and so many other countries?

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2.

I do not pretend to have the answers about what might happen in Afghanistan or Iran. But from the Australian standpoint I do have the strongest views about the way in which these grave and serious issues should be handled by the key Western powers - the United States and the major European countries. What ultimately happens to you and to us will depend very greatly on the actions and policies of Britain, France, Germany and the United States together.

When I last spoke with Helmut Schmidt and Giscard d'Estaing, they both, but especially the former, expressed grave and serious concern about inadequate consultations and preparation, about differing strategies and techniques for handling these issues. That was why Helmut asked me to return to Washington. How much more must he feel these concerns now.

The risks of division are not risks at all: division will create its own certainties, and they will not be ones that you or I would like. The whole Western world is crying out for a common strategy and a common approach, which I believe only you and those other three leaders can achieve.

The containment of the Soviet Union, the averting of a more serious situation in the Middle East, and the resolution of outstanding conflicts there, whether they be old ones of long standing or newer ones created by Iran, will depend upon that unity of approach.

Let me say finally that my Government is grievously concerned at any sign of lack of unity of approach amongst the four major nations upon whom our freedom and way of life so greatly depend. Unity with the United States is of the highest importance. I respect enormously the strength of your support for the United States. But that is not the same as unity in an agreed strategy and an agreed approach. I urge you to do what you can to establish both the private reality and the public perception of unity amongst Britain, France, Germany and the United States.

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SECRET



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You should know that I am writing also to Jimmy Carter, Helmut Schmidt and Giscard d'Estaing, emphasising the need for unity and suggesting that they participate in a fuller process of consultations with you.

With warmest good wishes,

(Malcolm Fraser)

*U.S. Prime  
for  
and - Giscard  
Giscard*

The Rt. Hon. Margaret Thatcher, M.P.,  
Prime Minister of Britain.

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*15th Venice*

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*16 July*

*NATO*

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*June*

*17 July*

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CONFIDENTIAL

FM WASHINGTON 292138Z APR 80  
 TO PRIORITY F C O  
 TELEGRAM NUMBER 1665 OF 29 APRIL, 1980.

FOR PRIVATE SECRETARY. MY TELNO 1655; DR OWEN'S VISIT.

1. DR OWEN ASKED US TO PASS ON ONE FURTHER POINT FROM HIS VISIT HERE. WHEN BRZEZINSKI SAID THAT SCHMIDT SHOULD NOT GO TO MOSCOW AT THIS STAGE, DR OWEN ASKED WHETHER THE AMERICANS HAD THOUGHT OF USING SCHMIDT'S HELP IN THE IRANIAN CONTEXT, POSSIBLY IN THE FORM OF A VISIT TO TEHRAN AT THE RIGHT MOMENT. BRZEZINSKI SEEMED INTERESTED IN THIS IDEA, AS DID SPIERS (DIRECTOR OF INTELLIGENCE AND RESEARCH AT THE STATE DEPARTMENT) WHOM DR OWEN SAW SUBSEQUENTLY. SPIERS SAID THAT A RECENT ACADEMIC SEMINAR ON IRAN, ORGANISED BY THE STATE DEPARTMENT, HAD COME TO THE CONCLUSION THAT THE GERMANS WERE THE BEST PLACED OF THE ALLIES TO BRING INFLUENCE TO BEAR ON SOME ELEMENTS OF THE REVOLUTIONARY COUNCIL, ESPECIALLY BEHESHTI, WHO WAS APPARENTLY EDUCATED AT HEIDELBERG.
2. DR OWEN WANTED US TO BE AWARE OF THIS PART OF HIS CONVERSATION IN CASE THE AMERICANS PURSUE THE IDEA IN ANY FORM.
3. THIS IS RELEVANT TO FRETWELL'S CONVERSATION WITH SAUNDERS REPORTED IN M I F T.

HENDERSON

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FILES	PS/FUS
NAD	SIR D MAITLAND
MED	SIR A ACLAND
DEF D	MR BULLARD
EESD	MR J C MOBERLY
WED	MR FERGUSSON
FS	
FS/LPS	
FS/MR HURD	
FS/MR RIDLEY	

CONFIDENTIAL

GR 428

CONFIDENTIAL

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FM WASHINGTON 291438Z APR 82

TO IMMEDIATE F C O

TELEGRAM NO 1655 OF 29 APRIL

*ms*

FOR PRIVATE SECRETARY

1. DR OWEN, WHO WAS IN WASHINGTON AT THE WEEKEND IN CONNECTION WITH THE WORK OF THE COMMITTEE ON DISARMAMENT HEADED BY OLAF PALME HAS ASKED US TO SEND YOU THE FOLLOWING ACCOUNT OF MEETINGS HE HAD ON MONDAY WITH BRZEZINSKI AND VANCE.

2. BRZEZINSKI SPOKE ON IRAN IN TERMS WHICH MADE IT CLEAR THAT THE MINING OPTION WAS STILL OPEN, HE THOUGHT THAT THE ALLIES CERTAINLY WOULD BE CONSULTED BEFORE ANY SUCH OPERATION WAS IMPLEMENTED BUT THE DECISION ON WHETHER TO CONSULT WOULD BE FOR THE PRESIDENT TO TAKE. BRZEZINSKI WAS VERY UPSET AT THE DISPLAY OF AMERICAN BODIES IN TEHRAN AND SAID THAT THIS WOULD PROVOKE A WAVE OF ANGER IN THE UNITED STATES. DR OWEN HAD THE IMPRESSION THAT BRZEZINSKI MIGHT USE THAT INCIDENT AS AN ARGUMENT IN FAVOUR OF GOING AHEAD WITH MINING.

3. DR OWEN WAS TOLD SEPARATELY BY JODY POWELL THAT BRZEZINSKI WOULD DEFINITELY NOT BE THE NEXT SECRETARY OF STATE. BRZEZINSKI HIMSELF WAS CRITICAL OF VANCE FOR RESIGNING AT A TIME WHEN HE SHOULD HAVE STOOD BY THE PRESIDENT. BRZEZINSKI THOUGHT THAT VANCE WOULD HAVE BEEN JUSTIFIED IN RESIGNING AT THE TIME OF THE SECURITY COUNCIL VOTE ON ISRAEL, WHEN HE HAD BEEN MADE TO CARRY THE CAN.

4. CY VANCE CONFIRMED THAT IT WAS OPPOSITION TO THE TREND OF US POLICY ON IRAN, AND NOT JUST TO THE RESCUE ATTEMPT, THAT HAD LED HIM TO GO. HE REMAINED WHOLLY IN FAVOUR OF ECONOMIC PRESSURES ON IRAN. VANCE SAID THAT, WHILE HE WAS OPPOSED TO THE RESCUE ATTEMPT IN PRINCIPLE, HE HAD ALSO THOUGHT THE PLAN ITSELF UNWORKABLE. VANCE TOLD DR OWEN THAT THE EFFECT OF HIS RESIGNATION WOULD BE TO RULE OUT THE MILITARY (INCLUDING THE MINING) OPTION FOR WHICH THE PRESIDENT HAD "NO STOMACH". VANCE WAS VERY CLEAR ON THIS POINT AND INDICATED THAT ONE OF THE MAIN REASON FOR HIS RESIGNATION HAD BEEN TO ENSURE THAT THE ADMINISTRATION DID NOT GO DOWN THE MILITARY ROUTE. DR OWEN THOUGHT THERE WAS AN ELEMENT OF WISHFUL THINKING IN THIS AND THAT, WHILE VANCE'S DEPARTURE WOULD BE A DETERRENT TO FURTHER MILITARY ACTION, IT WOULD NOT BE CONCLUSIVE, PARTICULARLY GIVEN BRZEZINSKI'S ATTITUDE.

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*/s.*

## CONFIDENTIAL

5. TWO FURTHER POINTS FROM DR OWEN'S TALK WITH BRZEZINSKI ARE:

(A) BRZEZINSKI SPOKE AGAINST THE IDEA OF SCHMIDT GOING TO MOSCOW BEFORE THE OLYMPICS, ADDING THAT A DECISION ON THIS SHOULD BE TAKEN AT THE VENICE SUMMIT; AND

(B) BRZEZINSKI IMPLIED STRONGLY THAT THE RESCUE ATTEMPT HAD RELEASED THE PRESIDENT FROM HIS SELF-DENYING ORDINANCE ON ELECTIONEERING AND THAT HE WOULD NOW BE FREE TO CAMPAIGN. DR OWEN WAS NOT SURE WHETHER THIS HAD BEEN MERELY BRZEZINSKI EXPRESSING A PERSONAL VIEW AND FOUND IT HARD TO SEE HOW, LOGICALLY, THE RESCUE ATTEMPT COULD BE USED AS JUSTIFICATION FOR THE PRESIDENT GETTING ON TO THE CAMPAIGN TRAIL.

HENDERSON

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FILES

NAD

MED

DEF.D

PS

PS/LPS

PS/MR HURD

PS/MR RIDLEY

PS/PUS

SIR. D. MAITLAND

SIR A ACLAND

MR J. C. MOBEALY

2

CONFIDENTIAL

SUBJECT

PRIME MINISTER'S  
PERSONAL MESSAGE T 97/80

ZCZC WAG015

*Prime Minister*

(2)

OO WTE24  
DE WTE 03215 1201813  
O 291815Z APR 80  
FM PRESIDENT CARTER  
TO PRIME MINISTER THATCHER  
ZEN

*f.s.*

*Ans 29/4*

C O N F I D E N T I A L VIA CABINET OFFICE CHANNELS WH80481  
APRIL 29, 1980

DEAR MARGARET:

*mi*

I AM GRATEFUL FOR YOUR CONSIDERATE MESSAGE ON THE ATTEMPT TO RESCUE OUR HOSTAGES IN IRAN. THE DEEP SORROW AND DISAPPOINTMENT ALL AMERICANS FEEL AT THIS TURN OF EVENTS WILL NOT ALTER OUR RESOLVE TO BRING THIS TRAGIC AND INTOLERABLE CRISIS TO AN END. I KNOW THAT I CAN CONTINUE TO COUNT ON YOUR ASSISTANCE AND SUPPORT AS WE PURSUE THIS IMPERATIVE TASK.

SINCERELY,  
JIMMY CARTER

THE RIGHT HONORABLE  
MARGARET P. THATCHER, M.P.  
PRIME MINISTER  
LONDON  
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03215

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FM TEHRAN 290815Z APR

TO PRIORITY FCO

TELEGRAM NUMBER 449 OF 29 APRIL 80

INFO PRIORITY CABINET OFFICE (D10) MODUK (D14 AND DS11)

CRES, WASHINGTON, UKMIS NEW YORK

INFO ROUTINE ABU DHABI, ANKARA, BAGHDAD, BAHRAIN, DOHA,  
DUBAI, KUWAIT, MOSCOW, MUSCAT, NEW DELHI, ROME, PARIS,  
BRUSSELS, BONN, ISLAMABAD, TOKYO, THE HAGUE, COPENHAGEN,  
JEDDA AND DUBLIN.

*Read & full**mk*

MY TELNO 418 : SITUATION IN IRAN.

1. IRAN / US. THE IRANIANS CONTINUE TO MAKE THE MOST OF THE FAILURE OF THE US RESCUE ATTEMPT: MOINFAR SAID ON 28 APRIL THAT VANCE'S RESIGNATION PROVED THE RIGHTNESS OF THE IRANIAN REVOLUTIONARY CAUSE. THE IRANIANS STILL REFUSE TO ACCEPT THE AMERICAN ACCOUNT OF THE RAID: IN A GROTESQUE PRESS CONFERENCE ON 27 APRIL, WHEN THE BODIES OF THE DEAD AMERICANS WERE DISPLAYED, (ACCORDING TO THE IRANIANS, NINE WERE KILLED NOT EIGHT) KHALKHALI SAID THAT 3,000 PARATROOPERS, 18 AIRCRAFT AND 20 HELICOPTERS HAD BEEN INVOLVED. HE ALSO SAID THAT PAPERS AND MAPS FOUND IN THE HELICOPTERS SHOWED THAT AIRCRAFT HAD COME FROM OMAN AND THAT A DISUSED AIRFIELD NEAR BEHESHTE ZAHVE IN TEHRAN WAS TO BE THEIR DESTINATION. HE ALSO EXPRESSED SURPRISE THAT THE US FORCE HAD BEEN ABLE TO PENETRATE SO FAR WITHOUT BEING DETECTED, SO THAT POINT AT LEAST HAS BEEN TAKEN. FOLLOWING REPORTS OF BAHRAIN'S INVOLVEMENT, THE BAHRAIN AMBASSADOR HAS BEEN RECALLED.
2. THE REVOLUTIONARY COUNCIL HAS INSTRUCTED THE DEFENCE MINISTER, CHAMRAN, AND RAFSANJANI TO INVESTIGATE THE DETAILS OF THE RESCUE ATTEMPT AND THE CIRCUMSTANCES OF THE IRANIAN AIRFORCE'S BOMBARDMENT OF THE AMERICAN HELICOPTERS (SEE TUR).
3. REVOLUTIONARY GUARDS ARE STILL ON THE ALERT TO ROUND UP FIFTH COLUMNISTS IN TEHRAN. THREE BOMB EXPLOSIONS IN CENTRAL TEHRAN ON 28 APRIL KILLED AT LEAST 3 PEOPLE AND INJURED MANY MORE. US INFILTRATORS HAVE BEEN BLAMED.

RESTRICTED

/ 4. THE NEWSPAPER

RESTRICTED

4. THE NEWSPAPER ISLAMIC REPUBLIC ON 26 APRIL ATTACKED THE MFA FOR ITS ALLEGEDLY INADEQUATE RESPONSE TO THE AMERICAN "MILITARY INTERVENTION". IT PROPOSED THAT THE BODIES OF THE DEAD AMERICANS SHOULD BE RETAINED AS A POLITICAL LEVER, PERHAPS TO BE EXCHANGED FOR THE RELEASE OF IRAN'S FROZEN ASSETS. IT SUGGESTED THAT THE REVOLUTIONARY COUNCIL RATHER THAN THE PRESIDENT SHOULD DECIDE ON THIS ISSUE, BUT BANI SADR HAS REPEATED HIS ORIGINAL STATEMENT THAT THE BODIES SHOULD BE RETURNED UN-CONDITIONALLY AND HAS ASKED THE SWISS AMBASSADOR TO MAKE THE ARRANGEMENTS. THIS WAS CONFIRMED LAST NIGHT TO LANG WHO WILL BE CARRYING IT OUT TO-DAY, WITH THE PRO NUNCIO AND THE ICRC REPRESENTATIVE.
5. KHOMEINI ON 27 APRIL INSTRUCTED BANI SADR TO INVITE GROUPS FROM DIFFERENT COUNTRIES TO VISIT IRAN TO SEE THE EVIDENCE OF US CRIMES AND THE VIOLATION OF IRANIAN SOVEREIGNTY. IN RESPONSE BANI SADR HAS ANNOUNCED (FULL TEXT IN MY TEL NO 445, NOT TO ALL) THAT INVITATIONS WILL BE SENT TO THE OFFICES OF ISLAMIC COUNTRIES IN IRAN, THE UN SECRETARY GENERAL, THE EC AND JAPAN, AND LIBERATION MOVEMENTS AND THAT IRAN WILL CALL FOR AN EXTRAORDINARY SESSION OF NON-ALIGNED COUNTRIES.
6. THE "STUDENTS" ANNOUNCED ON 28 APRIL THAT IN ADDITION TO QOM AND TABRIZ (SEE TUR) HOSTAGES WOULD BE SENT TO YAZD, ISFAHAN AND NAJAFABAD. SOME HOSTAGES ARE ALREADY REPORTED TO HAVE BEEN MOVED INTO THE FORMER US CONSULATE IN TABRIZ. THE STUDENTS AGAIN WARNED THE US OF THE CONSEQUENCES TO THE HOSTAGES OF ANY FURTHER MILITARY ACTION.
7. KURDS. HEAVY FIGHTING CONTINUES IN KURDESTAN, DESPITE BANI SADR'S ANNOUNCEMENT OF A CEASEFIRE (SEE TUR) AND THE KDP'S ACCEPTANCE OF IT. THE KURDS ARE REPORTED TO BE SHORT OF MEDICINES AND FOOD, AND GOVERNMENT FORCES ARE PREVENTING SUPPLIES FROM REACHING TOWNS IN WHICH FIGHTING CONTINUES. TODAY'S TEHRAN TIMES QUOTES THE ARMY FOR A FIGURE OF 67 SOLDIERS KILLED IN THE LAST 8 DAYS.

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8. IRAN/IRAQ. THE IRANIANS FORCED DOWN AN IRAQI AIRCRAFT WHICH HAD VIOLATED IRANIAN AIRSPACE ON 27 APRIL. IT TURNED OUT TO BE AN INNOCENT CIVILIAN. THERE HAVE BEEN NO FURTHER REPORTS OF CLASHES ON THE GROUND ALONG THE BORDER, BUT DEPORTATIONS CONTINUE AND 29,343 IRAQIS ARE NOW ALLEGED TO HAVE ENTERED IRAN. A KURDISH SOURCE TELLS ME THAT THE GREAT MAJORITY ARE FAILI KURDS, SHIAS, WHO ORIGINATED 100 YEARS AGO AND MORE FROM ILAM IN IRAN.
9. IRAN RADIO ON 27 APRIL WAS REPORTING AS FACT THE ASSASSINATION OF SADDAM HOSSEIN, BUT HAS NOW DESISTED, CLAIMING INSTEAD THE ASSASSINATION OF HIS BROTHER - IN - LAW (ADNAN KHAIRULLAH TELFAH, PRESUMABLY). \_\_\_\_\_

GRAHAM

[THIS TELEGRAM WAS NOT ADVANCED]

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CONFIDENTIAL

CONFIDENTIAL

FM TEHRAN 290330Z APR

TO IMMEDIATE FCO

TELEGRAM NUMBER 444 OF 29 APRIL 80

INFO PRIORITY WASHINGTON AND UKMIS NEW YORK.

Read in full

US/IRAN.

1. YOUR DEPARTMENT ASKED ME IF I HAD ANY IDEAS WHICH YOU MIGHT PUT TO MR VANCE WHEN YOU WERE TO SEE HIM EARLY NEXT MONTH. I DO NOT KNOW IF THE VISIT TO WASHINGTON STILL STANDS BUT I HOPE THIS WILL BE USEFUL.
2. FIRST, I AM CONVINCED THAT FOLLOWING THE FAILURE OF THE ATTEMPTED SNATCH (WHICH I BELIEVE IT WAS RIGHT TO TRY) THE BEST COURSE AND THE ONLY ONE THAT IS REASONABLY CERTAIN EVENTUALLY TO PRODUCE THE RELEASE OF THE HOSTAGES, IS TO DO NOTHING (IE WHILE MAINTAINING EXISTING MEASURES NONE OF US WOULD IMPOSE NEW ONES) CONSCIOUSLY ALLOWING THE ISSUE TO FADE FROM THE HEAD-LINES AND FROM THE PUBLIC EYE. EVENTUALLY THE MILITANTS WILL BECOME BORED AND IT WILL BECOME CLEAR THAT THE CONTINUED HOLDING OF THE HOSTAGES SERVES NO IRANIAN INTEREST AND DOES NOT EVEN CAUSE THE US A PROBLEM. SENATOR BYRD IS QUOTED IN TO-DAY'S IRANIAN PRESS AS ADVOCATING SOMETHING LIKE THIS. EQUALLY THIS POLICY WOULD ALLOW THE SENSE OF JUBILATION, BRED IN PART OF THE CONVICTION THAT GOD IS ON THE SIDE OF IRAN, TO DIE AWAY AND WOULD GIVE THE BEST OPPORTUNITY TO THE MODERATES SUCH AS BANI SADR, TO USE THE COUNTRY'S CONTINUING ECONOMIC AND POLITICAL DECLINE TO BRING KHOMEINI ROUND TO THE NEED FOR A SOLUTION. BUT THIS IS A LONG-HAUL POLICY.
3. IF, HOWEVER, AS I ASSUME, IT IS IMPOSSIBLE FOR PRESIDENT CARTER DELIBERATELY TO IGNORE THE PROBLEM, THERE ARE THREE IDEAS, NONE WITHOUT OBJECTION OR DIFFICULTY, WHICH OCCUR TO ME, AS FOLLOWS:
  - (A) IT MIGHT BE POSSIBLE TO REVIVE THE UN COMMISSION OF ENQUIRY THAT FOUNDERED IN MARCH ON THE REFUSAL OF THE STUDENTS TO PERMIT THE COMMISSION TO "SPEAK TO EACH OF THE HOSTAGES", AS LAID DOWN IN WALDHEIM'S STATEMENT AND IN THE SCENARIO. BEFORE THE US OPERATION OF 24 APRIL, HOWEVER, THE STUDENTS HAD PERMITTED THE ICRC TO DO JUST THAT. IT COULD BE THEREFORE THAT THE DIFFICULTY OF PRINCIPLE WOULD NOT PROVE AN OBSTACLE NOW (ALTHOUGH THE DISPERSAL TO TABRIZ ETC OF THE HOSTAGES PRESENTS A PRACTICAL DIFFICULTY). THE FACT WOULD REMAIN THAT KHOMEINI HAS SAID THAT THE DECISION ON RELEASE MUST BE RESERVED TO THE ASSEMBLY (AND I SEE NO WAY NOW OF AVOIDING THIS), BUT THE COMMISSION COULD PROVIDE A SEMBLANCE

CONFIDENTIAL

/OF PROGRESS

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OF PROGRESS AND THE PUBLICATION OF ITS REPORT COULD PERHAPS BE TIED TO THE PROCEEDINGS OF THE ASSEMBLY:

- (B) BANI SADR HAS CALLED FOR A MEETING OF THE NON-ALIGNED, OR, ALTERNATIVELY, FOR REPRESENTATIVES OF THE NON-ALIGNED TO VISIT IRAN (TEXT OF HIS LETTER TO KHOMEINI IS IN MIFT). WHILE WE AND THE AMERICANS OUGHT IN ANY CASE TO BE LOBBYING THEM, IT MIGHT BE POSSIBLE TO SOW THE IDEA OF A NON-ALIGNED COMMISSION OF ENQUIRY. THIS NEED NOT BE DEPENDENT ON US AGREEMENT AND COULD BE MORE OUTSPOKEN ABOUT THE ALLEGED GRIEVANCES OF THE IRANIAN PEOPLE. AGAIN ITS REPORT MIGHT PAVE THE WAY FOR A SATISFACTORY RESOLUTION FROM THE ASSEMBLY.
- (C) FINALLY, THERE REMAINS THE IDEA THAT I FLOATED LAST NOVEMBER, THAT THE IRANIANS SHOULD TRY THE HOSTAGES, CONDEMN THEM AND IMMEDIATELY DEPORT THEM. APART FROM THE PRECEDENT OF THE TWO FRENCH DIPLOMATS WORKING IN THE FRENCH INTERESTS SECTION OF THE BELGIAN EMBASSY IN CAIRO IN THE LATE 1950'S, THERE WAS THE RECENT CASE OF THE NIGERIAN COLONEL WHO WAS TRIED BY ISRAEL FOR GUN-RUNNING AND THEN DEPORTED; AND I AM TOLD THAT A BELGIAN AMBASSADOR TO SYRIA WAS SIMILARLY TREATED BY LEBANON, ON THE SAME CHARGE, IN 1958. CLEARLY NEITHER THE US NOR THE UN COULD AGREE TO SUCH A PROCEDURE. NOR WOULD IT BE POSSIBLE FOR ANY GOVERNMENT TO PROPOSE IT. IT IS CLEARLY RISKY SINCE WHATEVER WAS UNDERSTOOD AS TO THE OUT-COME IN ADVANCE, THE IRANIANS COULD NOT BE RELIED ON TO KEEP THE BARGAIN. NONETHELESS KHOMEINI HAS DELEGATED HIS POWERS OF PARDON TO BANI SADR AND THIS MIGHT BE A PRACTICAL WAY OUT HOWEVER UNSATISFACTORY IN PRINCIPLE. (FROM IRAN'S POINT OF VIEW, THE GREATER THE OBJECTION RAISED BY THE US, THE BETTER).

GRAHAM

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FM WASHINGTON 281706Z APR 80

TO IMMEDIATE F C O

TELEGRAM NO 1643 OF 28 APRIL

INFO IMMEDIATE LUXEMBOURG, PRIORITY BONN, PARIS, ROME, UKDEL NATO,  
MOSCOW, OTTAWA, PEKING, TOKYO

INFO SAVING OTHER EC POSTS.

M I P T: MR VANCES RESIGNATION

FOLLOWING ARE THE TEXTS OF MR VANCES LETTER TO THE PRESIDENT AND  
OF THE LATTER'S REPLY, BOTH DATED 28 APRIL.

2. MR VANCE'S LETTER

DEAR MR. PRESIDENT:

I HAVE THE GREATEST RESPECT AND ADMIRATION FOR YOU AND IT IS WITH A HEAVY HEART THAT I SUBMIT MY RESIGNATION. IT HAS BEEN A PRIVILEGE AND A HIGH HONOR TO SERVE YOU AND OUR NATION. I LOOK WITH PRIDE AND SATISFACTION AT THE MANY ACTIONS AND NEW DIRECTIONS WHICH HAVE MARKED OUR FOREIGN POLICY UNDER YOUR LEADERSHIP. THE PANAMA CANAL TREATY, THE CAMP DAVID ACCORDS, THE EGYPTIAN-ISRAELI PEACE TREATY, NORMALIZATION OF RELATIONS WITH THE PEOPLES REPUBLIC OF CHINA, THE STRENGTHENING OF OUR MILITARY FORCES AND OUR ALLIANCES, THE NEGOTIATION OF THE SALT II AGREEMENT, THE ZIMBABWE SETTLEMENT, AND THE NEW THRUST AND DIRECTION GIVEN TO OUR RELATIONS WITH THE NATIONS OF THE THIRD WORLD ARE SEVERAL OF THESE MAJOR STEPS.

I KNOW HOW DEEPLY YOU HAVE PONDERED YOUR DECISION ON IRAN. I WISH I COULD SUPPORT YOU IN IT. BUT FOR THE REASONS WE HAVE DISCUSSED I CANNOT.

YOU WOULD NOT BE WELL SERVED IN THE COMING WEEKS AND MONTHS BY A SECRETARY OF STATE WHO COULD NOT OFFER YOU THE PUBLIC BACKING YOU NEED ON AN ISSUE AND DECISION OF SUCH EXTRAORDINARY IMPORTANCE - NO MATTER HOW FIRM I REMAIN IN MY SUPPORT ON OTHER ISSUES, AS I DO, OR HOW LOYAL I AM TO YOU AS OUR LEADER. SUCH A SITUATION WOULD BE UNTENABLE AND OUR RELATIONSHIP, WHICH I VALUE SO HIGHLY, WOULD CONSTANTLY SUFFER.

I SHALL ALWAYS BE GRATEFUL TO YOU FOR HAVING HAD THE OPPORTUNITY TO SERVE. I SHALL ALWAYS HAVE FOR YOU THE DEEPEST RESPECT AND AFFECTION, AND YOU KNOW YOU CAN COUNT ON MY SUPPORT FOR YOUR CONTINUED LEADERSHIP OF OUR NATION.

RESPECTFULLY YOURS,  
CY.

3. THE PRESIDENT'S REPLY

TO SECRETARY OF STATE CYRUS VANCE

I ACCEPT YOUR RESIGNATION WITH REGRET, BUT WITH DEEP APPRECIATION FOR YOUR DEDICATED AND EFFECTIVE SERVICE TO ME AND TO OUR COUNTRY.

AS MENTIONED IN YOUR LETTER, WE HAVE HAD NOTABLE ACCOMPLISHMENTS UNDER YOUR LEADERSHIP AS SECRETARY OF STATE. I SHARE YOUR PRIDE IN WHAT HAS BEEN ACHIEVED.

BECAUSE YOU COULD NOT SUPPORT MY DECISION REGARDING THE RESCUE OPERATION IN IRAN, YOU HAVE MADE THE CORRECT DECISION TO RESIGN. I KNOW THIS IS A MATTER OF PRINCIPLE WITH YOU, AND I RESPECT THE REASONS YOU HAVE EXPRESSED TO ME.

YOU LEAVE YOUR POST WITH THE ADMIRATION AND BEST WISHES OF A GRATEFUL NATION. OUR CLOSE FRIENDSHIP AND PARTNERSHIP DURING CHALLENGING TIMES HAVE BEEN A SOURCE OF STRENGTH AND REASSURANCE TO ME.

I LOOK FORWARD TO YOUR CONTINUING ADVICE AND COUNSEL ON MATTERS OF IMPORTANCE TO THE UNITED STATES -- OUR COUNTRY, WHICH YOU HAVE SERVED SO WELL.

YOUR FRIEND,  
JIMMY CARTER.

FCO PASS SAVING BRUSSELS, COPENHAGEN, DUBLIN, THE HAGUE, UKREP BRUSSELS.

HENDERSON

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FM WASHINGTON 231704Z APR 80

TO IMMEDIATE F C O

TELEGRAM NO 1642 OF 23 APRIL

INFO IMMEDIATE LUXEMBOURG, PRIORITY BONN, PARIS, ROME, UKDEL NATO,  
MOSCOW, OTTAWA, PEKING, TOKYO  
INFO SAVING OTHER EC POSTS

MY TELNO 1 TO LUXEMBOURG (NOT TO ALL): MR VANCE'S RESIGNATION

1. FOLLOWING IS TEXT OF MR VANCE'S STATEMENT AT THE STATE DEPARTMENT AT 16.30Z TODAY, AND OF THE QUESTIONS AND ANSWERS WHICH FOLLOWED.

YOU HAVE RECEIVED COPIES OF MY LETTER TO THE PRESIDENT AND THE PRESIDENT'S LETTER TO ME.

I HAVE THE GREATEST ADMIRATION FOR THE PRESIDENT AND I AM MOST GRATEFUL FOR THE OPPORTUNITY WHICH HE HAS GIVEN ME TO SERVE HIM AND OUR NATION. AS I LEAVE OFFICE I'M PROUD TO HAVE BEEN ABLE TO PARTICIPATE IN THE IMPORTANT FOREIGN POLICY ACTIONS AND NEW DIRECTIONS WHICH HAVE BEEN TAKEN UNDER PRESIDENT CARTER'S LEADERSHIP. THEY'RE IMPORTANT, NOT ONLY FOR THE PRESENT BUT FOR THE FUTURE OF OUR NATION AS WELL. AS YOU KNOW I COULD NOT SUPPORT THE DIFFICULT DECISION TAKEN BY THE PRESIDENT ON THE RESCUE OPERATION IN IRAN. I THEREFORE SUBMITTED MY RESIGNATION TO THE PRESIDENT LAST WEEK. I HAVE TOLD THE PRESIDENT THAT I CONTINUE TO SUPPORT FULLY HIS POLICIES ON OTHER FOREIGN POLICY ISSUES. I HAVE ASSURED HIM THAT HE CAN COUNT ON MY SUPPORT FOR HIS CONTINUED LEADERSHIP OF OUR NATION. HE WILL ALWAYS HAVE MY DEEPEST RESPECT. AND THANK YOU ALL, WHOM I HAVE GOTTEN TO KNOW WELL OVER THESE LAST 3 AND A HALF YEARS. THAT HAS ALSO BEEN A PLEASURE FOR ME.

Q. WHAT IS IT ABOUT THE RESCUE MISSION THAT YOU COULD NOT SUPPORT?

A. I DO NOT WANT TO GO INTO DETAILS. I THINK MY POSITION IS VERY CLEAR ON THAT, AND THAT'S ALL I WANT TO SAY.

Q. WILL ANYONE ELSE BE RESIGNING?

A. NO, I HOPE THAT EVERYONE IN THE DEPARTMENT WILL STAY AND SUPPORT THE ACTING SECRETARY AND THE PRESIDENT AND I'M GOING TO TELL THEM THAT.

Q. ARE YOU GOING BACK TO WALL STREET?

A. I HAVEN'T MADE UP MY MIND YET...

2. SEE M.I.F.T. FOR THE TEXTS OF MR VANCE'S LETTER TO THE PRESIDENT AND THE PRESIDENT'S REPLY.

FCO PASS SAVING BRUSSELS, COPENHAGEN, DUBLIN, THE HAGUE, UKREP BRUSSELS.

HENDERSON

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*Prime Minister*

(2) 10

*Hand*

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

PRIME MINISTER

IRAN

At the meeting of the Defence and Overseas Policy Committee on 24 April, which took place while I was in Hamburg for a meeting of the Interim Committee, it was agreed that Ministers concerned should give further thought to the problem of compensation and the application of sanctions to existing contracts. Although the Committee is to resume discussion of these issues at its next meeting it may be helpful if I briefly set down my own views on these questions in advance.

2. As John Nott said in his memorandum of 25 April, France, Germany and Italy have all indicated that they want trade sanctions to apply only to future contracts. I very much agree with his view that it would be unwise to persist in a line that they should in addition apply to existing contracts.

3. Although as I understand it this is not a point which arises in relation to the terms of the enabling legislation itself, the extent of sanctions and the allied question of compensation are issues on which we shall obviously have to make our views known to the House in that context. If sanctions were to apply to existing contracts and there were no provision for compensating private industry it might prove very difficult to carry the legislation.

4. However, as has already been recognised, the cost of compensation on this basis could be great. ECGD's liabilities

/alone



alone are considerable, leaving aside the uninsured claimants and the particular problem of Talbot. It seems clear to me that there could be no question of accepting any general commitment to compensate. Such a commitment would also be inconsistent with the precedent set in the case of Rhodesia.

5. Colleagues have already largely accepted that we cannot square the circle by confiscating Iranian assets. I am clear that the view of the Governor of the Bank of England is that in the absence of direct provocation any such move would be unthinkable and wholly contrary to all canons of banking behaviour. As such it would have grave effects on the City of London and the international monetary system at an unsettled time when the reputation of the banking community should be unimpeachable.

6. We must of course continue to assume that sooner or later the hostages problem will be resolved. We shall then face the task of rebuilding normal commercial and political relations. Trade sanctions, if imposed, can be lifted comparatively readily. But it would be a tortuous task, disproportionate to any short-term benefits, to unpick the results of a confiscatory exercise, quite apart from the more profound effects on the monetary system to which I have already referred. To contemplate any such action would risk heightening existing tensions and further undermining standards of international behaviour.

7. I am copying this minute to members of OD, to the Secretary of State for Industry, and to the Governor of the Bank of England.

*Mark Hall*

P.P. (G.H.)

28 April, 1980

*[ Approved by  
the Chancellor of  
the Exchequer and  
signed on his  
behalf ]*

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PS  
 PS/SIR I. GILMOUR  
 PS/MR HURD  
 PS/PUS  
 SIR D MAITLAND  
 MR J C MOBERLY  
 LORD BRIDGES  
 LORD N G LENNOX  
 MR EVANS  
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 MR W KNIGHTON DEPT OF TRADE  
 MR C BENJAMIN DOI

MR D LE B JONES ) DEPT OF  
 MR C LUCAS ) ENERGY

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*Read in full*

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IMMEDIATE (Dep<sup>th</sup> disc)

FM WASHINGTON 271827Z  
 TO IMMEDIATE FOREIGN AND COMMONWEALTH OFFICE  
 TELEGRAM NO. 1638 OF 27 APRIL  
 INFO IMMEDIATE LUXEMBOURG (FOR PRIVATE SECRETARY) TEHRAN (DESKBY  
 FIRST CONTACT) ROUTINE TO PARIS, BONN, ROME AND UKDEL NATO.  
 INFO SAVING TO UKMIS NEW YORK AND OTHER EC POSTS.

MIPT (NOT TO ALL) : IRAN - U.S. RESCUE MISSION.

1. TODAY'S U.S. PRESS, NOTABLY A NEW YORK TIMES ARTICLE BY RICHARD BURT, CARRIES FURTHER DETAILS OF THE RESCUE PLAN :
  - A) THE ASSAULT ON THE COMPOUND REQUIRED THE HELP OF AMERICAN AGENTS PROVIDED BY THE CIA AND SOME SPECIAL FORCES PROVIDED BY THE U.S. MILITARY WHO WERE GRADUALLY INFILTRATED INTO TEHRAN EARLY THIS YEAR :
  - B) THESE AGENTS, WORKING WITH ANTI-REGIME IRANIANS, LOCATED THE SITE NEAR TEHRAN WHERE THE HELICOPTERS WOULD HAVE MADE THEIR SECOND



THIS YEAR :

B) THESE AGENTS, WORKING WITH ANTI-REGIME IRANIANS, LOCATED THE SITE NEAR TEHRAN WHERE THE HELICOPTERS WOULD HAVE MADE THEIR SECOND STOP. THIS WAS NEAR DAMAVAND, DESCRIBED AS A MOUNTAINOUS REGION EAST OF TEHRAN. THE HELICOPTERS WOULD HAVE REACHED THERE EARLY ON THE MORNING OF 25 APRIL AND REMAINED HIDDEN DURING THE DAY :

C) THE COMMANDO TEAM WAS TO BE MOVED INTO TEHRAN THAT EVENING IN TRUCKS AND OTHER VEHICLES PURCHASED AND DRIVEN BY THE CIA AGENTS AND PENTAGON OFFICERS. THEIR FIRST STOP WAS TO BE A WAREHOUSE ON THE OUTSKIRTS OF THE CITY WHERE THERE WOULD BE LAST MINUTE BRIEFINGS :

D) THE DETAILED PLAN FOR THE ATTACK ON THE COMPOUND HAD BEEN BASED MAINLY ON U.S. BLUEPRINTS OF THE BUILDINGS QUOTE AND EXTENSIVE, LAST-MINUTE RECONNAISSANCE UNQUOTE. DETAILED PLANNING INCLUDED THE ALLOCATION TO INDIVIDUAL COMMANDOS OF RESPONSIBILITY FOR CUTTING ELECTRIC AND TELEPHONE LINES :

E) ONCE THE MILITANTS HAD BEEN NEUTRALISED AND THE HOSTAGES GATHERED, THE HELICOPTERS WOULD HAVE BEEN CALLED UP TO COLLECT THE COMMANDOS, THE HOSTAGES, THE U.S. PARAMILITARY UNITS AND THE IRANIAN AGENTS. WITH EACH HELICOPTER ABLE TO CARRY ABOUT 40 PASSENGERS, LESS THAN 200 PEOPLE IN ALL WOULD HAVE NEEDED EVACUATION:

F) IF IT HAD PROVED IMPOSSIBLE TO LAND THE HELICOPTERS AT THE COMPOUND, THE PLAN WAS TO MOVE TO THE AMJADIEH SOCCER STADIUM, A FEW HUNDRED YARDS AWAY :

G) FROM TEHRAN THE HELICOPTERS WOULD HAVE FLOWN TO QUOTE DESERT TWO UNQUOTE, AN ABANDONED AIRSTRIP IN A REMOTE AREA WEST (SIC) OF TEHRAN TO JOIN THE C130S. AT THIS POINT THE HELICOPTERS WERE TO BE ABANDONED.

2. DESPITE THE APPEARANCE OF THESE APPARENTLY WELL-INFORMED PRESS ARTICLES, DEFENCE SECRETARY BROWN IN A TELEVISION INTERVIEW TODAY STUCK TO HIS 25 APRIL PRESS CONFERENCE LINE THAT HE WAS NOT PREPARED TO DISCUSS THE RESCUE PLANS IN THEIR LATTER STAGES. HE DID, HOWEVER REVEAL THAT THERE HAD BEEN NO POSSIBILITY OF SENDING IN FURTHER HELICOPTERS WHEN IT EMERGED THAT THREE HAD BROKEN DOWN. THERE WERE NO RESERVE HELICOPTERS ON THE NIMITZ AND ANYWAY IT WAS BY THEN TOO LATE.

3. BROWN ADMITTED THAT THERE MIGHT HAVE BEEN EQUIPMENT LEFT BEHIND THAT COULD HAVE BEEN OF INTEREST. HE DID NOT REPLY TO A QUESTION ABOUT DOCUMENTATION. HE SAID THAT THE IRANIANS WOULD NOT FIND IT FEASIBLE TO BLOCK THE ENTRANCE TO THE PERSIAN GULF, AND EMPHASISED THE SIZE AND STRENGTH OF THE U.S. FORCES IN THE AREA.

4. BROWN'S TWO STRONGLY STRESSED THEMES WERE :

A) THE U.S. CONTINUED TO HOLD IRAN RESPONSIBLE FOR THE AMERICAN

THIS YEAR  
3. BROWN ADMITTED THAT THERE MIGHT HAVE BEEN EQUIPMENT LEFT BEHIND THAT COULD HAVE BEEN OF INTEREST. HE DID NOT REPLY TO A QUESTION ABOUT DOCUMENTATION. HE SAID THAT THE IRANIANS WOULD NOT FIND IT FEASIBLE TO BLOCK THE ENTRANCE TO THE PERSIAN GULF, AND EMPHASISED THE SIZE AND STRENGTH OF THE U.S. FORCES IN THE AREA.

4. BROWN'S TWO STRONGLY STRESSED THEMES WERE :

- A) THE U.S. CONTINUED TO HOLD IRAN RESPONSIBLE FOR THE AMERICAN HOSTAGES :
- B) WHILE NO OPTIONS WERE FORECLOSED, THE AMERICAN PREFERENCE FOR A PEACEFUL SOLUTION REMAINED.

F C O PASS SAVING TO BRUSSELS, COPENHAGEN, DUBLIN, THE HAGUE AND UKREP BRUSSELS.

HENDERSON

NNNN

M  
27Private SecretaryIran: Demarche in Tehran

1. Depending on the course of the discussion tonight about the Political paragraphs of the Communique (see separate minute), Heads of Government or Foreign Ministers may be asked what line Ambassadors of the Nine should take when they are able to see Bani Sadr: he is said to have just left Tehran for a visit of several days to the oil producing region of Khuzistan.
- / 2. My own ideas on this are contained in the attached draft which I circulated to Political Directors this afternoon, but which was not discussed for lack of time. The final paragraph is intended as a hint to Bani Sadr that, in the new situation, we might be content with progress rather less "decisive" than we should have insisted on if the situation had not been altered by the abortive American rescue attempt.

J.B. Bullard

27 April 1980

(J Bullard)

cc: Mr Alexander  
Sir R Armstrong  
FUS  
Sir M Butler  
Mr Ingham  
Mr Penn

UK DRAFT

Instructions to Community Heads of Missions in Tehran

1. We are instructed to convey to you formally the text of the decision adopted by our Foreign Ministers at their meeting in Luxembourg on 22 April, and to add the following points.
2. The approach of the Nine to the question of the American hostages in Iran has been and continues to be based on the principles of international law. It is not affected by the events of 24/25 April.
3. But we recognise that these events cannot fail to affect the relationship between Iran and the United States, in which the detention of the hostages remains in our view the determining element.
4. We hope that the reactions of the authorities in Iran to the same events will not be such as to contribute to a worsening of the general situation in the area, which we regard as extremely grave. In this connection we draw your attention to the Communique signed by our Heads of Government in Luxembourg on 28 April.
5. We hope also that you, Mr President, will continue your personal efforts to bring to an end the detention of the hostages and the occupation of the American Embassy.
6. We should be interested to hear your views as to the possibilities for the achievement of what could be regarded by our governments, in the new circumstances, as "decisive progress leading to the release of the hostages".

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*Man RB*



*Original on  
Energy Policy Pt 4*

10 DOWNING STREET

From the Private Secretary

27 April 1980

Oil

As you know, the Prime Minister entertained at lunch yesterday your Secretary of State, Sir Jack Rampton, Sir David Steel and Mr. Patrick Gillam of BP, Mr. Peter Baxendell of Shell and Mr. Utiger and Mr. Morton of BNOC.

There was a general discussion of the world supply and demand situation, the prospects for prices, and our position vis-a-vis our European partners. But the conversation centred mainly on the line which BP and Shell should take in their current negotiations with the National Iranian Oil Corporation.

Both Sir David Steel and Mr. Baxendell made it clear that neither of their companies would go firm on the terms offered by NIOC for April liftings without clearance first from HMG. They explained how the effective price on offer was not "sharply different" from the price of their March liftings, and therefore that completion of the deals would not be inconsistent with the line which had been agreed between EEC Foreign Ministers. However, the NIOC negotiator was insisting that the deals be recorded at their face value; and while the markets would understand what the true price was, this would make it more difficult to explain to the Americans and it would enable the Revolutionary Council in Iran to claim that it had "won". Both companies were keen to complete the deals because of the lack of alternative sources of supply and so as to maintain relations with the NIOC; and doing so would help to moderate the current upward pressure on world prices. But they would not go ahead if the Government were opposed. Both companies, at the request of your Secretary of State, had persuaded the NIOC to hold off for another day; but it was uncertain how long they would be able to go on doing this.

The Prime Minister said she accepted the commercial arguments in favour of going ahead. But the overriding consideration for the moment had to be whether or not it would cause difficulty for the Americans. Britain's position would only be defensible if the Japanese were also to purchase on similar terms. But it was not clear yet whether they were prepared to do so. For the time being, the two companies should continue to stall.

/ Sir David Steel

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Sir David Steel and Mr. Baxendell said they would act accordingly and later in the evening it was reported that NIOC had agreed to postpone a decision on the liftings until at least the following week.

After the lunch, there was some discussion as to whether it would be desirable for your Secretary of State to have a meeting early next week with his American and Japanese opposite numbers with a view to reaching an agreed position. The Prime Minister and the Foreign and Commonwealth Secretary spoke about this on the telephone later in the evening and they decided that it would not be worthwhile. Although it might be desirable for a senior Energy official to discuss the matter with the Americans early in the week, discussion at a political level should await Lord Carrington's visit to Washington next weekend. The Prime Minister and Lord Carrington also agreed that Shell and BP should be asked to hold off completing any deal with the NIOC until then for it now seemed unlikely that the Japanese would be prepared to buy at the new Iranian Government selling price; and following the failure of their rescue attempt, the Americans would be even more sensitive to any apparent concession to the Iranians by our own oil companies.

I am sending copies of this letter to the Private Secretaries to members of OD Committee and to David Wright (Cabinet Office).

T. P. LANKESTER

W.J. Burroughs, Esq.,  
Department of Energy.

IRAN: ADVANCE COPIES 50

PS <sup>f</sup>  
PS/SIR I. GILMOUR  
PS/MR HURD  
PS/PUS  
SIR D MAITLAND  
MR J C MOBERLY  
LORD BRIDGES  
LORD N G LENNOX  
MR EVANS  
MISS BROWN

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MR R G LAVELLE )

MR C W McMAHON ) BANK OF  
MR P B EDGLEY ) ENGLAND

MR R WILLIAMS CRE5 DOT

MR W KNIGHTON DEPT OF TRADE  
MR C BENJAMIN DOI

MR D LE B JONES) DEPT OF  
MR C LUCAS ) ENERGY

EMERGENCY UNIT.

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FM TEHRAN 260600Z

TO IMMEDIATE FCO

TELEGRAM NUMBER 425 OF 26 APRIL 83

INFO IMMEDIATE WASHINGTON AND EC POSTS.

ADVANCE COPY

IMMEDIATE

U.S. RESCUE OPERATION.

LOCAL REACTION TO THE NEWS OF THE OPERATION WAS SLOW TO EMERGE (EVEN THE CROWD AT THE US EMBASSY YESTERDAY EVENING- DESCRIBED BY THE BBC CORRESPONDENT AS TEN THOUSAND- WAS, ACCORDING TO EYE WITNESSES, ONLY ONE THOUSAND AT MOST) AND IT IS CLEAR THAT THE IRANIAN AUTHORITIES WERE TAKEN COMPLETELY BY SURPRISE. HOWEVER, THERE IS LITTLE DOUBT THAT THEY WILL NOW EXPLOIT THE US FAILURE TO THE FULL, NO DOUBT COMBINING INJURED OUTRAGE WITH JUBILATION OVER WHAT THEY WILL PORTRAY AS YET ONE MORE AMERICAN HUMILIATION AND WITH FANCIFUL EXAGGERATION OF THE US OPERATION ITSELF. IT WILL ALL BE SUCH EASY GRIST TO THE IRANIAN MILL, PARTICULARLY OF COURSE, TO THE HARDLINERS WHO HAVE BEEN A PRINCIPAL OBSTACLE TO A SETTLEMENT OF THIS GHASTLY PROBLEM. (PLEASE

IT WILL ALL BE SUCH EASY GRIST TO THE IRANIAN MILL, PARTICULARLY OF COURSE, TO THE HARDLINERS WHO HAVE BEEN A PRINCIPAL OBSTACLE TO A SETTLEMENT OF THIS GHASTLY PROBLEM. (PLEASE SEE MIFT FOR A SUMMARY OF TODAY'S LOCAL PRESS AND OFFICIAL REACTION).

2. ATTEMPTS, HOWEVER FAR-FETCHED, TO LINK US WITH THE US OPERATION IN SOME WAY CANNOT, OF COURSE, BE EXCLUDED. SOME OF THE LOCAL BRITISH CORRESPONDENTS WERE QUICK TO ASK US WHETHER HMG HAD PRIOR KNOWLEDGE OF IT AND WERE SPECULATING THAT THE SPEED AND EXTENT OF OUR RECENT STAFF REDUCTIONS MAY HAVE INDICATED FOREKNOWLEDGE ON OUR PART. WE ARE RIDING THEM OFF THIS TIME AS HARD AS WE CAN. ALTHOUGH IT IS PROBABLY RASH TO PREDICT WHICH WAY THE IRANIANS WILL JUMP, MY INDICATION IS TO EXPECT ANY MOB DEMONSTRATIONS .

O, MARCHES, ETC OVER THE COMING DAYS TO BE DIRECTED AT THE OBVIOUS U.S. EMBASSY TARGET; THERE SEEMS A GOOD CHANCE THAT WE SHALL BE LEFT ALONE. I HOPE EVENTS DO NOT PROVE ME WRONG. OUR PRESENT INTENTION IS TO OPEN THE EMBASSY AS USUAL ON SUNDAY 27 APRIL.

WYATT

NNNN



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PS  
PS/SIR I. GILMOUR  
PS/MR HURD  
PS/PUS  
SIR D MAITLAND  
MR J C MOBERLY  
LORD BRIDGES  
LORD N G LENNOX  
MR EVANS  
MISS BROWN

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ASSESSMENTS STAFF )  
MR R WADE GERY ) CABINET  
MR LE CHEMINANT ) OFFICE  
MR W N WENBAN SMITH )  
DIO )

PS/CHANCELLOR )  
MR F R BARRATT ) TREASURY  
MR R G LAVELLE )

MR C W McMAHON ) BANK OF  
MR P B EDGLEY ) ENGLAND

MR R WILLIAMS CRE5 DOT  
MR W KNIGHTON DEPT OF TRADE  
MR C BENJAMIN DOI  
MR D LE B JONES ) DEPT OF  
MR C LUCAS ) ENERGY

EMERGENCY UNIT

GR 358  
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FM TEHRAN 260615Z APR  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 426 OF 26 APRIL 80  
INFO IMMEDIATE WASHINGTON AND EC POSTS.

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IMMEDIATE

MIPT.

US RESCUE OPERATION : LOCAL PRESS AND OFFICIAL REACTIONS.

1. THIS MORNING'S LOCAL PRESS IS NATURALLY HAVING A FIELDAY, THOUGH AS YET THERE ARE NO PICTURES ETC AVAILABLE OF THE ABANDONED AMERICAN EQUIPMENT, ALLEGED BY ONE NEWSPAPER TO INCLUDE A TANK. KHOMEINI ON 25 APRIL ATTRIBUTED THE ATTEMPT TO PRESIDENT CARTER'S DESIRE FOR RE-ELECTION: CARTER SHOULD KNOW THAT TO ATTACK IRAN WAS TO ATTACK THE WHOLE MOSLEM WORLD. HE HAD PROVED HIMSELF INCAPABLE OF ADMINISTERING THE US AND TO BE OUT OF HIS SENSES. BANI SADR, WHO IS REPORTED TO HAVE VISITED THE CRASH SITE ON RETURNING FROM AHVAZ, CRITISED PRESIDENT CARTER FOR CONTINUALLY REFERRING TO THE IMPORTANCE OF INTERNATIONAL LAW WHILE FAILING TO RESPECT IT HIMSELF. BANI SADR IS TO HOLD A PRESS CONFERENCE AT 1500 HOURS

IMPORTANCE OF INTERNATIONAL LAW WHILE FAILING TO RESPECT IT HIMSELF. BANI SADR IS TO HOLD A PRESS CONFERENCE AT 1500 HOURS (LOCAL) TODAY.

2. QOTBZADEH ON 25 APRIL WARNED ALLIES OF THE US, AND ESPECIALLY EUROPEAN GOVERNMENTS, THAT IRAN'S OIL WORKERS WERE READY TO OPEN THE OIL PIPES AND SET FIRE TO THE GULF IF THERE WERE ANY MILITARY ACTION OR MOVEMENT AGAINST IRAN. HE REJECTS PRESIDENT CARTER'S STATEMENT THAT THE AMERICAN ACTION HAD BEEN HUMANITARIAN RATHER THAN MILITARY. ASKED (BY NBC) ABOUT IRANIAN GOVERNMENT PROTECTION OF THE HOSTAGES, QOTBZADEH SAID THAT "A COUPLE OF WEEKS AGO", WHEN THE TRANSFER OF THE HOSTAGES HAD BEEN UNDER DISCUSSION, THE GOVERNMENT HAD GUARANTEED THEIR SAFETY AND PROMISED VISITS. THE (AMERICAN) REPLY HAD BEEN ECONOMIC SANCTION, SEVERANCE OF RELATIONS, AND PRESSURE ON OTHER GOVERNMENTS TO ASSIST THE US : NOW THE US HAD TRIED A MILITARY REACTION. THIS CREATED AN ATMOSPHERE IN WHICH IT WAS DIFFICULT TO GUARANTEE SAFETY, BUT HE HAD ADVISED THE "STUDENTS" TO REACT WITH RESTRAINT.

3. THE "STUDENTS" TOOK SOME TIME TO REACT BUT LAST NIGHT WARNED THAT THEY WOULD KILL THE HOSTAGES IF THE US TRIED ANOTHER "SILLY MANOEUVRE".

4. THE TONE IS GENERALLY TRIUMPHANT, AS THOUGH THE IRANIANS WERE IN SOME WAY RESPONSIBLE FOR THE AMERICAN FAILURE.

WYATT

NNNN

Sit Rep 0600 BST 26 April

REACTION TO US ATTEMPT TO RESCUE TEHERAN HOSTAGES

1. Since the report at 1800 on 25 April there have been no major new developments. The students have said that a repeat of the attempt to rescue the hostages would cause their death. The hostages remain safe at present.
2. The Americans have concentrated on calls for domestic and international solidarity with President Carter's action, saying in particular that Western economic and political pressure on Iran are now more important than ever.

26 April 1980

Emergency Unit

Sit Rep 0600 BST 26 April

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26 April 1980

Emergency Unit



2 pps - see below

From the Secretary of State

CONFIDENTIAL

Michael Alexander Esq  
Private Secretary  
10 Downing Street  
London, SW1

Summary of Mr. Nott's views as  
put to OD.

NBPN

Hand 20/4  
25 April 1980

Dear Michael,

IRAN

.... After the OD meeting yesterday my Secretary of State asked me to send to you the attached Aide Memoire on the main concerns in his mind about the introduction of economic sanctions against Iran.

I am sending copies of this letter and enclosure to George Walden (FCO), John Wiggins (Treasury), Ian Ellison (Industry) and David Wright (Cabinet Office).

Yours sincerely,

Stuart Hampson

S HAMPSON  
Private Secretary

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IRAN: ECONOMIC SANCTIONS

Community Action

1 The United Kingdom has been portrayed as taking the lead in seeking action to support the United States. This will focus any recriminations on us.

2 There is no agreement yet among the Nine about precise economic sanctions to be introduced in Stage 2. France, Germany and Italy want the ban on exports to affect only contracts concluded after 22 April. The United Kingdom and the rest have proposed stopping existing contracts too.

3 There are practical difficulties in adopting the French/German/Italian line, eg in deciding when contracts were concluded. But there is no point in insisting on our own approach and continuing to attract the odium of Iran. The alternative would preserve the Talbot contract and some chance of recovering debt, while our proposals at Luxembourg will have carried some credit with the Americans.

Timing

4 We should keep some flexibility after 17 May. It is unrealistic to expect Iranian movement before the new Assembly meets.

5 Sanctions should be implemented by the Community countries and Japan simultaneously.

Cost of Sanctions

6 ECGD's total liabilities on Iran are about £550m. It is forecast that ECGD's income from premiums this year will be exactly offset by expenditure on payment of claims. Any deterioration in the prospects for Iran will therefore threaten the PSBR.

Compensation

7 Refusal to pay compensation will be particularly resented by British private sector firms

- if the Americans decide to pay compensation to their firms;
- if we continue to refuse to block Iranian assets in London, especially if there is evidence that the Iranians are withdrawing their funds from London;
- if action is taken to cushion the effect on Talbot and British shipbuilders for a loss of their sales.



Policing

8     Whatever legal powers we have, it will be impossible to police sanctions in third countries. Large volumes of goods enter Iran through Dubai, Kuwait and other Gulf ports, and it is virtually certain that this traffic will increase if sanctions are imposed. Grave damage could be done to our exports to these markets if we were to attempt to control the eventual destination of goods sent there.

9     We do not wish to find ourselves having to mount a "Beira patrol".

Department of Trade  
25 April 1980



25 APR 1980



Original on  
Energy Policy Pt 4 ②

Prime Minister

PRIME MINISTER

OIL SUPPLIES AND PRICES

My Private Secretary wrote to yours on 18 April about my discussions with the Chairmen of Shell and BP about oil supplies from Iran. You will be seeing both Peter Baxendell and David Steel on 26 April; you might find it useful to have before then a brief account of how we view the short term outlook, particularly for oil prices.

What happened in 1979?

Oil prices doubled between end-1978 and end-1979. They are now 125% above the average 1978 level.

But there was no absolute supply shortage. There appears to have been an excess of supply over consumption of 1 million barrels/day (2% of Free World supplies). The difference was taken into stocks.

The key factors behind the oil price rise were:-

- (a) no-one knew for certain that there would be enough oil in total to go round;
- (b) an expectation of higher prices developed, encouraging companies to buy for future use;
- (c) there were important structural changes in the oil market. OPEC countries deliberately diverted oil away from the majors, who handled only 42% of internationally traded oil at the end of last year, compared with 75% in 1973. OPEC sold instead to governments, national oil companies and independents. There has been a shift, almost certainly permanent, towards shorter contract terms and more restrictive provisions. Uncertainty about where future supplies would come from made companies more willing to pay high prices for marginal supplies. Companies with more than enough oil tended to hang on to it

Shell and BP have been particularly affected by (c). BP - once the largest crude seller in the world - now has to rely on expensive and/or unreliable short term supplies for 19% of its basic requirements. For Shell the figure is 9%.

#### Outlook for 1980/81

There are two important positive features:-

- (a) our projections for 1980 and 1981 show a small surplus (0.4 million barrels/day) of supply over demand for OPEC oil. The assessment of the IEA is essentially similar; Shell's projections in fact show a larger surplus than our own (because they are more pessimistic about economic growth);
- (b) stocks in the industrialised countries are at record levels. The mild winter and the decline in economic growth have produced an abnormally low stock draw-down in the first quarter of the year. Companies will not be willing to add to stocks indefinitely.

But there are some important negative factors too:-

- (a) there are uncertainties over supply levels. The West remains highly vulnerable to sudden political events in the producer countries. Iran is the obvious example. There is some scope for Saudi Arabia, and to a small extent Iraq, to make up a supply shortfall from other countries, but we certainly cannot be confident that they would be willing to use it;
- (b) there may be cuts in OPEC production for reasons other than political events. Many OPEC countries are running large balance of payments surpluses. They believe that these surpluses are wasting assets (because of inflation in the West, and currency fluctuations) and that it may be better to leave the oil in the ground. Kuwait has already cut production for this reason. Other producers (Libya, Algeria) want to spin out their limited oil reserves as long as possible. We have tried to allow for factors of this sort in our projections, but assessing how OPEC attitudes will evolve is an uncertain business;

(c) the structural changes in the oil market discussed at 4(c) above are still significant sources of uncertainty for companies. BP and Shell for instance have recently suffered a considerable reduction in their contract volumes from Kuwait, and are having to pay a large premium for oil additional to their new basic contracts;

(d) the present structure of prices is unstable. The prices charged by different producers for their crudes do not reflect their relative values. Saudi prices are well below those of other OPEC countries. The Saudi government would like to move towards a re-unified OPEC price structure. Its last attempt to do this by increasing its prices (in January) sparked off a round of price increases by others. Future efforts to re-unify the price structure, whether successful or not, could increase the general level of prices;

(e) an imbalance between products is already developing in the market - demand for light products being stronger than for the heavier products. This may give opportunities for further price increases by the African producers of light, low-sulphur crudes (which will in turn of course have implications for North Sea prices).

#### Conclusions

The market is at present uneasily balanced. We certainly cannot expect a fall in OPEC prices. Indeed many OPEC countries are determined to avoid an erosion of real oil prices (as happened between 1973 and 1978), and will want nominal price increases at least to match inflation and currency changes. If there are no political accidents, there is a fair chance - no more than that - that oil prices could be relatively stable in real terms over the next year or so. The further one looks ahead, however, the less confident one can be that it will be possible to avoid further rounds of price increases. Political events could change the picture very quickly. Even a relatively small disruption of oil supplies (in volume terms)

following upheavals in the Middle East could seriously shake market confidence, and lead rapidly to further damaging rounds of price increases.

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Secretary of State for Energy

25 April 1980

CONFIDENTIAL

Extract from the meeting record of visit from Herr Joseph Strauss  
on 25 April 1980

IRAN

The Prime Minister said that all the British Government's efforts over recent weeks had been devoted to the twin objectives of showing solidarity with the United States, who were the ultimate guarantors of European security, and of securing the release of the hostages unharmed. Throughout this period we had been urging the United States Government to continue to show patience and restraint, but they had repeatedly pointed out that this approach was not bringing about the release of the hostages. When they had asked us what we would do to get the hostages out, we really had no answer to give them other than to continue to suggest that the best course was to sit tight. We had thought that we still had some time available for concerted diplomatic activity aimed at securing the release of the hostages, and the Ambassadors of the Nine, who had been recalled for consultation, had been going to see President Bani-Sadr next week. But everything was now in the melting pot following the unsuccessful American attempt to get the hostages out. The failure of the American action had now put the United States in an exceptionally difficult position both internationally and domestically. There was very little which the British Government was able to say publicly at present, but there would be an opportunity to discuss Iran at the meeting of the European Council on Sunday and Monday.

Herr Strauss said that during his recent visit to Washington Mr. Brzezinski had told him that the Americans envisaged three consecutive steps against Iran - first, economic sanctions, then a blockade and finally military action. In his view President Carter should now give a solemn warning to Iran that if any of the hostages were injured or killed, a part of Iran would be smashed to pieces.

/But there was

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- 2 -

But there was no denying the immense risks involved. Any action against, for example, South Iran, would be a signal to the Soviet Union and to Iraq to move into Iran themselves. There was, however, no point, following the rescue attempt, in thinking any more about economic sanctions. Khomeini's position would now be strengthened immensely inside Iran. He would say that he had appealed to Allah and Allah had defeated President Carter. Khomeini's magical reputation with his primitive people would be enhanced still further. As for the position of the European allies, it would be suicidal if we allowed ourselves to be separated from the United States. He was absolutely against President Giscard's anti-American policies.

The Prime Minister said that she agreed that it was unlikely that economic sanctions would work in the aftermath of the American rescue attempt. The British Government were very worried about the possibility of the Americans taking military action, which in her view included a blockade. Even limited action was fraught with danger. For example, what would the United States do if Iranian ships tried to run a blockade? She was also very worried about the possible use of mines. There were the obvious immediate risks to shipping, but even when the crisis was over, not all of the mines that had been laid might be swept and there might well be a catastrophe involving an oil tanker. She was also concerned that if American aircraft were used to attack Iran, the Iranians might ask the Russians to send fighters to defend them.

Herr Strauss said that he believed the Soviet Union would keep out of any fighting in Iran. They did not want to be directly involved in any conflict with the United States. Rather, their objective was to seize part of Iran. The events of the previous night had humiliated the United States to a point where that country was a ridiculous cartoon figure. If this development was not stopped and reversed, the world would be a permanently different place. There would be only one super power - the Soviet Union -, and the repercussions for European security would be vast.

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Top Copy:  
Italy, Jan 80, visit  
of Cossiga

PARTIAL RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF ITALY, SIGNOR FRANCESCO COSSIGA, AT NO. 10 DOWNING STREET AT 1500 ON FRIDAY 25 APRIL 1980

Present:

Prime Minister  
The Foreign and Commonwealth  
Secretary  
Mr. M. Franklin  
Mr. Michael Alexander

Signor Cossiga  
Signor Ruggiero  
Signor Berlinguer

European Council: Iran

Signor Cossiga said that he hoped the problems of US/Iranian relations would not interfere too much with the work of the Council. The Prime Minister said that she was wondering whether there should not be an early Summit meeting with President Carter. June seemed too long to wait. She would be hoping to discuss this at the European Council. Signor Cossiga said that he agreed that it would be difficult to wait until June. Neither President Giscard nor Monsieur Barre nor Monsieur Francois-Poncet had commented on the Iranian problem during their talk with Signor Cossiga in Paris earlier that morning. The Foreign and Commonwealth Secretary said that the British Government had been told in advance of the possibility of an attempt to rescue the hostages because of Diego Garcia. Signor Cossiga said that he had not known anything at all. He had held a secret meeting with his military advisers only the day before to discuss means of getting Italian subjects out of Iran in an emergency; and how the Italian Government should respond to any US request for assistance related to military movements, e.g. a request for over-flying rights. He had been told by senior American officials that a rescue attempt looked impossible.

The Prime Minister said that the line which it had been proposed Ambassadors should take with President Bani Sadr on Tuesday would have to be reconsidered. The Foreign and Commonwealth Secretary agreed. Signor Cossiga said that the validity of the actions which the Foreign Ministers of the Nine had agreed earlier in the week would <sup>also</sup> have to be reconsidered. The dangers of allowing the United

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/ States

# CONFIDENTIAL

- 2 -

States to feel isolated would have to be borne in mind. However, things could not continue for much longer in the present manner. It was not that the requests being made by the United States were difficult to meet - though they were. The problem was that they seemed unlikely to be useful. Italy was willing to pay a price to help her ally but wanted to achieve results. Sanctions would put at risk Italo/Iranian trade to the value of \$3 billion. There were still 1800 Italian citizens (including 900 dependants) in Iran. There were 130 technicians whom the Iranian Government considered essential in keeping the oil and electricity generating industries going. These last were potential hostages. If the Italian Government paid a high price to help the Americans, and if nothing was achieved, it would be very embarrassing. The Prime Minister agreed but said that one could not abandon one's friends in the hour of need. Signor Cossiga said he felt the same.

The Prime Minister said that the international situation would have to be high on the agenda of the European Council. Perhaps the agenda could start with a discussion of the Budget problem following which officials could be sent away to pursue the matter and the Heads of Government could discuss Iran. It might also be a good idea for Heads of Government and Foreign Ministers to dine together. Signor Cossiga said that it would certainly be necessary to have a meeting to discuss the international situation. It could not be done simply at the dinner table. The Prime Minister and Signor Cossiga agreed that the best course might be for the dinner arrangements to remain as previously envisaged but for the Heads of Government and Foreign Ministers to assemble for a special session after dinner to discuss Iran. This could be announced publicly.

*Am*

25 April 1980

# CONFIDENTIAL



PRIME MINISTER

PA  
MS

IRAN: PARLIAMENTARY HANDLING

Peter Shore asked the Lord Privy Seal, at the end of his PNQ today, to make a further statement on Monday. Subject to Ian Gilmour's own views, I think that it will be very difficult to resist that request and that we should not attempt to do so if events move on over the weekend - as they are bound to do. You are to make your statement about the Luxembourg meeting on Tuesday. On Monday and Tuesday the House will be debating the Defence White Paper.

I expect that there will be demands from different sides of the House for a very early debate on Iran in addition to all of this. If the situation looks as serious after the weekend as it does today, I think that there would be a lot to be said for providing some time on Tuesday by inspiring an SO 9 request on Monday and making it clear to the Speaker that we would have no objection to his granting it. It could then be held immediately after your statement on Tuesday, and we could if pressed extend the Defence Debate until 2330 on Tuesday.

Subject to the views of the Chief Whip, the Leader of the House and the Lord Privy Seal, would you be content for us to seek to meet the degree of Parliamentary pressure we expect by engineering an SO 9 debate in this way? If we do not do something like this, we will run into pressure for a debate in Government time and we cannot spare that time.

Sch It is too soon to MS

R Judge. Strong

by further demand of the time

Tuesday statement might suffice

Alternatively, why not include Foreign

Affairs in Tuesday's defence debate. or

25 April 1980

IRAN: ADVANCE COPIES <sup>43</sup>

[Plains transfer to Missis]

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 MR R G LAVELLE )  
 MR C W MCMAHON ) BANK OF  
 MR P B EDGLEY ) ENGLAND  
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TO IMMEDIATE F C O

TEL NO 1626 OF 25 APRIL

INFO PRIORITY BONN, PARIS, ROME,

ROUTINE MOSCOW, TOKYO, MADRID, CANBERRA, WELLINGTON, UKDEL NATO,

UKNIS NEW YORK, OTTAWA.

INFO SAVING OTHER NATO POSTS UKREP BRUSSELS, DUBLIN AND TEHRAN.

IRAN/RESCUE OPERATION.

- CHRISTOPHER TODAY CALLED IN NATO AMBASSADORS PLUS REPRESENTATIVES OF AUSTRALIA, NEW ZEALAND, JAPAN AND SPAIN. HE WAS FLANKED BY CLAYTOR (DEPUTY SECRETARY, DEPARTMENT OF DEFENSE), GENERAL PUSTAY (REPRESENTING THE CHIEFS OF STAFF) SAUNDERS, CONSTABLE, HOLBROOKE, VEST, LAKE AND BARTHOLOMEW FROM THE STATE DEPARTMENT - A STRONG BATTERY REFLECTING THE IMPORTANCE THE US ATTACH TO ALLIED SUPPORT.
- CHRISTOPHER SAID THAT THE US GOVERNMENT WERE FULLY AWARE OF THE NEED AND OBLIGATION TO CONSULT WITH THEIR FRIENDS ON ALL ASPECTS OF THE IRANIAN PROBLEM. BUT IT WOULD NOT HAVE BEEN POSSIBLE TO HAVE DONE SO FOR AN OPERATION OF THIS SCALE. HE ADDED RIGHT AT THE

THE IRANIAN PROBLEM. BUT IT WOULD NOT HAVE BEEN POSSIBLE TO HAVE DONE SO FOR AN OPERATION OF THIS SECRECY. HE ADDED RIGHT AT THE END OF THE MEETING THAT SUCH AN OPERATION WAS QUITE DIFFERENT FROM SOMETHING LIKE LAYING MINES OR IMPOSING A BLOCKADE WHERE IT WAS IMPORTANT THAT THE WORLD SHOULD KNOW WHAT WAS GOING ON AND WHERE PRIOR CONSULTATION WOULD BE FEASIBLE. NO OTHER GOVERNMENT HAD BEEN CONSULTED. AS REGARDS MAINTAINING SECRECY, THE PLAN HAD WORKED WELL. THERE HAD BEEN NO LEAK. THE TROUBLE HAD BEEN MECHANICAL. USUALLY IT WAS THE OTHER WAY ROUND.

3. THE REASONS THE US HAD DECIDED TO ACT NOW OVER THE HOSTAGES WERE PARTLY TECHNICAL, PARTLY POLITICAL.

4. THE PREVAILING NORTH WIND WAS BECOMING STRONGER WITH THE LENGTHENING OF THE YEAR AND THE TEMPERATURE WAS CLIMBING. BOTH OF THESE IMPAIRED HELICOPTER EFFICIENCY. THE NIGHTS WERE GETTING SHORTER. THE PLAN HAD INVOLVED ARRIVING IN THE IRANIAN DESERT ONE NIGHT AND THE HELICOPTERS AND CREW THEN RESTING UP ELSEWHERE DURING THE FOLLOWING DAY, WITH THE OPERATION TO RESCUE THE HOSTAGES TAKING PLACE ON THE SECOND NIGHT.

5. AFTER SIX MONTHS' DIPLOMATIC EFFORT IT HAD BECOME CLEAR TO THE US AUTHORITIES THAT THE IRANIAN AUTHORITIES WERE UNWILLING OR UNABLE TO TAKE ACTION TO RELEASE THE HOSTAGES. THERE WAS INCREASING CONCERN FOR THEIR SAFETY: THE INTERNAL SITUATION IN IRAN WAS DETERIORATING AND THE RISKS OF IRAQ/IRAN CONFLICT GROWING. THE IRANIANS WERE SAYING THAT NO DECISION COULD BE TAKEN UNTIL THE NEW PARLIAMENT HAD CONVENED. THERE WAS NO DATE FOR THIS AND NONE EVEN FOR THE SECOND ROUND OF THE ELECTIONS. MOREOVER, IT LOOKED AS THOUGH THE PARLIAMENT, WHEN IT DID EVENTUALLY MEET, WAS GOING TO APPOINT A COMMITTEE TO DEAL WITH THE HOSTAGE QUESTION.

6. CHRISTOPHER EMPHASISED THAT IT HAD NOT BEEN A MILITARY ACTION BUT A HUMANITARIAN RESCUE OPERATION. HAD IT SUCCEEDED, A HEAVY BURDEN WOULD HAVE BEEN LIFTED FROM THE FREE WORLD. HE SAID THAT THE US AUTHORITIES WERE EAGER THAT THE ALLIES SHOULD GIVE THEM FULL SUPPORT IN THE FOLLOWING THREE RESPECTS:

- (I) FIRSTLY, TO PRESS ON WITH THE IMPOSITION OF ECONOMIC SANCTIONS - THIS HAD BECOME MORE IMPORTANT THAN EVER;
- (II) TO INFLUENCE PEOPLE IN IRAN, PARTICULARLY THE CLERICS, ON THE NEED TO FIND A SOLUTION TO THE HOSTAGE PROBLEM - IDEAS FROM THE ALLIES WOULD BE WELCOME; AND
- (III) TO TRY TO BRING ABOUT AN IMPROVEMENT IN THE CONDITIONS OF THE HOSTAGES. HE ADDED THAT HE WANTED THE ALLIES TO CARRY OUT THEIR LUXEMBOURG DECISIONS ON REPRESENTATION IN IRAN.

7. CHRISTOPHER SAID THAT SIGNS AND STATEMENTS FROM IRAN INDICATED

7. CHRISTOPHER SAID THAT SIGNS AND STATEMENTS FROM IRAN INDICATED THAT THE HOSTAGES WERE NOT IN PARTICULAR DANGER, BUT THE SITUATION THERE WAS ALWAYS VERY VOLATILE. HE SUGGESTED THAT THE CALMNESS OF THE IRANIANS MIGHT ARISE PARTLY FROM THEIR SENSE OF HAVING ACHIEVED A TRIUMPH. THEY WERE CLAIMING CREDIT FOR HAVING KILLED THE EIGHT AMERICANS WHO HAD DIED.

8. WHILE THE US AUTHORITIES HAD NOT RULED OUT ANY OPTIONS, CHRISTOPHER EMPHASISED THAT THEY WANTED TO SOLVE THIS PROBLEM IN A PEACEFUL WAY - BUT, FOR THIS, UNDERSTANDING, PATIENCE AND SUPPORT FROM THE ALLIES WERE NEEDED.

9. WE WERE TOLD THAT THE SWISS HAD BEEN ASKED TO INTERCEDE TO SECURE THE RETURN OF THE DEAD AMERICANS WHOSE BODIES MAY WELL HAVE BEEN VERY HEAVILY BURNT.

10. ON THE DETAILS OF THE FAILED OPERATION, CHRISTOPHER AND HIS ADVISORS EXPLAINED THAT WHAT HAD BEEN EXPECTED TO BE ONE OF THE MOST DIFFICULT FEATURES OF THE OPERATION, THE LANDING OF THE SIX C130S IN THE SALT DESERT, HAD BEEN ACCOMPLISHED SUCCESSFULLY. THE IRANIAN AUTHORITIES HAD NOT DETECTED THE PRESENCE OF THE AMERICANS THERE HAD BEEN NO CONTACT WITH THEM OF ANY KIND. THE BREAKDOWN HAD OCCURRED OVER THE HELICOPTERS. OF THE EIGHT THAT HAD SET OFF FROM THE CARRIER IN THE GULF, ONE HAD BECOME UNFLYABLE: A SECOND HAD FLOWN INTO A SANDSTORM LEADING TO THE DISORIENTATION OF THE PILOT, WHO HAD HAD TO TURN BACK: A THIRD HAD DEVELOPED A LEAK IN ITS HYDRAULIC SYSTEM. A MINIMUM OF SIX HELICOPTERS WERE REQUIRED FOR THE PLAN TO WORK. THE PRESIDENT HAD THEREFORE DECIDED TO ABORT THE OPERATION. IN THE MANY TRIALS THAT HAD BEEN CARRIED OUT IN THE US DESERT IN VERY SIMILAR CONDITIONS THERE HAD NEVER BEEN HELICOPTER CASUALTIES ON THIS SCALE.

11. AS WE ALREADY KNEW FROM SECRETARY OF DEFENSE BROWN'S STATEMENT, A FOURTH HELICOPTER HAD BEEN DESTROYED ON DEPARTURE BY CRASHING WITH A C130. THE REMAINING FOUR HELICOPTERS HAD BEEN LEFT BEHIND INTACT ON THE GROUND. THE DECISION NOT TO DESTROY THEM HAD BEEN TAKEN AS IT WAS FEARED THAT SUCH AN ACTION MIGHT HAVE ENDANGERED THE LIVES OF IRANIANS - PEOPLE FROM THE BUS FOR INSTANCE (SEE BELOW)

12. THREE IRANIAN VEHICLES HAD PASSED THE LANDING AREA SOON AFTER THE US PLANES HAD LANDED ON THE SALT FLAT: A BUS WITH FIFTY PASSENGERS, WHICH THE AMERICANS HAD DETAINED AND ONLY RELEASED UPON THEIR DEPARTURE: A TRUCK WHICH THE AMERICANS HAD DISABLED BY FIRING AT IT AND A SEDAN. THE AMERICANS THINK THAT THE TRUCK WAS PROBABLY ENGAGED IN SOME SMUGGLING ACTIVITY, BECAUSE THE DRIVER ESCAPED INTO THE SEDAN, WHICH MADE OFF IN A CONSIDERABLE HURRY.

EMERGED IN SOME SMOGGING ACTIVITY, BECAUSE THE DRIVER ESCAPED INTO THE SEDAN, WHICH MADE OFF IN A CONSIDERABLE HURRY.

13. THERE WERE ONE OR TWO QUESTIONS THAT THE US AUTHORITIES WERE NOT PREPARED TO ANSWER IE. WHENCE THE C130S HAD COME AND THE NATURE OF THE UNFULFILLED RESCUE OPERATION BUT THEY COULD SAY EMPHATICALLY THAT NO IRANIANS, IN DISGUISE OR OTHERWISE, HAD TAKEN PART. THE UNITS HAD EXCLUSIVELY BEEN FROM THE US ARMY, NAVY, AIR FORCE AND MARINES, TOTALLING ABOUT 90 COMBATANTS AND ABOUT THE SAME NUMBER OF AIRMEN.

14. THE DECISION TO PREPARE FOR SUCH AN OPERATION HAD BEEN TAKEN BY THE PRESIDENT ON 11 APRIL. THE FINAL DECISION FOR THE HELICOPTERS TO LEAVE THE CARRIER AND FOR THE OTHER PLANES TO DEPART HAD ONLY BEEN TAKEN ON 24 APRIL.

FCO PASS SAVING ANKARA, ATHENS, BRUSSELS, COPENHAGEN, LISBON, LUXEMBOURG, OSLO, REYKJAVIK, THE HAGUE, UKREP BRUSSELS, DUBLIN, TEHRAN.

HENDERSON

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 LORD BRIDGES *MR P.H. MOBERLY*  
 LORD N G LENNOX *MR FELLISSON*  
 MR EVANS *MR HANNA*

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UNCLASSIFIED

FM COPENHAGEN 251225Z APRIL 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 110 OF 25 APRIL

INFO PRIORITY UKREP BRUSSELS, UKDEL NATO, WASHINGTON, UKMIS NEW YORK.

IRAN

1. FOLLOWING NEWS OF THE ABORTIVE AMERICAN ACTION TO RECOVER THE HOSTAGES, THE DANISH GOVERNMENT THIS MORNING ISSUED A STATEMENT WHICH, AFTER DISCLAIMING INFORMATION BEYOND WHAT WAS IN THE MEDIA, NOTED THAT THIS ACTION HAD TAKEN PLACE IMMEDIATELY AFTER THE NINE HAD TAKEN THEIR DECISION ON SANCTIONS AND OTHER MEASURES DESIGNED TO SECURE THE RELEASE OF THE HOSTAGES BY PEACEFUL MEANS. THE ATTEMPTED US ACTION CREATED A NEW SITUATION WHICH WOULD HAVE TO BE CONSIDERED BY THE EUROPEAN COUNCIL.

WARBURTON

MINN

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DESKBY 260800Z  
 FM WASHINGTON 260130Z APR 80  
 TO IMMEDIATE F C O  
 TELEGRAM NO 1627 OF 25 APRIL  
 INFO PRIORITY BONN, PARIS, MOSCOW, ROME  
 INFO SAVING C-G'S IN USA, OTHER EC POSTS, UKDEL NATO, TEHRAN

*Read in full.*

**HOSTAGE RESCUE ATTEMPT: PUBLIC REACTION**

1. THE INITIAL REACTION HERE HAS BEEN ONE OF SHOCK AND OF INCREDULITY AT THE FAILURE OF THE MISSION FOR SIMPLE MECHANICAL REASONS. AS INITIAL SHOCK WEARS OFF, CRITICAL QUESTIONS ARE BEING ASKED ABOUT THE FAILURE OF THE MISSION ITSELF AND ABOUT ITS IMPLICATIONS FOR THE HOSTAGES, FOR SOVIET REACTIONS AND FOR THE ALLIANCE. SO FAR, HOWEVER, THE WHOLE INCIDENT IS SEEN VERY MUCH IN DOMESTIC TERMS WITH A MIXED SENSE OF HUMILIATION AND OF PATRIOTIC RALLYING ROUND THE PRESIDENT AT A TIME OF NATIONAL CRISIS. EIGHTY PER CENT OF THE PUBLIC TELEPHONE CALLS TO THE WHITE HOUSE SINCE THE NEWS BROKE HAVE APPARENTLY SUPPORTED THE ACTION OF THE PRESIDENT AND MUCH OF THE POLITICAL COMMENT REFLECTS APPROVAL OF WHAT IS SEEN AS POSITIVE ACTION AT LAST.

OF WHAT IS SEEN AS POSITIVE ACTION AT LAST.

2. CONGRESSIONAL REACTION HAS BEEN AMBIVALENT, WITH APPARENTLY SOME CONCERN AMONG THE LEADERSHIP AT THE PRESIDENT'S FAILURE TO CONSULT UNDER THE WAR POWERS ACT. SENATORS CHURCH AND JAVITS (RESPECTIVELY CHAIRMAN AND RANKING MINORITY MEMBER OF THE SENATE FOREIGN RELATIONS COMMITTEE), WHO YESTERDAY SENT A JOINT LETTER TO PRESIDENT CARTER CALLING FOR CONSULTATIONS UNDER THE ACT, HAVE BOTH CRITICISED THE FAILURE TO CONSULT THOUGH ONLY CHURCH HAS GONE SO FAR AS TO SAY THAT THE LAW HAS BEEN FLOUTED. CONGRESSMAN ZABLOCKI (CHAIRMAN OF THE HOUSE FOREIGN AFFAIRS COMMITTEE) HAS CRITICISED BOTH THE DECISION AND THE FAILURE TO CONSULT AND IS TO DEMAND A FULL EXPLANATION FROM THE ADMINISTRATION.

3. DEPUTY DEFENSE SECRETARY CLAYTOR, WHO APPEARED BEFORE THE HOUSE AND SENATE ARMED SERVICES COMMITTEES THIS AFTERNOON, TOLD ME THAT WHILE CONGRESSMEN WERE DISAPPOINTED AT HIS UNWILLINGNESS TO GO INTO AS MUCH DETAIL AS THEY WOULD HAVE LIKED, THERE WAS MORE UNDERSTANDING OF THE ADMINISTRATION'S ACTION THAN HE HAD EXPECTED.

4. REACTION AMONG REPUBLICANS HAS, IF ANYTHING, BEEN MORE FAVOURABLE SO FAR THAN AMONG DEMOCRATS. REAGAN HAS REFUSED TO GO BEYOND A WRITTEN STATEMENT CALLING ON AMERICANS "AS A NATION AND AS A PEOPLE, TO STAND TOGETHER". GEORGE BUSH HAS EXPRESSED UNEQUIVOCAL SUPPORT FOR THE PRESIDENT. SENATOR BAKER (REPUBLICAN LEADER IN THE SENATE) COMMENTED AFTER A WHITE HOUSE BRIEFING THAT THE OPERATION SEEMED TO HAVE BEEN "WELL CONCEIVED, WELL PLANNED AND A WELL-GUARDED SECRET, WITH A GOOD PROSPECT OF SUCCESS". HE THOUGHT THE PRESIDENT WITHIN HIS RIGHTS UNDER THE WAR POWERS ACT. KISSINGER HAS CALLED FOR RESTRAINT OF CRITICISM AND THE DEMONSTRATION OF NATIONAL UNITY, AS HAS FORD. ONLY JOHN ANDERSON, WHO YESTERDAY DECLARED HIS INDEPENDENT CANDIDACY FOR THE PRESIDENCY, HAS DESCRIBED THE AFFAIR AS A "TRAGIC MISJUDGEMENT", CALLING INTO QUESTION THE WHOLE CHARACTER OF THE DECISION-MAKING PROCESS IN THE WHITE HOUSE. SENATOR KENNEDY HAS CONFINED HIS COMMENTS TO AN EXPRESSION OF SYMPATHY FOR THOSE WHO DIED AND A CALL FOR NATIONAL UNITY IN HOLDING THE IRANIAN GOVERNMENT RESPONSIBLE FOR THE WELFARE OF THE HOSTAGES.

5. WE CAN EXPECT MORE CRITICAL COMMENT ONCE THE EDITORIAL WRITERS GET TO WORK AND START TO ANALYSE THE WIDER IMPLICATIONS OF THE AMERICAN ACTION.

FCO PASS SAVING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE, UKREP BRUSSELS, UKDEL NATO, TEHRAN

HENDERSON



IRAN: ADVANCE COPIES 43 50

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FM WASHINGTON 251415Z APR 80  
TC PRIORITY F C O  
TELEGRAM NUMBER 1614 OF 25 APRIL 1980

IRAN: ABORTIVE RESCUE.

1. KISSINGER TELEPHONED AT 7A.M. TODAY TO ASK ME TO TELL THE  
PRIME MINISTER AND YOU THAT HE WAS NOT GOING TO CRITICISE THE  
PRESIDENT FOR HIS FAILED OPERATION. IT WAS THE TIME TO SHOW UNITY.

HENDERSON

NNNN

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MOSCOW 251445Z

TO IMMEDIATE FCO

TELNO 280 OF 25 APR

RPTD INFO IMMEDIATE TO WASHINGTON AND UKDEL NATO

OUR TELNO 276: US ATTEMPT TO FREE HOSTAGES IN IRAN.

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1. A SUBSEQUENT TASS STATEMENT HAS COMMENTED THAT PRESIDENT CARTER "IS TAKING ONE RECKLESS ACTION AFTER ANOTHER". IT NOTED FROM CARTER'S STATEMENT THAT "IN FUTURE TOO WASHINGTON RESERVES THE RIGHT TO UNDERTAKE PROVOCATIONS AGAINST SOVEREIGN IRAN UNDER THE PRETEXT OF FREEING THE HOSTAGES". BUT, IT WENT ON "THE HOSTAGES ARE ONLY A PRETEXT... TO MAKE IRAN SUCCUMB TO IMPERIALIST DIKTAT". "HAD THE HOSTAGES ALONE BEEN THE POINT AT ISSUE THIS PROBLEM COULD HAVE LONG BEEN SOLVED ON THE BASIS OF THE PROPOSALS SET FORTH BY THE LEADERSHIP OF THE ISLAMIC REPUBLIC OF IRAN". THE TRUE CAUSE OF THE CRISIS WAS "THE GROWING AMERICAN PRESSURE ON IRAN... AND ALL THIS ONLY BECAUSE THE SYSTEM CHOSEN BY THE IRANIAN PEOPLE DOES NOT SUIT MR CARTER". WHAT WAS TAKING PLACE WAS "A BALANCING ON THE BRINK OF MADNESS". NATO ALLIES, TASS NOTED, SUPPORTED "WASHINGTON'S POLICY OF BLACKMAIL, THREATS AND ECONOMIC PRESSURE AGAINST IRAN."

2. ANOTHER TASS REPORT FROM THEIR NEW YORK CORRESPONDENT CLAIMED THAT CARTER'S ACTION, "IN DEFIANCE OF INTERNATIONAL LAW" MIGHT HAVE "LED TO THE DEATH OF THOUSANDS OF INNOCENT PEOPLE." THIS NEW DANGEROUS VENTURE "WAS UNDERTAKEN BY THE PRESIDENT IN A VAIN ATTEMPT TO SHOW HIMSELF TO BE A STRONG LEADER". CARTER, IT WENT ON, WAS "BEING GUIDED BY PURELY EGOISTIC AND NARROW POLITICAL CONSIDERATIONS." "THE PRESENT MASTER OF THE WHITE HOUSE COULD NOT CARE LESS ABOUT HIS FELLOW CITIZENS AND IS PREPARED TO SACRIFICE THEIR LIVES FOR HIS ELECTION INTERESTS."

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PP UKDEL NATO

PP ROME

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UNCLASSIFIED

FM PARIS 2516φZ APR 8φ

TO IMMEDIATE FCO

TELEGRAM NUMBER 399 OF 25 APRIL 198φ

INFO IMMEDIATE WASHINGTON

INFO PRIORITY MOSCOW BONN UKDEL NATO AND ROME

INFO ROUTINE SAVING TO BRUSSELS COPENHAGEN DUBLIN LUXEMBOURG

THE HAGUE UKREP BRUSSELS AND UKMIS NEW YORK.

IRAN: MR GROMYKO'S PRESS CONFERENCE

1. AT A PRESS CONFERENCE GIVEN AT THE END OF HIS STAY IN  
 PARIS ON 25 APRIL, MR GROMYKO SAID THAT THE SOVIET UNION  
 CONDEMNED THE AMERICAN ACTION. "WE DO NOT THINK IT CAN LEAD  
 TO A PEACEFUL SOLUTION... WE ARE RESOLUTELY AGAINST ANY MIL--

PARTS ON 25 APRIL, MR GROMYKO SAID THAT THE SOVIET UNION  
CONDEMNED THE AMERICAN ACTION. "WE DO NOT THINK IT CAN LEAD  
TO A PEACEFUL SOLUTION...WE ARE RESOLUTELY AGAINST ANY MIL-  
ITARY MEASURES OR USE OF FORCE BY THE UNITED STATES OR ANY  
OTHER COUNTRY AGAINST IRAN". ASKED ABOUT HOW THE SOVIET  
UNION WOULD RESPOND TO ANY CALL FOR ASSISTANCE FROM IRAN,  
MR GROMYKO REFUSED TO COMMIT HIMSELF, SAYING "I DO NOT  
THINK A REPLY IS INDICATED. YOU ARE IMAGINING A HYPOTHET-  
ICAL SITUATION AND IT IS NOT NECESSARY TO ANSWER THAT".

FCO PLEASE PASS TO SAVING ADDRESSEES.  
HIBBERT

IMMEDIATE

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SENT/RECD AT 25/1659Z DA/JMS

Prime Minister

mt      [Signature]

Sit Rep 1800 BST

ATTEMPTED RESCUE OF US HOSTAGES IN TEHRAN

1. Many of the details of the abortive rescue attempt remain unclear and allegation and rumour abound. Conflicting reports of the details have emerged in the media.

The Raid

2. Further to his press announcement early in the morning, President Carter broadcast at 1300 BST confirming some details: alleging equipment failure in the rescue helicopters involved; that a collision between two US aircraft killing eight crewmen took place after the decision to withdraw; that there had been no fighting; that the Iranian authorities had had no knowledge of the mission until American personnel had withdrawn.

3. A statement by the American Defence Secretary shortly before 1800 BST provided further details of the operation.

Eight helicopters from an aircraft carrier in the Arabian Sea together with supporting transport planes, apparently from Egypt, flew across South East Iran towards a remote landing strip. [According to media reports 180 men were involved.] The group was prepared to lose one or two of its aircraft. In the event two helicopters experienced problems: one landed short of the target; the second turned round and landed aboard the aircraft carrier Nimitz. Later a third suffered mechanical troubles. It was then decided with only five helicopters left, they had to give

/up the mission.

up the mission. Two planes then collided, and about that time, a strange diversion - a busload of unsuspecting Iranian civilians passed by and were stopped and the passengers arrested. Then, the evacuation was completed.

4. An Iranian official (Secretary of State in the Prime Minister's office) has claimed [from outside Iran?] that there was fighting: the Iranian Air Force had fired on three transport planes and had hit one of them, thus causing the collision.

5. President Sadat has not denied reports that the US aircraft flew from Egypt: he has restated his position of the offer of facilities for rescue missions. Allegations on the media are that the (?) Qena base well south of Cairo was used: no confirmation. Reports from Tehran allege that the landing took place near Tabas about 350 miles South East of Tehran.

#### Advance Consultation

6. Congress were not informed in advance. HMG knew of the possibility of such action.

#### Reaction

IRAN: For most of the day there seemed to be an aura of disbelief and lack of knowledge of the events publicised from Washington.

8. From outside the US Embassy Western radio reporters said that there were signs that the hostages were being protected from harm. The mood of the crowd seemed generally jubilant over the American failure, without any particular hostility to Westerners.

9. Ayatollah Khomeini's predictable reaction was to attack President Carter in strong terms. He said President Carter still didn't realise what kind of people he was dealing with. He (Carter) believed that by resorting to stupid manoeuvres he could divert the attention of the Iranian people who were prepared to make any sacrifices in pursuit of their freedom and independence. The American President was prepared to commit any crime in order to secure re-election, even if that meant killing people. The Ayatollah's statement continued 'I warn Carter that should he resort to such foolish things it would be impossible for us and the government to control the muslim, combatant and heroic youth who are guarding the spies in the spy-nest. He, Carter, would be responsible for their lives'.

10. Foreign Minister Qotbzadeh has taken a helpful line on the hostage question: he had sent a message to the militant students asking them to refrain from harsh statements or harsh actions; to try to preserve coolness and not to react as 'nervously' as the Americans. He had advised members of the Revolutionary Council likewise: <sup>he was</sup> trying to regain calm. He did not know how the students would react; if they got angry who would be responsible: the Iranian or American Governments?

11. Qotbzadeh took a predictably hard line however on the question of American violation of Iranian territory: he saw it as a clear indication of an act of war against Iran. If such actions continued Iran was ready to 'set fire to the region' not to let the Americans win by force.

12. The students said that they would make a statement later when they had more information. They would then say what their reaction would be.

USSR

13. Russian reaction predictably made the most of the American failure for propaganda purposes. "This was planned provocation against the Iranians." Carter was taking one reckless action after another. The hostages were a pretext to make Iran succumb to US imperialism. NATO allies supported the US blackmail threats and economic pressure.

UK Interests

14. British Airways flight from Tehran to London today flew out only one third full. The latest situation of UK citizens in Tehran is now approximately 250. The Embassy consists of four people, plus one dependent.

25 April 1980

Emergency Unit



PNQ on Iran

The Lord Privy Seal, in answer to Mr. Shore's PNQ, simply reported the facts as you know them. He added that President Carter is making a further statement at 1300 BST, and that we were not involved.

Mr. Shore said that the world was holding its breath following these events. We should impress on the US Government the need for the utmost restraint in dealing with the unpredictable consequences of what had happened. He said that the Labour Party could not support, and would oppose, military action against Iran. There needed to be full, frank, and if necessary confidential exchanges between the United States and her allies. He suggested two immediate actions: calling on the Russians to apply pressure on the Iranian Government to release the hostages, and inviting President Carter to the Luxembourg Meeting this weekend. In reply, Ian Gilmour said that everyone would agree that the US should show the utmost restraint, as they had done over the last few months. He said that there was a clear distinction between a rescue attempt and military action. He entirely agreed that consultation was desirable. He would be delighted, if it was appropriate, to invite President Carter to Luxembourg, but thought it likely that he would want to stay in Washington. He said that a Summit Meeting in the near future could not be ruled out.

Peter Temple-Morris said that there was very real concern about the quality of the United States leadership at the present time. They had vacillated on food sanctions, military action, and now there was last night's very sad venture. He suggested a

/ meeting

meeting of the West at the highest level. Ian Gilmour said that this was not a suitable moment to criticise the Americans. It was a time for the Allies to stick together.

Tony Benn asked whether the Government knew about the operation, whether the SAS were involved in advising about it, and whether we supported the idea of military action given its possible consequences. He said that in any circumstances, we should not allow American bases here to be used. Ian Gilmour said that the SAS were not involved, and that we were not consulted, but had been informed of the possibility of a rescue operation.

Norman Atkinson said that world powers should now be discussing the extradition of the Shah to Iran. Ian Gilmour said he could not accept that for a moment. The Shah was not relevant, and extradition had nothing to do with us or the United States, since the Shah was in Egypt. He thought that extradition would now be incredible. In answer to further questions, Ian Gilmour said he could not confirm reports (from Israeli sources) that the American planes had flown from Egypt, since he simply did not know. Donald Stewart said that "my country right or wrong" was a dubious slogan. The UK should be a rational and candid ally and not a mindless satellite. Ian Gilmour said that that language was unfortunate. Our role was that of a valuable ally, giving advice when asked.

David Mellor said that while everyone sympathised with the American dilemma, he was concerned that this action had come so soon after agreement on economic sanctions. Ian Gilmour said that we had been working throughout for a peaceful and speedy solution. The Foreign Secretary was going to Washington in 8 days, and that did not preclude earlier consultations.

/ Joan Lester

Joan Lestor said that there was a thin line between a rescue operation and military intervention. There was no way in which she and her friends could support military action. Ian Gilmour repeated that the Government had known of the possibility of such an action, but had not had consultation about it. He said that we had throughout been seeking to solve the crisis by political and diplomatic means, not military action.

Andrew Faulds, in a highly inappropriate supplementary, said that we should condemn the American action, not commiserate with them. He thought that "this fiasco" had sealed the fate of the hostages, and that it was contrary to international law. Ian Gilmour said that his remarks were highly unfortunate in this delicate situation. It was very easy to take a holier-than-thou attitude, but it was not shared by the majority of the House.

Finally, Peter Shore made a formal request for a further statement on Monday. The Lord Privy Seal undertook to consider it.

NJS,

25 April, 1980.

INTERVIEW GIVEN BY THE SECRETARY OF STATE TO PETER SNOW  
OF NEWSNIGHT ON ~~THURSDAY, 24 APRIL~~  
IRAN *FRIDAY 25 APRIL*

Peter Snow: Lord Carrington were you consulted about this operation?

Lord C: No. But I dont think that should be a criticism. I think that when an operation of this kind is planned and carried out it would be almost, well, it would be totally impossible to consult all your Allies, or any of your Allies really.

Peter Snow: Were you informed about it?...

Lord C: Well, as I say, I dont believe that you can consult or inform people on issues of this kind, i think its very very difficult to do, and in my judgement we all know how difficult it is to keep these things secret. I think the wider you spread the net in consultation and information, the more difficult it is.

Peter Snow: But you surely see yourself as one of America's closest Allies and here is President Carter using force for the first time. Do you feel he should at least have told you before - in fact I think you heard it on the BBC News this morning?

Lord C: Well I must remind you, if you need to be reminded, that we are talking at 9.15 in the morning, and as you say I heard it for the first time on the BBC news. But as I say, I do not think that in a situation of this kind you could consult Allies. I dont believe its possible. I am quite sure the Israelis didnt consult anybody before they did Entebbe. I think that the wider you spread the knowledge of this sort of operation the less likely it is to be kept secret, and whatever the outcome of this operation, sas far as I know it was kept secret, although of course there were rumours that, as we know by reading the papers, yesterday that possible action was going to be taken.

Peter Snow: Do you think President Carter was right to do this?

Lord C: I think that if it had succeeded everybody would have said, how splendid, its solved the problem. What a daring thing it is

to have done. When missions fail, its always more difficult. I think it must have been an agonising decision for President Carter to take, and I think its very difficult to criticise President Carter for taking action of this kind because for six months the Americans have been patient and used diplomacy to try to release the hostages. Everything they have tried to do has failed, and the pressures on President Carter are obviously very great. But there is no doubt about it that a failure is not a success.

Peter Snow: Now the Americans say that this was not force against the Iranian people. Do you accept that? Wasnt this the first use of force against Iran?

Lord C: Well it obviously wasnt force against the Iranian people in the sense that nobody was attacking the Iranian people. What has happened.....

Peter Snow: (interrupting) but wouldnt people have been killed inevitably in the streets of Tehran?

Lord C: Well, how does one know? I suppose there was a very considerable danger of that. I should think it very unlikely that some people wouldnt have been. But one has got to recognise that the Iranian government has been holding the hostages illegally for six months against every kind of international convention, against an overwhelming vote in the United Nations against this, condemnation by the whole of the civilised world, even condemnation originally by the Soviet Union, and nobody has been able to get the hostages out, and I suppose it could be argued if all fails an operation of this kind is justifiable.

Peter Snow: The force has now been used, whatever kind of force it has been. What do you think this means. Are we now on a sort of slipper slope, as some White House adviser is reported to have said, towards a war of some kind?

Lord C: Well, you and I have only just heard about this, and I think its a bit too soon to analysis the consequences of this. But I would judge that it will change the situation quite considerably, and we dont know yet what the reaction is in Tehran, or indeed the reaction of the American people themselves. Its too early to say whether it will change everything completely, but ~~xxxxxx~~ its certain that after today it wont be

the same.

Peter Snow: You say it might change the situation. Are you implying that it might push the Iranians even further into the orbit of the Soviet Union? They have got Afghanistan, may they not get Iran as well?

Lord C: I didnt actually. I think thats a separate point. What I really meant was that I think that it is possible that it will be more difficult now since this has failed to get the hostages released. Thats really what I meant. In terms of putting the Iranians into the Russian camp I doubt whether this could necessarily have that significance. I think there was always the danger of the Iranian people feeling that they were in a position where they were being pressed by the Americans, and that they would have to take other action. We heard on the news this morning, for example, that the Iranian Foreign Minister had said that he would ask the Russians to come and help if the United States mined the ports, so I think one was always in that position. But you know the difficulty really about the whole of this problem is that it is exceedingly easy to sit down and criticise the Americans and say they should have done that, or they shouldnt have done that. So far as I know, nobody has given them any constructive advice about how these hostages should be released and what they ought to be doing. Everybody has been telling them what they ought not to be doing. I have a very great deal of sympathy with our American friends in this.

Peter Snow: isnt that the duty of Allies, to do things like that sometimes?

Lord C: Yes.

Peter Snow: Didnt the Americans try, but fail, to advise us, your predecessors, at Suez not to do what we did. Isnt it really your duty now, if you think its wrong, to persuade the Americans that they are on the wrong course?

Lord C: I think it certainly is our duty to tell them what we think. I absolutely agree with you. I think equally when you tell people not to do thing, you do have an obligation to tell them what they ought to do. I think purely negative friends are not very helpful.

Peter Snow: But what ought they to do? Ought they to have used force?

Lord C: This is the point I am trying to make. I have doubts about the sanctions policy and its efficacy, I have doubts about use of force, I have doubts about sitting around doing nothing, I have doubts about going on with the policy of patience, I have doubts about them all. But I don't think that I can genuinely say to my American colleagues that I am certain what we ought to be doing, and therefore I am a little bit anxious about criticising. I think what we ought to do, if I may say so, is to explain our doubts and reservations and let it be known what we think.

Peter Snow: Lord Carrington, many people watching you now hearing you talk about doubts, may wonder whether we are really in control of events. Are we, to repeat the question I asked earlier, are we now in a very dangerous situation which could lead to war because we just don't know where we are going?

Lord C: Well I would doubt that it would lead to war, but I think that the situation obviously is a grave situation, I don't think anybody has ever pretended that it was not, and it's a grave situation caused by the action of the Iranian Government. But when you say whether anybody is in control of events, how often are we in control of events in our domestic or foreign policy? There are so many conflicting things which we have to take account of. What will be the reactions of the Iranians, what will be the actions of the Soviet Union? What will be the reactions of the Third World? I think that the Americans are trying to see their way through this. WNYXWNYX

Peter Snow: But what is the clear message which you would like to give ~~Residants~~ first of all to people watching you tonight, and secondly to the Russians? Let's take the people first. Should they be worried. Are we in a crisis. As Chancellor Schmidt of Germany said, it looks like 1914. Is this a pre-war situation, how serious is it?

Lord C: I think one ought to be very careful not to confuse the situation in Iran with the situation in Afghanistan. Although they both rub off against each other, they are really not the same thing. The really serious thing that has happened is the Soviet invasion of Afghanistan. I mean this is on a scale infinitely more important





Lord C: I think that a Soviet move into Pakistan or into the Gulf would plunge the whole of the Western world and the whole of the West into a situation which would be almost irretrievable. And obviously we would be involved in that.

Peter Snow: And what happened today, it was slightly in that direction.

Lord C: I very much hope not, but you and I, as I said at the beginning are talking rather early in the morning.

Peter Snow: What do you think about the timing of President Carter's move. Isn't it strange that only three days after you agreed to a staged sanctions policy, hoping in a sense to push the day when the force would have to be used further away, President Carter suddenly uses force.

Lord C: I don't think that President Carter - I judge that President Carter doesn't see the action that he took in trying to rescue the hostages as force in the context of what he was saying earlier on. I think that the force he was talking about then was mining the ports, blockade, that kind of thing. And I don't think that he would think that what he did last night was force in those terms.

Peter Snow: Well this careful distinction then between this attempted grab of the hostages and force against Iran like a blockade, or some other use of force in general, what do you think of that? Do you think it would be wholly a mistake to use force in general against Iran, or not?

Lord C: It would be a very serious decision to use force in these circumstances, and I think that it would very likely be wholly counter-productive.

Peter Snow: So you would oppose President Carter if he were to blockade the ports?

Lord C: Look we have just jumped an enormous fence on sanctions, and this has been a very serious decision for the West to take and will affect our economy and all of us in the West. Let's see how that goes, and not say what we would do in a hypothetical case, which I hope will never arise.

Peter Snow: But the Americans were making it pretty clear to us that they thought it would be a mistake to use force sometime before-

Lord C: Well I thought~~xxx~~<sup>I</sup> had made it pretty clear just now that I didnt think force was the answer.

Peter Snow: So you would disapprove .....

Lord C: I go so far as I said....

Peter Snow: But in private terms when you are talking to the Americans you are telling them it would be unwise?

Lord C: what I say to them in private is private.

Peter Snow: Lord Carrington, can we talk about the Summit at the weekend in which presumably you will be discussing these things. Are you confident that the other European Allies will take President Carter's move as generously as you have taken it today?

Lord C: I would have thought they would have the same sort of reaction that I have had. Certainly talking to my foreign minister colleagues in Luxembourg earlier this week there was a great sympathy and determination to help the Americans. I think the problem is that as I said earlier, that when something is successful everybody applauds it, when it fails people are more critical.

Peter Snow: What about the budget. Do you think there is a chance of a solution to Britain's budget problem at the EEC?

Lord C: Yes, I think theres a chance. I dont know whether I would say it was a very good chance, but there are some very difficult decisions and bargaining ahead. Its clear from what President Giscard d'Estaing said that the French will expect a settlement of the prices and settlement of sheepmeat as part of any other settlement and its equally clear that there are some very difficult decisions ahead about the Budget itself. The question of how long we get our agreement to last and whether or not we can get adjustments if things go worse. And indeed about the Summit itself.

Peter Snow: Are you ruling out a deal? Your not quite saying what Mrs Thatcher said yesterday?

Lord C: I think I am!

Peter Snow: I'm sorry. You are ruling out any kind of deal on prices and the budget. You wont exchange one for the other?

Lord C: I think that there has got to be a settlement in parallel, but I dont think you can trade one off against the other. The real issue is the amount of money involved, and I think there is some way to go yet.

Peter Snow: And if there is no agreement at this particularly crucial time for the Western Alliance, do you think that would be a disaster this weekend?

Lord C: Well, I dont think it would be very helpful when we are facing a crisis in Afghanistan and Iran for the Nine count of Western Europe to be in dispute about a matter of this kind, but it is difficult. I dont one wants to underestimate the difficulties it does bring for other people. But I have absolutely no doubt that we cant go along as we are, the situation for us is clearly quite unacceptable. What I think is encouraging about what has happen is that we started in Strasbourg this time last year with not even recognition that there was a problem for the British. We then got to Dublin and got a recognition that there was a problem, and we got what we believed - and I know was an inadequate response - we have now got further than an inadequate response. What we have really got to do is to get an adequate response. I dont think thats out of the question

Peter Snow: You have had a year now as Foreign Secretary. Are you more worried about the world than you were when you started.

Lord C: I think I am rather more knowledgeable about it.

subject 794/80

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PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T94/80

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FM CABINET OFFICE  
TO THE WHITEHOUSE  
ZEM  
UNCLASSIFIED

MESSAGE FROM THE PRIME MINISTER TO THE PRESIDENT OF THE  
UNITED STATES OF AMERICA

THANK YOU FOR YOUR MESSAGE TODAY.

I SHOULD LIKE TO EXPRESS TO YOU MY DEEPEST PERSONAL SYMPATHY  
AT THIS DIFFICULT TIME FOLLOWING LAST NIGHT'S EVENTS.

I HAVE JUST WATCHED YOUR TELEVISION BROADCAST AND WAS MUCH  
MOVED. I HAVE THE GREATEST ADMIRATION FOR THE COURAGE YOU  
HAVE SHOWN. I SHARE IN THE FEELINGS THAT YOU AND YOUR  
COMPATRIOTS MUST BE EXPERIENCING.  
E0818

NNNN

SENT AT 251441Z KS

RGRGRG QSL AT SA E SAME TKS A LT LOT KKKK

*FLC*

CONFIDENTIAL

Secretary of State

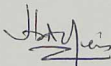
Mr J C Moberly

PS

IRAN

1. The Prime Minister <sup>has</sup> received the attached message from President Carter. Some reply, and expression of sympathy, is needed. I submit a draft.

2. I shall be submitting separately on what our policy should now be vis-a-vis Iran and the inevitable pressure on the American administration for new action in the light of last night's developments.



H D A C Miers  
Middle East Department

25 April 1980

cc PS/LPS  
PS/Mr Hurd  
PUS  
Sir D Maitland  
NAD  
News D

I recommend that the second sentence (in brackets) be deleted. This appears to support the action taken.

Donald Maitland

CONFIDENTIAL

25

4

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:  
PS

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:  
Prime Minister

Your Reference

Top Secret  
Secret  
Confidential  
Restricted  
Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

I enclose a draft message to President Carter which the Prime Minister may wish to use in response to the President's message of 25 April.

CAVEAT.....

Enclosures—flag(s).....

DRAFT MESSAGE FROM THE PRIME MINISTER TO PRESIDENT CARTER

Thank you for your message today.

I would like to express to you my deepest personal sympathy at this difficult time following last night's events. ~~[I have the greatest admiration for the courage which you have shown both in attempting such a brave mission and in taking the necessary decisive action when it became impossible to continue.]~~ I share in the feelings that you and your compatriots must be experiencing.

I have just watched your television broadcast & was much moved. I have the greatest admiration for the courage you have shown. I share in the feelings that you & your compatriots must be experiencing.

*Paul*

LA  
Mint  
SECRET  
Mint  
Prime Minister  
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Successful background  
Mint

SOVIET AIMS IN IRAN

1. The Russians have major strategic and economic reasons for wanting to control Iran. Twice in modern history they have intervened in Iranian affairs (1920 and 1945). They claim that a Soviet-Iranian Treaty of 1921, which could give them grounds for intervention, is still in force, although Khomeini's Iran has denounced it. The collapse of Western influence in Iran provides them with major opportunities to realise their historical ambitions.
2. Control over Iran could give the Soviet Union a major prize in the contest with the West, a secure glacis on its southern frontier, an outlet to the Persian Gulf and a base from which to influence events in the Gulf, Saudi Arabia, Iraq and Turkey. Another prize would be direct access to Iranian oil and gas.
3. In the British assessment, the Soviet Union and its East European allies will need <sup>by 1985</sup> to import about 800,000 to 1 million barrels per day of oil. The CIA assessment is higher. Iran at present exports 800,000 barrels per day, <sup>to OECD</sup>. At full production levels, Iran could export 1.8 million barrels per day. If Iran were denied supplies of Western technology, its production capacity would probably decline at about 10% per year. The Soviet Union could not replace all the denied Western technology. In buying oil from Iran, the Soviet Union and its allies would no doubt seek long term contracts, in the hope of preventing the oil going to the West even if Western-Iranian relations later improved.
4. The Russians are still a long way from realising their aims. They have to contend with deepseated Iranian mistrust of their intentions. Relations have been strained by Iranian reactions to the invasion of Afghanistan, by continuing disputes about Iranian natural gas, by alleged Soviet support for Kurdish and Azerbaijani separatists and more generally by wide ideological differences and Iranian unpredictability.
5. However, the US/Iranian dispute provides major leverage to the Russians, enabling them to pose as Iran's friends and helpers while playing on the discomfort of the United States. They are trying to improve their position in Iran in various ways. A Western economic embargo or blockade of Iran would increase the importance of Iran's economic relations with the Soviet Union and of the land



communications across the Soviet/Iranian border. There are reports of a major Soviet-Iranian economic agreement and of resumption of the flow of Iranian gas to the USSR.

6. US Military action could cause the Iranians to ask the Soviet Union for military help. The Foreign Minister's recent threat to do so may have been bravado, but even without an invitation, the Russians could choose to interpret the 1921 Treaty as grounds for intervention. However, it seems most unlikely that the Russians want the situation to degenerate to this point, since they would fear the obvious possibility of military confrontation with the United States. They would try rather to exploit the opportunity to establish a secure political and economic foothold and to undertake new programmes of subversion. The nature of <sup>the</sup> Soviet reaction would depend on the type and extent of any US military action and in particular on whether there was a risk of direct contact between US and Soviet forces. The Russians would no doubt prefer to confine their help to providing military equipment and advice. But given their growing belief in their own military strength, their close concern about a vital country on their own border and their perception of Carter's weakness and vacillation, one cannot be absolutely sure that the Russians would climb-down on the Cuban (1962) or Egyptian (1973) pattern if direct confrontation seemed imminent.

7. Hitherto however the military evidence points to a restrained Soviet posture. There has been no Soviet military activity near the border with Iran which would suggest mobilisation or preparations to invade. The Soviet forces in Afghanistan are not suitable or sufficiently numerous for an invasion of Iran from the East. Recent Soviet naval movements in the Indian Ocean have seemed to be responses to the movements of American ships, and the MOD experts have the impression that the Russians have deliberately not placed ships near the Persian Gulf ports which the Americans might choose to blockade. The only Soviet vessel known to be in the Persian Gulf north of Socotra is an auxiliary tug. The indications of Soviet military activity could of course change and a very close watch is being kept on them.

#### Conclusion

7. We believe that the Russians hope to emerge from this crisis without a military confrontation, with their own influence in Iran greatly enhanced and that of the West in ruins. In the longer term, the weakness of the central Iranian Government and its possible

SECRET

.3.

disintegration could provide them with opportunities to promote the influence of the Left under the leadership of the Tudeh party. The continued cultivation of influence with separatist movements could provide them with a way of hedging their bets and promoting continued instability.

Eastern European & Soviet Department  
Foreign & Commonwealth Office

25 April 1980

.3.

SECRET

Late yesterday I cancelled a carefully planned operation which was under way in Iran to position our rescue team for later withdrawal of American hostages who have been held captive there since 4 November.

Equipment failure in the rescue helicopters made it necessary to end the mission. As our team was withdrawing after my order to do so two of our American aircraft collided on the ground following a refuelling operation in a remote desert location in Iran. Other information about this rescue mission will be made available to the American people when it is appropriate to do so. There was no fighting. There was no combat. But to my deep regret eight of the crewmen of the two aircraft which collided were killed and several other Americans were hurt in the accident. Our people were immediately air-lifted from Iran. Those who were injured have gotten medical treatment and all of them are expected to recover.

No knowledge of this operation by any Iranian officials or authorities was evident to us until several hours after all Americans were withdrawn from Iran.

Our rescue team knew and I knew that the operation was certain to be difficult and it was certain to be dangerous. We were all convinced that if and when the rescue operation had been commenced that it had an excellent chance of success. They were all volunteers. They were all highly trained. I met with their leaders before they went on this operation. They knew then what hopes of mine, and all Americans, they carried with them. To the families of those who died and who were wounded I want to express the admiration I feel for the courage of their loved ones and the sorrow that I feel personally for their sacrifice. The mission on which they were embarked was a humanitarian mission. It was not directed against Iran. It was not directed against the people of Iran. It was undertaken with any feeling of hostility toward Iran or its people. It has caused no Iranian casualties.

/Planning for

Planning for this rescue effort began shortly after our Embassy was seized but for a number of reasons I waited until now to put those rescue plans into effect. To be feasible this complex operation had to be the product of intensive planning and intensive training and repeated rehearsal. However, a resolution of this crisis through negotiations and with voluntary action on the part of Iranian officials was obviously then and will be possible. This rescue attempt had to await my judgement that the Iranian authorities could not or would not resolve this crisis on their own initiative. With the steady unravelling of authority in Iran and the mounting dangers that were posed to the safety of the hostages themselves and a growing realisation that their earliest release was highly unlikely I made a decision to commence the rescue operation plans. This attempt became a necessity and a duty. The readiness of our team to undertake the rescue made it completely practicable. Accordingly I made a decision to set our long-developed plans into operation.

I ordered this rescue mission prepared in order to safeguard American lives, to protect America's national interests and to reduce the tensions in the world that have been caused among many nations as this crisis has continued. It was my decision to attempt the rescue operation. It was my decision to cancel it when problems developed in the placement of our rescue team for<sup>a</sup> future operation. The responsibility is fully my own.

In the aftermath of the attempt we continue to hold the Government of Iran responsible for the safety and for the early release of the American hostages who have been held so long. The United States remained determined to bring about their safe release at the earliest date possible. As President, I know that our entire nation feels a deep gratitude I feel for the brave men who were prepared to rescue their fellow Americans from captivity. And as President I also know that the nation shares not only my disappointment that the rescue effort could not be mounted because of mechanical difficulties but also my determination to persevere and to bring all of our hostages home to freedom. We have been disappointed before. We will not give up in our efforts.

/Throughout this

Throughout this difficult period we have pursued and will continue to pursue every possible avenue to secure the release of the hostages. In these efforts the support of the American people, and of our friends throughout the world, has been a most crucial element. That support of other nations is even more important now. We will seek to continue, along with other nations and with official of Iran, a prompt resolution of the crisis without any loss of life and through peaceful and diplomatic means.

Thank you very much.

PNQ on Iran

The Lord Privy Seal, in answer to Mr. Shore's PNQ, simply reported the facts as you know them. He added that President Carter is making a further statement at 1300 BST, and that we were not involved.

Mr. Shore said that the world was holding its breath following these events. We should impress on the US Government the need for the utmost restraint in dealing with the unpredictable consequences of what had happened. He said that the Labour Party could not support, and would oppose, military action against Iran. There needed to be full, frank, and if necessary confidential exchanges between the United States and her allies. He suggested two immediate actions: calling on the Russians to apply pressure on the Iranian Government to release the hostages, and inviting President Carter to the Luxembourg Meeting this weekend. In reply, Ian Gilmour said that everyone would agree that the US should show the utmost restraint, as they had done over the last few months. He said that there was a clear distinction between a rescue attempt and military action. He entirely agreed that consultation was desirable. He would be delighted, if it was appropriate, to invite President Carter to Luxembourg, but thought it likely that he would want to stay in Washington. He said that a Summit Meeting in the near future could not be ruled out.

Peter Temple-Morris said that there was very real concern about the quality of the United States leadership at the present time. They had vacillated on food sanctions, military action, and now there was last night's very sad venture. He suggested a

/ meeting

meeting of the West at the highest level. Ian Gilmour said that this was not a suitable moment to criticise the Americans. It was a time for the Allies to stick together.

Tony Benn asked whether the Government knew about the operation, whether the SAS were involved in advising about it, and whether we supported the idea of military action given its possible consequences. He said that in any circumstances, we should not allow American bases here to be used. Ian Gilmour said that the SAS were not involved, and that we were not consulted, but had been informed of the possibility of a rescue operation.

Norman Atkinson said that world powers should now be discussing the extradition of the Shah to Iran. Ian Gilmour said he could not accept that for a moment. The Shah was not relevant, and extradition had nothing to do with us or the United States, since the Shah was in Egypt. He thought that extradition would now be incredible. In answer to further questions, Ian Gilmour said he could not confirm reports (from Israeli sources) that the American planes had flown from Egypt, since he simply did not know. Donald Stewart said that "my country right or wrong" was a dubious slogan. The UK should be a rational and candid ally and not a mindless satellite. Ian Gilmour said that that language was unfortunate. Our role was that of a valuable ally, giving advice when asked.

David Mellor said that while everyone sympathised with the American dilemma, he was concerned that this action had come so soon after agreement on economic sanctions. Ian Gilmour said that we had been working throughout for a peaceful and speedy solution. The Foreign Secretary was going to Washington in 8 days, and that did not preclude earlier consultations.

/ Joan Lestor

Joan Lestor said that there was a thin line between a rescue operation and military intervention. There was no way in which she and her friends could support military action. Ian Gilmour repeated that the Government had known of the possibility of such an action, but had not had consultation about it. He said that we had throughout been seeking to solve the crisis by political and diplomatic means, not military action.

Andrew Faulds, in a highly inappropriate supplementary, said that we should condemn the American action, not commiserate with them. He thought that "this fiasco" had sealed the fate of the hostages, and that it was contrary to international law. Ian Gilmour said that his remarks were highly unfortunate in this delicate situation. It was very easy to take a holier-than-thou attitude, but it was not shared by the majority of the House.

Finally, Peter Shore made a formal request for a further statement on Monday. The Lord Privy Seal undertook to consider it.

25 April, 1980.





EMBASSY OF THE UNITED STATES OF AMERICA  
LONDON

April 25, 1980

*HW*

Dear Prime Minister:

I have been asked to deliver the enclosed message to you from President Carter, which was received at the Embassy this morning.

Sincerely,

*Kingman Brewster (ow)*  
Kingman Brewster  
Ambassador

Enclosure  
(SECRET)

The Rt. Hon. Margaret Thatcher, M.P.,  
Prime Minister,  
London.

*Subject*

SECRET

*wan*  
**PRIME MINISTER'S**  
**PERSONAL MESSAGE**  
SERIAL No. T93/80

April 25, 1980

Dear Prime Minister:

I wanted you to know that last night we began preparations for a rescue mission to resolve the hostage crisis in Tehran. The sole purpose of this mission was to obtain the release of the hostages.

The mission was cancelled because of a malfunction and accident involving our aircraft, and those involved in the mission have been withdrawn from Iran. So far as we know there were no Iranian casualties, but unfortunately there were eight American fatalities.

Sincerely,

/s/

Jimmy Carter

SECRET

PRIME MINISTER'S  
MESSAGE  
SERIAL NO. 24/80

7. 9.20am  
24.4.80.

8/1/80

The situation is a complex one and it is not possible to give a simple answer to the question of whether or not the Government should be asked to resign. The Government has a duty to carry out its responsibilities and to ensure that the country is governed in the best interests of the people. It is the duty of the Opposition to hold the Government to account and to ensure that it is acting in the public interest. The Government should be given the opportunity to explain its actions and to justify its policies. If the Government is unable to do this, then it may be necessary to consider the possibility of a change of government.

Sincerely,  
[Signature]  
Prime Minister

GR 425

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CONFIDENTIAL

FM WASHINGTON 250135Z APR 80

TO PRIORITY F C O

TELEGRAM NUMBER 1612 OF 24 APRIL 1980

INFO TEHRAN PARIS BONN ROME UKREP BRUSSELS

INFO SAVING BRUSSELS COPENHAGEN DUBLIN LUXEMBOURG THE HAGUE UKDEL

OECD UKDEL NATO UKMIS NEW YORK

*Read in full*

MY TELEGRAM NOS 1590 AND 1591: IRAN: U S REACTIONS TO THE LUXEMBOURG MEETING

1. REACTION IN THE U S PRESS TO THE LUXEMBOURG DECISIONS IS MIXED. JODY POWELL'S WELCOME FOR IT IS WELL COVERED BUT THERE ARE ALSO MORE GRUDGING ACCOUNTS ATTRIBUTED TO OFFICIAL SOURCES. *ms*
  
2. I TOOK THIS UP WITH DEPUTY SECRETARY CHRISTOPHER TODAY, POINTING OUT THAT IT WAS A PITY TO SEE ATTRIBUTED IN THE PRESS TO OFFICIAL SOURCES EXPRESSIONS OF DISAPPOINTMENT WHEN IN FACT, IN MY OPINION, THE COMMUNITY HAD DONE WELL AT LUXEMBOURG. CHRISTOPHER READILY AGREED THAT THE LUXEMBOURG OUTCOME WAS POSITIVE. THE AMERICANS WERE GLAD THAT THE EUROPEANS HAD BEEN UNITED IN THEIR RESPONSE. HE THOUGHT THE LUXEMBOURG COMMUNIQUE READ LIKE A COMMITMENT BY THE NINE TO PUT THE NECESSARY NATIONAL LEGISLATION THROUGH BY 17 MAY AND STRESSED THAT THE U S PUBLIC WOULD OF COURSE FEEL BADLY LET DOWN IF THIS DID NOT HAPPEN. THUS THE POSITIVE INITIAL AMERICAN REACTION WOULD BE MUCH REINFORCED ONCE THE AMERICANS COULD FEEL SURE THAT THE TARGET DATE OF 17 MAY WOULD BE ADHERED TO. BUT HE AGREED THAT THE ADMINISTRATION SHOULD PUT AS FAVOURABLE A FACE ON THEIR PUBLIC REACTION AS THEY FELT ABLE TO WITHOUT UNDERMINING THEIR OWN CREDIBILITY - IT WAS THEIR ANXIETY OVER U S OPINION THAT PREVENTED THEM FROM BEING EVEN MORE POSITIVE PUBLICLY.
  
3. FRETWELL ALSO SPOKE TO BLACKWILL (NSC). BLACKWILL TOO CONFIRMED THAT THE ADMINISTRATION'S REACTION TO THE LUXEMBOURG MEETING HAD BEEN POSITIVE AND DREW FRETWELL'S ATTENTION TO AN ARTICLE BY BERNARD GWERTZMAN IN TODAY'S NEW YORK TIMES WHICH, HE SAID, REFLECTED THE THRUST OF NSC BRIEFING. THE ARTICLE IN QUESTION DOES INDEED STRESS AMERICAN WELCOME FOR THE ALLIES' BACKING. IT GOES ON TO MAKE THE INTERESTING POINT (WHICH IT ATTRIBUTES TO A SENIOR WHITE HOUSE OFFICIAL) THAT THE TIMING OF THE ALLIED MOVES MADE IT ALL BUT INEVITABLE THAT THE QUOTE REASSESSMENT UNQUOTE OF AMERICAN POLICY TOWARDS IRAN, PREVIOUSLY SET FOR MID-MAY, WOULD BE POSTPONED. ACCORDING TO THE ARTICLE THE ALLIES ARE EXPECTED TO PRESS FOR A DELAY OF AS MUCH AS SEVERAL MONTHS IN ANY FURTHER STEPS SUCH AS A NAVAL BLOCKADE; AND THE OFFICIAL QUOTED IS REPORTED TO HAVE SAID

*/T HAT*

CONFIDENTIAL

CONFIDENTIAL

THAT THE ADMINISTRATION WOULD BE SYMPATHETIC TO SUCH AN ALLIED REQUEST. WHEN, HOWEVER, I MENTIONED THIS TO CHRISTOPHER (POINTING OUT THAT THE U S WOULD PRESUMABLY WANT TO WAIT FOR THE ICJ JUDGMENT AND TO GIVE TIME FOR SANCTIONS TO BITE) HE WAS CAREFUL TO AVOID COMMENT.

FCO PSE PASS SAVING TO BRUSSELS COPENHAGEN DUBLIN LUXEMBOURG  
THE HAGUE UKDEL OECD UKDEL NATO

HENDERSON

REPEATED AS REQUESTED

( Repetition to ....TEHRAN.....  
referred for departmental decision,  
repeated as provided to other posts )

DEPARTMENTAL DIST

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WAD TRAD  
WED MACD  
SED CONS.D  
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ADDITIONAL DIST:

TEHRAN SPECIAL

THIS TELEGRAM  
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ADVANCED

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FM TOKYO 241230Z APR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 262 OF 24 APRIL

INFO PRIORITY WASHINGTON, BONN, COPENHAGEN, THE HAGUE, BRUSSELS,  
DUBLIN, LUXEMBOURG, ROME.

MY TELNO 258: IRAN

1. BRIEFING OF EC AMBASSADORS WAS CONDUCTED BY MUTO, CHIBA AND KUNIHURO. IT WAS ON THE BASIS OF A "NON-DOCUMENT" SUMMARISED IN MY TEL UNDER REFERENCE. THE EMPHASIS THROUGHOUT WAS ON THE JAPANESE DESIRE TO ACT IN CONCERT WITH THE MAJOR EC COUNTRIES. JUST AS THE EC COUNTRIES WERE NOW SEEKING HOW NATIONALLY EACH COULD IMPLEMENT THE LUXEMBOURG DECISIONS SO WERE THE JAPANESE, EXCEPT THAT THEY STARTED ONE STAGE FURTHER BACK NOT KNOWING EXACTLY WHICH ECONOMIC MEASURES THE EC WOULD IMPLEMENT. MUCH STRESS WAS LAID ON THE LEGISLATIVE PROBLEM. WE WERE TOLD THAT IT WAS HOPED THAT ACTION COULD BE TAKEN UNDER THE EXISTING OMNIBUS LEGISLATION ENTITLED (THE TITLE MAY NOT BE EXACT) FOREIGN TRADE MANAGEMENT AND ADMINISTRATION ACT. THE GOVT WERE ABLE TO MAKE ORDINANCES UNDER THIS AND HAD DONE SO, FOR EXAMPLE IN PURSUIT OF THEIR COCOM OBLIGATIONS, THE UN SANCTIONS IN RESPECT OF RHODESIA ETC. WE WERE TOLD THAT NEW LEGISLATION IN THE DIET WOULD BE EXTREMELY DIFFICULT, AND THAT THE MBWOTMTVVTD TO CARRY OTHER DEPARTMENTS WITH THEM F.T.M.A.A. WAS TO BE USED. CHIBA SAID THEY HAD MADE A GOOD START INTERDEPARTMENTALLY THE PREVIOUS NIGHT AND THEY HAD BEEN ENCOURAGED BY THEIR COLLEAGUES COOPERATION.

2. AS REGARDS DETAILS IN PARA 1 OF MY TUR A REDUCTION FROM 16 TO 13 OR 12 APPEARS TO BE ENVISAGED IN JAPANESE STAFF IN TEHRAN. THE FOUR IRANIANS HERE WERE THE AMBASSADOR, HIS DEPUTY, THE CONSUL AND A CYPHER CLERK. THE JAPANESE CONSIDERED THIS A VIRTUALLY IRREDUCIBLE MINIMUM, ACTION AGAINST WHICH MIGHT RESULT IN THEIR TEHRAN STAFF BEING DECIMATED. AS REGARDS VISAS THEY WOULD DO AS THE IRANIANS HAD DONE IN THE PAST TO THEM AND PROGRESSIVELY CEASE TO EXEMPT CERTAIN PRESENTLY EXEMPT CATEGORIES, BUT NOT ABOGATE THEIR AGREEMENT YET.

3. IN RESPONSE TO MY QUESTION THAT THE NON-DOCUMENT DID NOT SEEM TO EMBODY THE CERTAINTY OF AUTOMATIC ACTION IF BY 17 MAY THE IRANIANS HAD NOT ACTED DECISIVELY TO FREE THE HOSTAGES KUNIHURO STRESSED THE THIRD AND FOURTH SENTENCES OF PARA 1 ABOVE. I GET THE STRONG IMPRESSION FROM WHAT THE THREE OFFICIALS SAID AND FROM SUBSEQUENT CONVERSATIONS AT AN MFA PARTY THAT WE SHOULD CONFIDENTLY EXPECT JAPAN TO MOVE WITH US IF WE HAVE TO INSTITUTE AN EMBARGO AFTER 17 MAY.

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## CONFIDENTIAL

4. OTHER POINTS WHICH EMERGED FROM QUESTIONS WERE:

(A) FIELDING (EC) REFERRED TO AGENCY REPORTS SUGGESTING THAT SMALL SCALE EXPORTERS TO IRAN WOULD BE EXEMPT, AS WOULD THE BANDAR KHOMEINI PROJECT. ON THE FIRST POINT KUNIHURO SUGGESTED THAT IT WAS NOT EASY TO GET ADMINISTRATIVE GUIDANCE SO FAR DOWN THE SCALE. ALL THE BIGGER TRADING COMPANIES HAD GOT THE MESSAGE, THE SMALL FIRMS WERE NOT AN INTENTIONED EXCEPTION. AS REGARDS BANDAR KHOMEINI 95% OF THE MATERIAL WAS THERE ALREADY. SMALL MAINTENANCE ITEMS MIGHT HAVE TO BE SENT, BUT WOULD NOT BE SIGNIFICANT.

(B) ITALIAN AMBASSADOR ASKED IF JOINT EC/JAPAN REPRESENTATION TO U.S. WERE INTENDED. CHIBA SAID THEY WERE NOT AT PRESENT ENVISAGED, NOR EXCLUDED. MR OHIRA WOULD NO DOUBT REFER, AS OKITA DID IN LUXEMBOURG, TO THE DANGERS OF WARLIKE U.S. ACTIONS, WHEN HE WENT TO WASHINGTON.

(C) THE GERMAN MINISTER ENQUIRED IF FIRMS WHO IGNORED ADMINISTRATIVE GUIDANCE AND SUBSEQUENTLY GOT THEIR FINGERS BURNED WOULD BE LEFT TO SUFFER. CHIBA SAID THEY WOULD.

5. MUTO ENDED WITH A PLEA THAT WE SHOULD SEEK TO EXPLAIN TO OUR GOVERNMENTS THE DIFFERENCES BETWEEN CONDITIONS IN OUR OWN COUNTRIES AND IN JAPAN.

6. BEFORE THE MEETING THE FRENCH MINISTER SHOWED ME NANTENIL'S REPORTING TELEGRAM WHICH CONCLUDED BY SAYING THAT IT WAS AGREED THAT THE PRESIDENCY SHOULD ORGANISE DEMARCHES IN CERTAIN STATES (JAPAN AND THE ISLAMIC STATES WERE MENTIONED) IN SUPPORT OF THE E.C. POSITION. THE ITALIAN AMBASSADOR RECEIVED NO SUCH INSTRUCTIONS AND INDEED THE MEETING THIS EVENING WAS THE RESULT OF MY SUGGESTING TO HIM THAT WE OUGHT TO BE PRESSING THE JAPANESE FOR ACTION. MUTO SAID THAT THEY HAD INTENDED TO VOLUNTEER A BRIEFING, BUT HAD BEEN TIED UP TILL THEN IN THE DIET.

7. PLEASE REPEAT ELSEWHERE AT YOUR DISCRETION.

WILFORD

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Ref. A02007

PRIME MINISTER

Cabinet

FOREIGN AFFAIRS

The Foreign and Commonwealth Secretary will want to report on the outcome of the EC Council of Ministers' discussions on Iran. Agreement was reached on trade and economic sanctions to be implemented on 17th May, falling decisive progress towards the release of the hostages. Immediate measures approved include a reduction in diplomatic representation on both sides and the introduction of visas for Iranians travelling to the Nine.

COMMUNITY AFFAIRS

2. The Foreign and Commonwealth Secretary might be invited to report on the discussions in the Foreign Affairs Council and (in the absence of the Chancellor of the Exchequer) in the Finance Councils, on our budget problem in preparation for the European Council. New elements were: all member states accepted the Article 235 approach for supplementary expenditure in the United Kingdom, though there was some discussion about the procedure for disbursements; the French pressed for some kind of ceiling on the amount to be dispensed under the amended Financial Mechanism, and tabled a text on Community principles for the European Council communique; the Commission stuck to their 1980 figures as the basis for discussion in the European Council, but they will be accompanied by comments from France and others that they exaggerate our net contribution and by us that they may underestimate it. There was no advance on dynamism or duration. (The French also want marine pollution discussed at the European Council.)

3. The Minister of Agriculture might be invited to report on the 21st-23rd April Agriculture Council which could not reach agreement on the substance of the Commission's prices and economy package but was aiming to agree a report to the European Council setting out the issues to be resolved and their budgetary implications.



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4. You will wish to inform the Cabinet of the arrangements for Signor Cossiga's visit following the postponement of his planned trip earlier in the week. The postponement of the European Council has probably in the event enhanced the prospects for a settlement. By insisting on the reaffirmation of Community principles, the French may be preparing a position which, along with an assurance that CAP prices will be settled on a basis closer to their wishes, will enable President Giscard to justify giving us temporary relief on the budget issue. But it will be difficult to secure an arrangement for five years, the minimum period to be sure that it will not become an election issue. There is also a gap on an acceptance figure for 1980 and on ways of ensuring that it can be adjusted in future years to prevent another unacceptable rise in our net contribution. So there can be no guarantee of a successful outcome. You will wish to confirm that you and the Foreign and Commonwealth Secretary will be guided in the 27th-28th April European Council discussions on the budget by the conclusions reached by the Cabinet on 20th March.

ROBERT ARMSTRONG

(Robert Armstrong)

23rd April, 1980



Foreign and Commonwealth Office

London SW1A 2AH

24 April 1980

*Dear Petra,*

## IRAN : LEGISLATION

Legislative measures are to be discussed at this afternoon's OD meeting on Iran, but I promised in my letter yesterday to give you further details of what is envisaged in the way of legislation as soon as possible. What follows sets out the position as it stands at present; we shall know more after today's OD meeting.

As I explained yesterday, some, but not all, of the measures described in the vetoed Security Council Resolution can be implemented under the 1939 Act. The 1939 Act could not cover:

- (a) the sale of goods delivered to Iranian enterprises in the UK, or contracts to deliver goods to Iran, subject to grant of an export licence;
- (b) internal shipment to an Iranian Government entity in the UK or shipment to Iran by any means of transport from outside the UK;
- (c) any of the financial measures (these could be covered under other legislation, but not unless Iran had acted to the detriment of UK financial interests);
- (d) prevention of new service contracts in support of industrial projects in Iran; or
- (e) the prevention of evasion of any of the above measures.

The necessary powers could, however, be taken in a very short Enabling Bill, leaving the detail of the measures to be used to be set out in an Order in Council. It would be for political

/consideration

Ms Petra Laidlaw  
PS/Chancellor of the Duchy of Lancaster  
Privy Council Office  
Whitehall  
London SW1



consideration as to whether this should be subject to parliamentary procedure, or at any rate only to a negative resolution. This would give us more time to agree with our partners exactly to what extent we would give effect to all of the vetoed Security Council Resolutions. We would want the Bill to be a temporary enabling measure focussed very precisely on the defiance by Iran of its international obligations, of the UN and of the International Court of Justice, and something may need to be said on the question of compensation and existing contracts. But our advice is that 3 or 4 clauses would be sufficient for a Bill along these lines. It would obviously not be suitable for introduction in the Lords or the Second Reading Committee procedure, but given the degree of support in the House for the Government on this question and the clear need for haste, I would think it would not be opposed or criticised at much length; but you are in a better position to judge this last point than I am.

I am sending copies of this letter, and the operative paragraphs of the vetoed UN Security Council Resolution, to the Private Secretaries to all Members of OD and to the Private Secretaries to the Secretaries of State for Industry and Energy and the Chief Whip.

Yours Ours,  
*M A Wickstead*

M A Wickstead  
 Assistant Private Secretary  
 to the Lord Privy Seal



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Ref. A02012

PRIME MINISTER

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OD: Iran

BACKGROUND

The main purpose of this meeting is to provide the Foreign and Commonwealth Secretary with an opportunity to report on the outcome of the meeting of Community Foreign Ministers in Luxembourg on 22nd April. I understand that it was his intention to circulate a short paper but it now seems unlikely that this will happen in time for it to be properly considered at the meeting. There is some unease, particularly in the Departments of Trade and Industry, that we may be committing ourselves to a more expensive course of action than we fully appreciate. The Secretary of State for Trade has today circulated an OD paper about the economic costs of sanctions which suggest that the direct cost of stage 2 sanctions may involve loss of exports worth £350-£400 million a year.

HANDLING

2. You will wish to invite the Foreign and Commonwealth Secretary to report on the outcome of the Luxembourg meeting.

3. You could then invite the Chief Secretary (in the absence of the Chancellor of the Exchequer), the Secretary of State for Trade, and Lord Trenchard (in the absence of the Secretary of State for Industry) to comment on the economic implications of the present position. You could then invite the Chief Whip (in the absence of the Chancellor of the Duchy of Lancaster) to comment on the legislative implications and the Solicitor General (in the absence of the Attorney General) on the legal implications, particularly in regard to possible claims for compensation.

CONCLUSION

4. Ministers will not be fully briefed for this meeting, and in any case the relevant work which was set in hand at the OD meeting on 15th April has not yet been completed. For these reasons you will probably not want to take specific



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decisions on this occasion. Instead you might sum up the meeting to reflect the general position that has been expressed, and invite officials to produce a comprehensive report on the implications of the Foreign and Commonwealth Secretary's statement, taking account of the work already set in hand at the OD meeting on 15th April, for further consideration at a later meeting of OD.



(Robert Armstrong)

23rd April, 1980



FCS/80/79

OD COLLEAGUES

Iran

1. Following the meeting of OD on 15 April, I attended the meeting of the Foreign Ministers of the Nine in Luxembourg. A copy of the decision which we adopted is attached. Statements on this were made to both Houses of Parliament on 23 April.
  
2. The Ambassadors of the Nine will return to Tehran to convey our views to the Iranian President. It is envisaged that this will happen on 28 April. On the same day the Iranian Charge d'Affaires will be handed a Note at the Foreign and Commonwealth Office requiring him to reduce the number of Iranian staff in the Iranian Embassy and Consulates and giving him notice of HMG's wish to suspend the terms of the Visa Abolition Agreement between Britain and Iran. FCO officials are in touch with their counterparts in the Home Office about the details.
  
3. I hope that Japan and other major Western countries will associate themselves with the actions of the Nine. The Japanese Foreign Minister was in Luxembourg and I was able to explain to him the thinking behind our actions. We are following this up in Tokyo. We shall also be following up in other capitals to seek support for the Declaration of the Nine. A number of other questions arise from the decision which need urgent inter-departmental study. My colleagues may wish to give guidance for the work at official level both in Whitehall and with our Community Partners, which is now needed. The main questions are:-
  - (a) Cabinet agreed on 17 April not to reinforce existing voluntary measures in the financial field even though the vetoed Security Council Resolution provided for such reinforcement. The Luxembourg text as adopted avoids reference to

/all



24 APR 1980



'all the measures' in the Security Council Resolution. But, although the French supported me in leaving this reference vague, no-one else seemed disposed to refrain from legislating in the financial field. We shall need, therefore, in order to avoid misunderstanding, to explain to our European partners and to the Americans that our reluctance to legislate does not alter our determination to continue to implement these measures on a voluntary basis.

- (b) Should the legislation to be adopted provide for compensation of firms whose interests are affected by the decision on sanctions? The Americans seem disposed to contemplate such compensation. Instances of the Iranian authorities calling the performance bonds of British firms have already been brought to the FCO's attention. Although the interruption of trade in cases such as this, where the Government has had to take international action in support of foreign policy objectives, has not traditionally led to compensation for the firms affected, there is a danger that our action will compare unfavourably with that of the Americans and our own unwillingness to offer compensation could even affect the ease with which we can pass the necessary sanctions legislation through Parliament.
- (c) Should the proposed ban on exports to Iran affect only contracts concluded after 22 April, or existing contracts also? HMG's understanding of the vetoed UN Resolution was that, while existing Service Contracts would be exempted, existing contracts for the export of goods would be caught. The French, Germans and Italians, all

/of whom





of whom have sizeable on-going projects in Iran, argued at Luxembourg that any Government obliging a firm to break existing contracts without the protection of a Security Council Resolution or even a final judgement by the ICJ, would be liable for heavy damages. I expressed the view that sanctions affecting only future contracts would invite ridicule from the United States and from public opinion in Europe. After an intervention by the Commission pointing out that firms obliged by national legislation to break existing contracts could seek recourse to their insurers, it was eventually agreed to add a phrase saying that sanctions would be imposed 'in accordance with the provisions of international law.' Experts are to meet on Friday afternoon in Brussels to examine this question further.

4. I am sending a copy of this minute to Keith Joseph, David Howell and Norman St John-Stevas, and to Sir Robert Armstrong.

C  
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(CARRINGTON)

Foreign and Commonwealth Office

23 April 1980

## DECLARATION BY THE FOREIGN MINISTERS OF THE NINE OF IRAN

1. The Foreign Ministers of the nine Member States of the European Community meeting in Luxembourg on 22 April discussed the implications of the recent events in Iran in the light of the reports by their ambassadors following the demarche to the president of Iran decided upon by the Foreign Ministers at their meeting in Lisbon on 10 April.
2. The Foreign Ministers expressed the solidarity of the Nine with the Government and people of the United States at this time of trial.
3. While welcoming the visit by the ICRC to the hostages on 14 April and noting the assurances given by President Fani Sadr as to the living conditions of the hostages, the Foreign Ministers expressed their profound regret that the Iranian Government has been unable to give precise assurances about the date and methods by which the hostages would be released. The Iranian Government continues to ignore the clear call of the UN Security Council and the International Court of Justice to bring to an end a flagrant violation of international law and release the hostages.
4. Since the hostages were first detained the Nine, fully respecting the independence of Iran and the right of the Iranian people to determine their own future, have insisted that they must be released. The fact that after six months they are still detained, despite the efforts of the Nine and the clear condemnation by the community of nations, is intolerable from a humanitarian and legal point of view.

The Foreign Ministers of the Nine, deeply concerned that a continuation of this situation may endanger international peace and security, have decided to request their national parliaments immediately to take any necessary measures to impose sanctions against Iran in accordance with the Security Council resolution on Iran of 10 January 1980, which was vetoed, and in accordance with the rules of international law.

They believe that these legislative processes should be completed by 17 May, date of the Foreign Ministers' meeting in Naples. If by that time there has not been any decisive progress leading to the release of the hostages, they will jointly implement sanctions.

Steps will be taken within the Community in order that the implementation of the measures decided upon should not obstruct the proper functioning of the Common Market.

The Ministers consider that, as of now and pending the entry into force of the measures mentioned above, no new export or services contract with persons or organizations in Iran should be concluded.

5. The Foreign Ministers decided meanwhile to put into effect without delay the following measures, to the extent that they are not already in force:-

- (i) reduction in Embassy staffs in Tehran;
- (ii) a reduction in the number of diplomats accredited by the Government of Iran in their countries;
- (iii) the reintroduction of a visa system for Iranian nationals travelling to member countries of the Nine;
- (iv) the withholding of permission for the sale or export of arms or defence-related equipment to Iran.

7. The Foreign Ministers instructed their ambassadors to return to Teheran in the interval in order to convey the present decision to the Iranian government, to follow the situation, and to undertake all possible efforts to alleviate and improve the living conditions of the hostages pending their release.

They expressed the hope that the Iranian authorities would act along the lines suggested in this statement.

8. The Foreign Ministers of the Nine, believing that this situation should be a matter of concern to the whole international Community, call upon other governments to associate themselves with these decisions.
9. The Foreign Ministers decided immediately to contact the Government of the United States through the Presidency and to inform it of the decisions taken by them.

RESTRICTED

FM OTTAWA 12 1615Z APR 80  
 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 214 OF 23 APRIL  
 INFO IMMEDIATE WASHINGTON TEHRAN

1. WE HAVE HEARD IN CONFIDENCE THAT THE CANADIAN GOVERNMENT WILL ANNOUNCE LATER TODAY THAT IT WILL BE TAKING MEASURES ROUGHLY PARALLEL WITH THOSE ANNOUNCED BY THE EC. IN PARTICULAR IT WILL ANNOUNCE THAT:

(A) THERE WILL BE NO FURTHER VISAS FOR IRANIAN STUDENTS WHO APPLY ABROAD ( A SMALL NUMBER OF APPLICATIONS NOW IN THE PIPELINE WILL BE ALLOWED TO PROCEED).

(B) THE DIPLOMATIC STAFF OF THE IRANIAN MISSION HERE WILL BE REDUCED FROM 2 TO 1 (72 HOURS NOTICE). *mo*

(C) NO EXPORT PERMITS FOR MILITARY EQUIPMENT WILL BE APPROVED AND THE CANADIAN EXPORT DEVELOPMENT CORPORATION WILL BE ASKED TO DECLINE TO AUTHORISE ANY NEW EXPORT CREDITS.

(D) OIL COMPANIES WILL BE URGED NOT TO PURCHASE IRANIAN OIL.

(E) THE GOVERNMENT WILL RECOMMEND TO COMPANIES NOT TO ENTER INTO NEW EXPORT OR SERVICE CONTRACTS.

2. THE GOVERNMENT WILL ALSO ANNOUNCE THAT IT WILL CONSIDER IN CONCERT WITH OTHER LIKE-MINDED NATIONS WHAT FURTHER MEASURES MAY BE NECESSARY IF THE HOSTAGES ARE NOT RELEASED BY 17 MAY.

FORD

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FILES	PS
MED	PS/LPS
NAD	PS/MR HURD
ECD	PS/FUS
SED	SIR D MATTLAND
FED	MR J C MOBERLY
ESSD	LORD N G-LENNOX
DEF D	MR FERGUSSON.
PCD	
CABINET OFFICE	

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cc Mark Set

From the Private Secretary

23 April 1980

Iran

The Foreign and Commonwealth Secretary called on the Prime Minister this morning to discuss the outcome of the Council of Ministers (Foreign Affairs) meeting yesterday in Luxembourg. Mr. Hurd was also present.

After the Foreign and Commonwealth Secretary had described the course of the discussions, he mentioned some of the problems on which national decisions would now be required. He said that it was being argued that the Government should give no undertakings to compensate firms affected by the prospective imposition of sanctions on trade with Iran. Most firms would have ECGD cover. Those which did not, had gone into the situation with their eyes open. The Prime Minister said that the matter would need to be considered in detail. In the meantime she did not wish any statement to be made ruling out the possibility of some form of compensatory action being taken by the Government. A formulation such as "consideration is being given to this matter" should be used. The Prime Minister added, however, there could be no question of freezing Iranian assets in order to provide funds from which compensation could be paid.

In relation to the problems likely to face the Talbot Car Company, the Prime Minister wondered whether arrangements should not be made to stockpile kits in this country. In the past, the Iranians had carried up to four months' supply of kits in Tehran (because of uncertainties over UK supply). If they still did so, and if a suitable number of kits were available for immediate supply if and when trade was resumed, the chances of losing the contract would be minimised.

The Prime Minister said that it would be necessary at tomorrow's OD meeting to clarify the question of what aspects of our commercial relations with Iran should be covered by legislation. Should the legislation cover all the topics dealt with in the UN Resolution? The Foreign and Commonwealth Secretary

/said

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said that it seemed likely that purely financial matters would continue to be dealt with voluntarily; that imports and exports could be dealt with by the 1939 Act; but that services and shipments would require primary legislation.

The Foreign and Commonwealth Secretary told the Prime Minister that the reduction of our embassy staff in Tehran was already in hand. As regards the reduction of the Iranian staff in London, it was agreed that they need not be asked to reduce until after the Ambassadors of the Nine had spoken to President Bani Sadr on Monday of next week.

The Prime Minister said that it was essential that the Japanese Government should associate themselves with the measures being taken by the Nine. The Foreign and Commonwealth Secretary said that he thought that the Japanese would do so. But it was agreed that a telegram should be sent to Tokyo instructing Sir Michael Wilford to make it clear to the Japanese the importance which we attached to their endorsing the approach of the members of the Nine.

I am sending copies of this letter to the Private Secretaries to members of OD and to David Wright (Cabinet Office).

M. O'D. E. ALEXANDER

G.G.H. Walden, Esq.,  
Foreign and Commonwealth Office.

IRAN: ADVANCE COPIES 43

PS  
PS/SIR I GILMOUR  
PS/MR HURD  
PS/PUS  
SIR D MAITLAND  
MR J C MOBERLY  
LORD BRIDGES  
LORD N G LENNOX  
MR EVANS  
MISS BROWN  
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MR W N WENBAN SMITH )  
DIO )  
PS/CHANCELLOR )  
MR F R BARRATT ) TREASURY  
MR R G LAVELLE )  
MR C W McMAHON ) BANK OF  
MR P B EDGLEY ) ENGLAND  
MR R WILLIAMS CRE5 DOT  
MR W KNIGHTON DEPT OF TRADE  
MR C BENJAMIN DOI  
MR D LE B JONES ) DEPT OF  
MR C LUCAS ) ENERGY

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FM LUXEMBOURG 221300Z

TO PRIORITY FCO

TELEGRAM NUMBER 110 OF 22 APRIL 1980

INFO IMMEDIATE TOKYO PRIORITY ALL EC POSTS WASHINGTON TEHRAN  
CANBERRA OTTAWA OSLO UKDEL NATO UKHIS NEW YORK AND UKDEL OECD

IMMEDIATE

IRAN: SECRETARY OF STATE'S MEETING WITH JAPANESE FOREIGN MINISTER

1. THE JAPANESE FOREIGN MINISTER CALLED ON THE SECRETARY OF STATE FOR HALF AN HOUR YESTERDAY EVENING TO DISCUSS IRAN. HE HAD PREVIOUSLY SEEN SIGNOR COLOMBO.
2. DR OKITA EXPLAINED THAT HIS GOVERNMENT'S MAIN CONCERNS WERE TO SHOW SOLIDARITY WITH THE US, JAPAN'S PRINCIPAL ALLY, IN ORDER FIRSTLY TO SECURE THE RELEASE OF THE HOSTAGES AND SECONDLY TO PREVENT THE US FROM TAKING MILITARY ACTION WHICH, IN THE JAPANESE VIEW, COULD HAVE THE MOST DAMAGING CONSEQUENCES. HE HAD COME TO LUXEMBOURG IN ORDER TO ASSOCIATE JAPAN WITH THE ACTION OF THE NINE SINCE HE KNEW THAT THE EUROPEAN COUNTRIES BROADLY SHARED THESE



LUXEMBOURG IN ORDER TO ASSOCIATE JAPAN WITH THE ACTION OF THE NINE SINCE HE KNEW THAT THE EUROPEAN COUNTRIES BROADLY SHARED THESE CONCERNS. HE HAD BEEN GRATEFUL FOR THE ACCOUNT GIVEN HIM BY SIR M WILFORD OF THE BRITISH TWO-STAGE PROPOSAL. HE WAS NOT, HOWEVER, CLEAR WHAT EXACTLY WAS ENVISAGED FOR MEASURES RELATING TO OIL.

3. LORD CARRINGTON SAID THAT HE HOPED IT WOULD BE POSSIBLE ON THE FOLLOWING DAY TO AGREE ON A COMMON APPROACH AMONG THE NINE. THERE WAS LITTLE POINT IN THE EUROPEANS TAKING ACTION UNLESS THEY COULD ALL AGREE ON WHAT TO DO. THERE WAS LOGIC IN THE TWO-STAGE APPROACH IN THAT THE DIFFERENT MEMBERS OF THE NINE FACED DIFFERENT POLITICAL SITUATIONS: THE GERMANS ALREADY HAD POWERS TO TAKE ECONOMIC SANCTIONS, BRITAIN HAD SOME POWERS, BUT NOT A FULL RANGE, WHILE THE FRENCH DID NOT YET HAVE ANY. THERE WAS ALSO THE PROBLEM OF COMMUNITY COMPETENCE. AS REGARDS OIL MEASURES, THE BRITISH PROPOSAL HAD BEEN IN THE FIRST PLACE FOR CONSULTATION AND HARMONISATION OF APPROACH WITH A VIEW TO DISCOURAGING THE PURCHASE OF IRANIAN OIL. BUT THE BRITISH GOVERNMENT RECOGNISED THE DIFFICULTIES WHICH A COMPLETE CESSATION OF SUPPLIES WOULD POSE FOR COUNTRIES LIKE JAPAN AND THE FRG AND WAS NOT, THEREFORE, MAKING ANY RIGID PROPOSALS. DR OKITA SAID THAT THE JAPANESE HAD ALREADY INTRODUCED A NUMBER OF MEASURES WHOSE EFFECT WOULD BE TO LIMIT THEIR PURCHASE OF IRANIAN OIL TO THE 600 THOUSAND BARRELS PER DAY WHICH THEY HAD TAKEN BEFORE THE HOSTAGES CRISIS. MOREOVER, JAPAN WAS RESISTING THE IRANIAN DEMAND FOR A 2.5 DOLLAR RISE IN THE PRICE AND WOULD CONTINUE FIRMLY TO DO SO. BUT IRAN ACCOUNTED FOR 10% OF JAPAN'S TOTAL OIL IMPORTS AND JAPAN TOOK NEARLY 50% OF IRAN'S OIL EXPORTS, MORE IN VOLUME THAN ALL THE OTHER EUROPEAN COUNTRIES TOGETHER. THERE WOULD THUS BE SEVERE ECONOMIC PENALTIES FOR JAPAN IN A CESSATION OF SUPPLIES. THE JAPANESE GOVERNMENT WAS PREPARED FOR THIS POSSIBILITY. THEY WOULD, HOWEVER, PREFER, IN THE INTERESTS OF THEIR LONGER TERM RELATIONS WITH IRAN, FOR SUPPLIES TO BE SUSPENDED AS A RESULT OF AN IRANIAN DECISION RATHER THAN AS A RESULT OF A DECISION BY THE JAPANESE THEMSELVES. THE SITUATION AT PRESENT WAS THAT THE IRANIANS HAD THAT DAY STOPPED SUPPLYING OIL TO JAPAN BECAUSE OF THE JAPANESE REFUSAL TO PAY THE INCREASED PRICE. BUT IF THE IRANIANS CHANGED THEIR MINDS ON PRICE, THE JAPANESE WOULD, ON THEIR PRESENT PLANS, CONTINUE TO BUY. LORD CARRINGTON SAID THAT HE DOUBTED WHETHER THE IRANIANS WOULD CHANGE THEIR MINDS: THEY WERE ALREADY FINDING ALTERNATIVE PURCHASERS IN EASTERN EUROPE.

4. LORD CARRINGTON ASKED WHETHER THE JAPANESE GOVERNMENT WOULD HAVE ANY DIFFICULTY IN GOING ALONG WITH THE OTHER MEASURES ENVISAGED FOR A DECLARATION OF THE NINE. DR OKITA SAID THAT, APART FROM THE

4. LORD CARRINGTON ASKED WHETHER THE JAPANESE GOVERNMENT WOULD HAVE ANY DIFFICULTY IN GOING ALONG WITH THE OTHER MEASURES ENVISAGED FOR A DECLARATION OF THE NINE. DR OKITA SAID THAT, APART FROM THE PROBLEM OF MEASURES INVOLVING OIL, THERE WERE ONLY ONE OR TWO MINOR DIFFICULTIES FOR JAPAN. FOR EXAMPLE, IT WOULD BARELY MAKE SENSE FOR JAPAN TO IMPOSE VISA REQUIREMENTS SINCE THERE WERE 7,000 JAPANESE VISITORS TO IRAN EACH YEAR AND ONLY 3,200 IRANIAN VISITORS TO JAPAN. MOREOVER, ALTHOUGH IT MIGHT BE POSSIBLE TO REDUCE THE SIZE OF THE JAPANESE EMBASSY IN TEHRAN, THE IRANIAN MISSION IN TOKYO WAS ONLY 4 STRONG AND COULD HARDLY BE REDUCED FURTHER. HE ALSO ASKED WHETHER THE PROPOSED PROHIBITION ON SERVICE CONTRACTS WAS INTENDED TO APPLY TO EXISTING CONTRACTS OR MERELY TO NEW ONES. LORD CARRINGTON SAID THAT IT WAS NEW ONES WHICH HE HAD IN MIND.

5. LORD CARRINGTON SAID THAT HE DID NOT THINK IT VITAL FOR THE JAPANESE TO GO ALONG IN DETAIL WITH EVERY MEASURE WHICH THE NINE AGREED ON. BUT IT WOULD CREATE A GOOD EFFECT IN THE US IF THE JAPANESE COULD ASSOCIATE THEMSELVES, AS QUICKLY AS POSSIBLE, WITH WHATEVER DECLARATION THE NINE ISSUED. DR OKITA SAID THAT HE HIMSELF WOULD BE RETURNING TO JAPAN EARLY THIS MORNING BUT THAT, AS SOON AS HE SAW THE TEXT OF THE DECLARATION OF THE NINE, HE WOULD SEE WHETHER THE JAPANESE COULD EXPRESS APPROPRIATE SUPPORT.

IMMEDIATE

THOMAS

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SENT / RECD AT 2222 1358Z MJA/TLG



Foreign and Commonwealth Office

London SW1A 2AH

*Mr has agreed Mr Hurd  
should take this on.*

21 April 1980

*Dear Michael,*

*Mr Wickstead informed,*

*ht. - [Signature] 21/4*

STATEMENT ON FOREIGN AFFAIRS COUNCIL IN THE HOUSE OF COMMONS:  
WEDNESDAY, 23 APRIL

We spoke about this earlier today. On present plans Mr Hurd would make the Statement and answer questions in the House of Commons; this seems particularly apposite as much of the interest will no doubt centre on Iran, for which Mr Hurd is of course the responsible Minister. If the Prime Minister were adamant about the Lord Privy Seal doing this, however, it might just be possible. There is a flight from Cyprus arriving at Heathrow at 1.50pm by which the Lord Privy Seal could arrive back in central London in time - providing the aircraft arrived on schedule and there were no other delays. But even then he would have very little time in which to prepare, and if the Prime Minister is content I think it would be far preferable for Mr Hurd to take this on.

*Yours ever,  
[Signature]*

M A Wickstead  
Assistant Private Secretary  
to the Lord Privy Seal

M O'D B Alexander Esq  
10 Downing Street  
London

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FM TEHRAN 011777Z APR 80

TO IMMEDIATE FOO

TELEGRAM NUMBER 411 OF 21 APRIL

INFO IMMEDIATE LUXEMBOURG, WASHINGTON, ROUTINE EC POSTS

AND UKREP BRUSSELS

CONFIDENTIAL

Prime Minister (2)

21.4.80

FOO TELNO 443 TO UKREP BRUSSELS: US/IRAN - CALL ON IRANIAN FOREIGN MINISTER.

1. I CALLED THIS MORNING ON QOTBZADEH AT MY REQUEST. I SAID THAT AFTER THE EC AMBASSADOR'S MEETING WITH BANI SADR WE HAD ALL RETURNED, AS HE PERHAPS KNEW, TO OUR CAPITALS TO REPORT. I HAD SEEN YOU AND THE PRIME MINISTER. THE SITUATION WAS CLEARLY VERY GRAVE, AND I WAS BAFFLED TO ADVISE MY MINISTERS WHAT IT WAS THAT IRAN WANTED. FOR THEIR PART THE BRITISH GOVERNMENT HAD MADE PLAIN FROM THE BEGINNING THAT THEY RESPECTED THE RIGHT OF THE PEOPLE OF IRAN TO CHOOSE THEIR OWN GOVERNMENT AND DESIRED GOOD RELATIONS WITH IRAN. BUT WE HAD THE CRISIS OVER THE AMERICAN HOSTAGES. WE HAD URGED FROM THE START THAT THE AMERICANS SHOULD TRY TO FIND A PEACFUL SOLUTION AND WE BELIEVED THAT PRESIDENT BANI SADR AND QOTBZADEH HIMSELF WISHED THIS. I HAD NOW SEEN THE SCENARIO WHICH HAD BEEN SENT US (A COPY WAS RECEIVED YESTERDAY AND WILL BE FORWARDED BY BAG TO YOU AND TO WASHINGTON). IT WAS CLEAR HOW CLOSE THE UN COMMISSION HAD COME TO SUCCESS, BUT IT WAS ALSO CLEAR THAT THE FAILURE OF THE STUDENTS TO AGREE TO THE COMMISSION BEING THE HOSTAGES HAD BEEN THE CAUSE OF THE BREAKDOWN. IN THIS SITUATION THE BRITISH GOVERNMENT AND THE GOVERNMENTS OF THE EUROPEAN COMMUNITY WERE BOUND TO BACK UP THE UNITED STATES; MORE ESPECIALLY SINCE BY HOLDING THE HOSTAGES IRAN WAS IN THE WRONG. THIS WAS NOT WHAT WE WANTED: A SOLUTION WOULD BE IN ALL OUR INTERESTS.

2. QOTBZADEH STARTED BY REPEATING WHAT HE HAD SAID ON 11 APRIL (MY TELNO 370), NAMELY THAT IT WAS NECESSARY TO BE PATIENT AND THAT FURTHER PRESSURE ON IRAN, ESPECIALLY IF THE EUROPEAN GOVERNMENTS JOINED IN APPLYING THEM, (OULD BE COUNTER-PRODUCTIVE. HE REJECTED THE DEDUCTION FROM THE SCENARIO THAT IT WAS THE STUDENTS' REFUSAL TO PERMIT THE COMMISSION TO SEE ALL THE HOSTAGES THAT HAD CAUSED THE BREAKDOWN OF THE UN EFFORT, CLAIMING THAT THE IMAM'S STATEMENT ON 10 MARCH HAD BEEN DESIGNED TO OPEN THE WAY FOR THE COMMISSION TO CARRY OUT THEIR MANDATE, WHILE SAVING THE STUDENTS' FACE BY INVITING THE COMMISSION TO MAKE A GENERAL DECLARATION OF THEIR FINDINGS TO DATE, IN ADVANCE OF THEIR FORMAL REPORT. UNFORTUNATELY SOME MEMBERS OF THE COMMISSION HAD BEEN MORE CATHOLIC THAN THE POPE. THE SUGGESTION OF TRANSFER TO THE GOVERNMENT HAD COME FROM THE STUDENTS AND HE (QOTBZADEH) HAD

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DECIDED

## CONFIDENTIAL

DECIDED TO CALL THEIR BLUFF, BUT THE QUESTION OF TRANSFER OR NOT WAS NOT THE REAL ISSUE (IN FACT THE SCENARIO CLEARLY ENVISAGED TRANSFER TO GOVERNMENT CONTROL, EITHER IN THE EMBASSY WITH THE STUDENTS WITHDRAWN OR IN A HOSPITAL). HE WAS STILL WORKING ON WAYS OF RESOLVING THE CRISIS AND, IN RESPONSE TO MY QUESTION, SAID THAT NOW THAT THE STUDENTS HAD AGREED TO ALL THE HOSTAGES BEING SEEN BY AN INDEPENDENT BODY, DID NOT RULE OUT TRYING TO REACTIVATE THE UN COMMISSION. HE REJECTED THE SUSPICION THAT I SAID WAS GAINING GROUND ABROAD THAT THE SESSION OF THE PARLIAMENT WAS BEING DELAYED DELIBERATELY, AND CLAIMED THAT TIME LOST NOW BY DEALING WITH THE VARIOUS ELECTORAL COMPLAINTS WOULD BE MADE UP LATER WHEN THE CREDENTIALS OF THE MEMBERS CAME TO BE SCRUTINISED. HE CONCLUDED BY URGING YET AGAIN, IN THE INTERESTS OF AN EARLY SOLUTION, THAT THE EUROPEAN COUNTRIES SHOULD NOT FOLLOW THE UNITED STATES IN ITS PRESSURES AGAINST IRAN.

3.-- AT THE END OF THE MEETING I RAISED THE QUESTION OF VISITS TO LAINGEN. QOTBZADEH SAID THAT I COULD TAKE THIS MATTER UP WITH THE DIRECTOR GENERAL OF PROTOCOL. HE HAD ONLY STOPPED THE VISITS WHEN THEY BECAME PUBLIC KNOWLEDGE, AT A TIME WHEN IT SEEMED THAT THIS WOULD IMPEDE THE PROGRESS THAT WAS BEING MADE IN SECRET NEGOTIATION TOWARDS A SETTLEMENT. BY THE SAME TOKEN NOW IT WOULD NOT BE HELPFUL IF THE FACT OF SUCH VISITS BECAME KNOWN. I SHALL BE PURSUING THIS.

GRAHAM

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*AF 25 ✓*

21 April 1980

Message from the Japanese Prime Minister

The Prime Minister thought that the Japanese Prime Minister's letter, enclosed with your letter to me of 18 April, was very helpful. She looks forward to receiving a draft reply as soon as possible.

M. ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

*SL*

IRAN: ADVANCE COPIES *42*

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Iran

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 PS/MR HURD  
 PS/PUS  
 SIR D MAITLAND  
 MR J C MOBERLY  
 LORD BRIDGES  
 LORD N G LENNOX  
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GR 146

CONFIDENTIAL

FM TOKYO 210200Z APR

TO IMMEDIATE FCO

TEL NO. 249 OF 21 APRIL INFO ROUTINE WASHINGTON, UKREP BRUSSELS, LUXENBURG.

YOUR TELNO 155: MEASURES AGAINST IRAN

1. IN SEEKING AN APPOINTMENT FOR 20 APRIL TO SPEAK TO CHIBA I DISCOVERED THAT DR OKITA WOULD BE LEAVING VERY EARLY THAT MORNING AND THAT IF I WAS TO FEED ANYTHING INTO THE JAPANESE MACHINE IT WOULD HAVE TO BE DONE ON SATURDAY EVENING. ACCORDINGLY THE MINISTER SPOKE TO CHIBA AND TOOK HIM THROUGH THE MEASURES LISTED IN PARAGRAPHS 5 AND 6 OF YOUR TELEGRAM UNDER REFERENCE. CHIBA SAID THAT THEY HAD HAD ONLY A SUMMARY REPORT OF FUJIYAMA'S TALK WITH LORD BRIDGES AND EXPRESSED GRATEFUL THANKS FOR THESE DETAILS.

2. I DO NOT THEREFORE INTEND TO TAKE FURTHER ACTION IN THE LIGHT OF YOUR TELNO 155.

WILFORD



Prime Minister  
A report of Douglas  
Hurd's interview on  
"weekend world" today

Duty Clerk.  
20:4 80.

1 IRAN

CARTER'S CALL 'A CRISIS FOR ALLIANCE'

THE WESTERN ALLIANCE HAS BEEN PLUNGED INTO A CRISIS BY PRESIDENT CARTER'S DEMAND FOR SANCTIONS AGAINST IRAN; DOUGLAS HURD, FOREIGN OFFICE MINISTER, SAID TODAY.

HE EXPRESSED HIS FEAR THAT THERE WOULD BE MOVES TO PULL AMERICAN TROOPS OUT OF EUROPE IF THE COMMON MARKET COUNTRIES FAILED TO SUPPORT THE U.S ON THE HOSTAGE ISSUE.

IN AN INTERVIEW WITH BRIAN WALDEN ON THE LONDON WEEKEND TELEVISION PROGRAMME 'WEEKEND WORLD', HE SAID: 'IT IS A CRISIS WITHIN THE ALLIANCE; ALMOST, ONE WOULD SAY, A SPIRITUAL CRISIS.'

'IT'S NOT THAT ENORMOUS INTERESTS OF THE ALLIANCE ARE AT STAKE IN TEHRAN.

'WHAT IS AT STAKE ARE 53 DIPLOMATS FROM THE LEADING MEMBER STATE OF THE ALLIANCE, AND THEREFORE IT'S REALLY A SPIRITUAL - INDEED EMOTIONAL - CHALLENGE TO THE ALLIANCE - THE MOST IMPORTANT CHALLENGE OF ALL.

'AND SO IT IS OF IMMENSE IMPORTANCE TO THE FUTURE LIFE AND SUCCESS OF THE ALLIANCE ON WHICH OUR SECURITY IN BRITAIN, THIS WEEKEND AND EVERY WEEKEND, DOES ACTUALLY DEPEND.'

(MORE FOLLOWS)

1817

2 IRAN

ASKED IF AMERICAN DISENCHANTMENT WITH EUROPE COULD LEAD TO THE BREAK-UP OF NATO, MR HURD SAID HE THOUGHT MOVES IN THAT DIRECTION WOULD BEGIN QUITE QUICKLY.

HE SAID: 'IF ANYONE STARTED PICKING AWAY AT THE STRUCTURE NOW, OR GIVING THE AMERICANS CAUSE TO PICK AWAY AT IT, THEN I THINK THE CONSEQUENCES FOR THE ALLIANCE COULD BE VERY GRAVE.

'THERE WOULD BE A DANGER - NOT IMMEDIATELY, NOT OVERNIGHT, NOT THIS YEAR NECESSARILY, BUT IN THE LONGER TERM - A DANGER THAT THE BASIC FEELING IN THE UNITED STATES THAT THEY BELONG TO AN ALLIANCE THAT IS IMPORTANT, WORKABLE, AND WORTH THE EFFORT INVOLVED, WOULD BE UNDERMINED.'

MR HURD ALSO SAID THAT BRITAIN WAS DETERMINED TO SECURE THE E.E.C. FOREIGN MINISTERS' SUPPORT FOR AN AGREED PACKAGE OF SANCTIONS AGAINST IRAN AT THEIR MEETING TOMORROW.

HE MADE IT CLEAR THAT IF LORD CARRINGTON COULD NOT GET AGREEMENT TO A COMMON EEC POSITION, BRITAIN WOULD GO IT ALONE, AND IMPLEMENT SANCTIONS ANYWAY, ALONG WITH OTHER LIKE-MINDED MEMBERS OF THE E.E.C.

-- 1819

SUBJECT.

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. .... T 90/80

*Handwritten initials/signature*

*cc. Carter sec  
LPT*

TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND  
PRESIDENT CARTER ON 19 APRIL 1980 AT 2210 HOURS

---

Prime Minister: Hello there, Jimmy - Margaret here. How are you?

President Carter: Just fine. It is a pleasure to talk to you. How are things going in Great Britain?

Prime Minister: It is very good of you to 'phone.

President Carter: Well, thank you. I would like to send Warren Christopher over tomorrow if you could let him -

Prime Minister: Sunday? Yes.

President Carter: ... to talk to you about a matter of importance. There is no need for you to be concerned - it is just to explain something to you. He will be coming in some time tomorrow and he would like to do it in a private unpublicised way.

Prime Minister: Well, in that case I think the best thing is for him to come straight to Chequers. Do you have any idea what time he is arriving?

President Carter: He will probably leave here this evening but we can send a message to you through Kingman Brewster about the time.

Prime Minister: Yes. Then if necessary I can get Peter over because he lives not far from Chequers.

President Carter: I think that would be just fine.

Prime Minister: All right, I will do that. We will look after him and we will just stand by to know when he arrives. Kingman will come with him, I imagine.

President Carter: No, I do not think so.

Prime Minister: All right, as he wishes. But we will be ready here, and we can look after him as long as he is here.

President Carter: That is good, and I thank you very much.

Prime Minister: And we are hoping to see the wives of the hostages on Monday or Tuesday, I think?

President Carter: Oh, very fine. They are going on their own, not as a delegate from me.

Prime Minister: No, well, I can understand that, I know, but I can understand their concern. But I had a message in that they had asked to see one and I hoped it would help if one did - it might help them.

President Carter: I think it would. Well, good luck and you will get a message from me privately.

Prime Minister: Yes, all right Jimmy. You are all right, are you?

President Carter: Just fine.

Prime Minister: You do sound a little bit - well, it is not surprising that you sound a little bit worried.

President Carter: No, I am fine.

Prime Minister: All right. We look forward to seeing Warren Christopher tomorrow.

President Carter: Good luck.

Prime Minister: Thank you very much. Goodbye

unfaxed to Chequers

19.4.80

*(Departmental)*

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FM/PARIS 190932Z APR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 373 OF 19 APRIL 1980

INFO PRIORITY WASHINGTON, ROME, UKREP BRUSSELS, BONN.

INFO SAVING TO BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE.

FCO TELS NOS 184 AND 185

POLITICAL COOPERATION: IRAN

1. ACTION TAKEN BY HEAD OF CHANCERY AND COUNSELLOR (FINANCIAL) WITH DUPONT (DIRECTEUR-ADJOINT FOR POLITICAL AFFAIRS AT THE C ) WHO WAS ACCOMPANIED BY APPROPRIATE ECONOMIC EXPERTS. DUPONT MADE IT CLEAR THAT THE FRENCH POSITION HAD SHIFTED CONSIDERABLY CLOSER TO THAT OF THE UK. MONSIEUR FRANCOIS-PONCET HAD, ACCORDING TO DUPONT, SAID THAT THE UK DRAFT IN YOUR TEL NO 444 TO UKREP BRUSSELS CAUSED HIM NO MAJOR DIFFICULTY EXCEPT THAT THE REFERENCES TO THE COMMUNITY AND ITS INSTITUTIONS IN PARAGRAPHS 5 AND 6 WERE UNACCEPTABLE. SUBJECT TO THEIR DELETION, THE FRENCH WOULD BE HAPPY FOR A DECLARATION ON THESE LINES TO ISSUE AFTER THE 21/22 APRIL MEETING, AND FOR THE ACTION ENVISAGED IN IT TO BE TAKEN RAPIDLY.

2. ON THE SPECIFIC MEASURES IN PARAGRAPH 3 OF THAT TELEGRAM, (111) (IV) AND (V) HAD ALREADY BEEN INTRODUCED BY FRANCE. THE OTHERS CAUSED NO DIFFICULTY, BUT DUPONT EXPRESSED A PREFERENCE FOR KEEPING AMBASSADORS IN TEHRAN AS LONG AS POSSIBLE (IE THE DELETION OF QUOTE AND/ UNQUOTE IN POINT (1) OF PARA 3).

3. THE REACTION TO THE INFORMAL SUGGESTION IN FCO TEL NO 185 WAS THAT ARTICLE 224 WAS SPECIFICALLY INTENDED TO ALLOW MEMBER STATES TO IMPOSE RESTRICTIONS UNDER THEIR OWN DOMESTIC LAW, AND THE FRENCH COULD SEE NO POINT IN TRYING TO ADAPT ARTICLE 113 TO CIRCUMSTANCES COVERED BY ARTICLE 224. FRENCH UNDERSTANDING WAS THAT THE GERMANS WERE PREPARED TO CONSIDER NATIONAL MEASURES AND HENCE WOULD NOT NECESSARILY OBJECT TO USING ARTICLE 224 TO THIS END. DUPONT EMPHASISED THAT THE FRENCH SUPPORTED CONCERTED ACTION IN POLITICAL COOPERATION, BUT FRANCE COULD NOT ACCEPT INVOLVEMENT OF COMMUNITY INSTITUTIONS: MEMBER STATES ALREADY ENJOYED THE RIGHT UNDER ARTICLE 224 OF THE TREATY TO ADOPT NATIONAL MEASURES APPROPRIATE TO THE SITUATION.

FCO PLEASE PASS SAVING TO OTHER EC POST.

JAMES.

NNNN

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FM WASHINGTON 190120Z APR 80  
TO PRIORITY F C O  
TELEGRAM NUMBER 1536 OF 19 APRIL 1980  
INFO PARIS AND BONN.

IRAN/AFGHANISTAN/USA

1. WHEN I SAW BRZEZINSKI TODAY HE EXPRESSED MORE CONCERN ABOUT AFGHANISTAN THAN IRAN. AFGHANISTAN WAS SHOWING UP THE PROBLEM OF RESPONDING EFFECTIVELY TO THE SOVIET UNION AND REVEALING MORE SERIOUS DIFFERENCES OF VIEW WITHIN THE ALLIANCE THAN DID IRAN.
2. ON IRAN, HE UNDERSTOOD THE NEED FOR THE COMMUNITY COUNTRIES TO CONSULT TOGETHER. IT WOULD BE MORE EFFECTIVE IF THEY COULD ACT MORE OR LESS ON THE SAME LINES THAN IF ONE OR TWO OF THE COUNTRIES ADOPTED FAR-REACHING MEASURES BUT THEREBY GOT OUT OF LINE WITH THE REST.
3. I SAID THAT I THOUGHT THAT SOME OF THE SPECULATION IN WASHINGTON ABOUT THE DISCORD WITHIN THE ALLIANCE ON IRAN WAS EXAGGERATED: IT WAS ALSO COUNTER PRODUCTIVE. NOT ONLY DID IT HEARTEN THE OTHER SIDE BUT IF, FOR EXAMPLE, THERE WAS TO BE SOME CRITICISM OF THE ALLIED BY THE US AUTHORITIES JUST PRIOR TO THE MEETING OF COMMUNITY FOREIGN MINISTERS ON THE 21ST THAT COULD MAKE IT MORE DIFFICULT FOR THEM TO ACT RESOLUTELY BECAUSE THEY THEN COULD LAY THEMSELVES OPEN TO THE CHARGE OF YIELDING TO AMERICAN PRESSURE. BRZEZINSKI SAID HE ACCEPTED THIS ENTIRELY BUT ADDED THAT I MUST UNDERSTAND THAT THERE WERE POLITICAL REASONS IN THE USA FOR URGING THE ALLIES TO DO MORE. IN QUOTING THIS I DO NOT WISH TO GIVE YOU THE IMPRESSION THAT THE AMERICANS ARE CYNICAL ABOUT IT AND SEE ALLIED SUPPORT PURELY IN TERMS OF US DOMESTIC POLITICS. I AM QUITE SURE THAT FOR MANY REASONS THEY WANT ALLIED SOLIDARITY. MOREOVER, THOUGH BRZEZINSKI MAY SEE THE HOSTAGE PROBLEM IN PERSPECTIVE, US PUBLIC OPINION IS THOROUGHLY STEAMED UP: AND THERE ARE LIMITS TO THE ADMINISTRATION'S ABILITY TO CONTROL IT. I AM ALSO PRETTY SURE THAT IF ALLIED AND US PRESSURE DO NOT SECURE THE RELEASE OF THE HOSTAGES THE US WILL RESORT TO FURTHER STEPS WHICH WILL LEAD TO THE CUTTING OFF OF WESTERN EUROPEAN TRADE WITH IRAN. DOES THIS SUGGEST THAT IF WE ARE GOING TO HAVE THIS TRADE CUT-OFF ANYWAY, WE MIGHT AS WELL TAKE THE CREDIT FOR IT AND DO IT OURSELVES AS AN ACT OF ALLIED SOLIDARITY?
4. ON AFGHANISTAN, BRZEZINSKI THOUGHT THAT THE TALK OF CONFLICT WITHIN THE ALLIANCE WAS NOT EXAGGERATED. THERE REALLY WERE QUITE DIFFERENT PERCEPTIONS OF THE THREAT AND OF HOW TO MEET THE THREAT AS BETWEEN THE USA ON THE ONE HAND AND EUROPE ON THE OTHER. I SAID THAT I DID NOT THINK THAT THE PRIME MINISTER OR YOU COULD BE ACCUSED OF A DIFFERENT PERCEPTION THAN THAT OF THE UNITED STATES ON THE SERIOUSNESS OF WHAT WAS INVOLVED.

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/s.

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5. BRZEZINSKI ASKED ABOUT THE OLYMPIC GAMES AND I TOLD HIM THAT IT WAS TOO EARLY TO REACH FINAL CONCLUSIONS TO FAR AS THE BRITISH TEAMS WERE CONCERNED. BUT THE BRITISH OLYMPIC COMMITTEE WERE NOT ACTUATED BY POLITICS, LET ALONE BY ANTI-AMERICANISM; IT WAS SIMPLY THAT THEY HAD A NAIVE BELIEF THAT THE OLYMPIC GAMES COULD BE KEPT SEPARATE FROM POLITICS.

6. I ASKED BRZEZINSKI WHETHER PRESIDENT CARTER WAS DISAPPOINTED WITH CHANCELLOR SCHMIDT'S REACTION. HE LEFT ME IN NO DOUBT THAT HE WAS. SCHMIDT HAD SPOKEN HERE ON USUAL LINES ABOUT HIS RESPONSIBILITY FOR THE GERMANS IN THE EAST AND FOR MAINTAINING THE LINKS INVOLVED IN DETENTE. OBVIOUSLY SCHMIDT'S TNF STATEMENT HAS CAUSED ANNOYANCE.

7. STRAUSS HAS BEEN IN WASHINGTON FAIRLY RECENTLY AND I THINK THAT HE HAS MADE A CONSIDERABLE IMPACT ON THE AUTHORITIES HERE.

8. AFTER BRZEZINSKI HAD SPOKEN AGAIN ABOUT HIS CONCERN OVER THE DIFFERENCES OF VIEW WITHIN THE ALLIANCE ON THE POST-AFGHANISTAN SITUATION, I SUGGESTED THAT AS A FIRST STEP IT WOULD HELP TO TRY TO GET CLOSER AGREEMENT ON WHAT WE THOUGHT SOVIET INTENTIONS WERE AND WHAT THEIR MILITARY POSSIBILITIES COULD BE IN THE IMMEDIATE FUTURE. BRZEZINSKI COMMENTED THAT EACH COUNTRY'S ANALYSIS WOULD REFLECT WHAT THEY WANTED THE SITUATION TO BE RATHER THAN WHAT IT REALLY WAS.

9. I ALSO TOOK THE OPPORTUNITY TO SAY THAT US POLICY ON THE PALESTINE QUESTION HAD THE EFFECT OF HAM-STRINGING THE UNITED STATES THROUGHOUT THE MIDDLE EAST, AT ANY RATE SO OTHERS SAW IT. PREDICTABLY, BRZEZINSKI AGREED ENTIRELY.

10. AS YOU WILL SEE, THERE IS AN UNTIDY BUT HIGHLY IMPORTANT MESS FOR YOU TO TALK ABOUT WHEN YOU COME HERE: AND THE AMERICANS, AS I HAVE OFTEN INDICATED, ARE LONGING FOR IDEAS FROM US. I TOOK THE OPPORTUNITY OF TELLING BRZEZINSKI ABOUT YOUR POSSIBLE DATES.  
HENDERSON

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TO PRIORITY CANBERRA

TELEGRAM NUMBER 108 OF 18 APRIL

INFO WASHINGTON UKMIS NEW YORK PARIS BONN TEHRAN.

FROM PRIVATE SECRETARY

MEETING IN SALISBURY WITH AUSTRALIAN PRIME MINISTER.

1. THE SECRETARY OF STATE HAD BREAKFAST WITH MALCOLM FRASER ON 18 APRIL. OFFICIALS WERE NOT PRESENT.
2. THE CONVERSATION WAS LARGELY ABOUT IRAN. FRASER FELT THE AUSTRALIANS WERE OBLIGED TO GIVE FULL SUPPORT TO THE UNITED STATES. BUT EXPRESSED DEEP FOREBODINGS ABOUT THE CONSEQUENCES OF U.S. POLICY. HE THOUGHT THAT ECONOMIC SANCTIONS WOULD PROVE INEFFECTIVE. AND THAT THE AMERICANS WOULD BE DRAWN INTO MORE SEVERE MEASURES, SUCH AS A NAVAL BLOCKADE. WITH THE ESCALATION OF AMERICAN MEASURES AGAINST IRAN. THE LIKELIHOOD OF SOVIET INTERVENTION ON THE OTHER SIDE WOULD INCREASE.
3. FRASER COULD SEE NO WAY OF BREAKING THIS SPIRAL SHORT OF ENGINEERING THE SHAH'S RETURN TO IRAN. LORD CARRINGTON DID NOT PURSUE THIS SUGGESTION WITH HIM.
4. ON AFGHANISTAN. FRASER GAVE A DIFFERENT INTERPRETATION OF HIS CONVERSATION WITH MRS GANDHI (REPORTED SEPARATELY). HE ATTRIBUTED TO MRS GANDHI THE IDEA THAT, IF SOVIET TROOPS WITHDREW, THE COMPLEXION OF THE GOVERNMENT WHICH REMAINED IN KABUL WOULD NOT MATTER: HIS OWN VIEW WAS SIMPLY THAT IT WOULD BE IMPOSSIBLE FOR A GOVERNMENT UNFRIENDLY TO THE SOVIET UNION TO SURVIVE THERE.

CARRINGTON

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SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

Top copy filed on:-

Energy Policy Pt 4

CONFIDENTIAL

Tel: 211 6402

M Alexander Esq  
Private Secretary to the Prime Minister  
No 10 Downing Street

18 April 1980

Dear Michael,

IRAN - OIL SUPPLIES AND PRICES

As requested by OD Committee, my Secretary of State spoke today to the Chairmen of BP and Shell. This was against the background that BP in their negotiations with Iran last weekend had made no progress. The Japanese reported yesterday similar results, and that Iran had given them an ultimatum /if they did not accept the new prices, oil would cease to be loaded from April 21. Shell are now to see the National Iranian Oil Company in London on April 21. On present form we must expect the same result and the effective application of an embargo on supplies to BP, Shell and Japanese companies at any time from April 21.

Both the Chairmen agreed that at the moment on purely commercial grounds there could be no case for accepting the new Iranian proposals. They accepted the need to stand firm and to keep in close touch with HMG. My Secretary of State said that on the political front there was a possibility that we might find it desirable to take part in a concerted move to refuse import licences for Iranian oil. The Chairmen accepted that this was a possible and logical development. They did, however, go out of their way to say that events in Iran now looked likely to affect the oil situation more generally. There was a prospect that spot market prices would harden further and that other OPEC producers such as Nigeria might increase prices by a further \$2.00 a barrel or so. If such circumstances developed, then it would be more difficult to say that the proposed Iranian prices were unacceptable on commercial grounds.

If Iranian exports cease the Japanese may well ask for a "selective trigger" under the IEA emergency arrangements. This would require them to reduce consumption by either 7% or 10% below its average level in the last period of 12 months for which statistics are available and would entitle them to help from other member states. Firm forecasts of what the UK would have to divert to Japan are not possible in advance of the event, but diversion might be at an annual rate of about 1½ million tonnes (compared with UK consumption of 90 million tonnes).

/This.....



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-2-

This is a fast moving situation and I shall keep closely in touch with both companies. The line agreed at OD is holding for the time being.

I am sending copies of this letter to Paul Lever (FCO), Martin Hall (Chancellor of the Exchequer) and to David Wright (Sir Robert Armstrong's Office).

*Yours ever,*

*Bill*

W J BURROUGHS  
Private Secretary



*Very helpful  
letter. Will discuss  
with Lord C*

*MT*

*Prime Minister  
18.4.80.*

Foreign and Commonwealth Office

London SW1A 2AH

18 April 1980

Dear Michael,

Iran: Message from the Japanese Prime Minister

The Japanese Ambassador called on Lord Bridges this afternoon and left the attached message from Mr Ohria to the Prime Minister. We shall, if you agree, submit a draft reply early next week.

*Yours etc*

*Paul*

(P Lever)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street  
LONDON

*21-28<sup>u</sup>*



EMBASSY OF JAPAN  
UNITED KINGDOM

London : 18th April 1980

*Dear Prime Minister,*

Prime Minister Ohira has  
instructed me to deliver to you a message  
and I have pleasure in enclosing it herewith.

*Yours sincerely*

Naraichi Fujiyama  
Ambassador

The Rt.Hon. Margaret Thatcher, MP,  
Prime Minister and First Lord of the Treasury,  
10, Downing Street,  
London, S.W.1.

**PRIME MINISTER'S  
PERSONAL MESSAGE**

T E X T

SERIAL No. T 88/80

April 18, 1980

Dear Prime Minister,

In the light of recent developments in the international situation concerning Iran, I have the honour to send you the following message :

I think that the Lisbon Declaration of the Foreign Ministers Conference of Nine EC countries was very timely. We fully supported the declaration and were pleased to respond to the initiative of the EC countries to join the common step. I have received reports from our Ambassador in Tehran who met with President Bani Sadr together with the Ambassadors of the EC countries. Much to our regret, it seems that the release of the hostages will have to wait, at the earliest, until the new Iranian Parliament is convened.

The U.S. has up to now acted with enormous patience despite many difficulties, but their patience seems to be approaching the limit. If the U.S. takes extreme unilateral action before the Iranian Parliament is convened, this will have far too serious consequences on the whole international community, and I think such a course must be avoided on all accounts. In time of such a crisis, we should not let the U.S. feel isolated. Europe and Japan, therefore, must co-operate in taking some measures in support of the U.S. I believe that you are of the same view. Europe and Japan should maintain closest contact with each other to cope with this serious situation.

/ With ...

With regard to economic measures against Iran, we are prepared to act in concert with Europe. Regarding our concerted measures, we would like to be fully informed of your position and would also like to inform you of our views. For the moment, we continue to observe the Six-Point Consensus relating to financial and oil transactions, while maintaining a close watch on the recent developments.

With regard to the hostages themselves, as President Bani Sadr seems to be making efforts to arrange further meetings by third parties, I should like to suggest that Europe and Japan make a joint approach to Iran to encourage his efforts in this direction. Particularly, if a meeting of the hostages with their families can be arranged, it will certainly be a step forward. I would like to have your views on making such a joint approach. I should also like to suggest that while we, both Europe and Japan, continue our efforts to support the U.S., we make a common appeal to the U.S. to act with further patience though the difficult situation in which President Carter finds himself deserves fullest sympathy.

I am looking forward to seeing you soon.

MASAYOSHI OHIRA  
Prime Minister of Japan

The Right Honourable Margaret Thatcher, MP,  
Prime Minister and First Lord of the Treasury,  
London.

five

aseg

18 April 1980

I enclose a note of a conversation between Hugh Thomas and an Iranian politician, Mr. Bashkir, which took place in Paris at the end of last month. (I have never heard of Mr. Bashkir: it rather looks from the second page of Mr. Thomas's note as though he is the man we know as Bakhtiar. I will check with Mr. Thomas when he is available). There is no need to comment unless there is some particular point you would like fed back to Mr. Thomas.

M. O'D. B. A.

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

TR

17 April 1980

I note with chagrin that I have never acknowledged your letter to me of 28 March and its enclosure recording a conversation with Mr. Bashkir in Paris. Your account of the conversation has been read with interest. I hope you will continue to send us similar notes of the interesting conversations which you seem to have so regularly.

MCIAHEL ALEXANDER

Professor Hugh Thomas



GRS 350

S E C R E T

SECRET

FROM UKMIS NEW YORK 171844Z APR 80

TO PRIORITY F C O

TELEGRAM NUMBER 622 DATED 17 APRIL 1980

INFO PRIORITY WASHINGTON, BONN, PARIS.

WASHINGTON TELNO 1489: IRAN

1. I AM NOT ENTIRELY SURPRISED TO HEAR THAT THE STATE DEPARTMENT ARE THINKING OF A RETURN TO THE SECURITY COUNCIL. CERTAIN MEMBERS OF THE UNITED STATES MISSION HERE HAVE BEEN HANKERING AFTER THIS IN RECENT WEEKS.

2. I HAVE BEEN TELLING THEM FIRMLY THAT A RETURN TO THE COUNCIL WOULD BE A MISTAKE. I HAVE ARGUED THAT THE FIRST FLUSH OF UN INDIGNATION HAS WORN OFF AND THAT THE MAJORITY OF THE COUNCIL MEMBERSHIP WOULD BE EVEN MORE RELUCTANT NOW TO FOLLOW THE UN DOWN THE SANCTIONS PATH THAN THEY WERE IN THE NEW YEAR. HENCE, COUNCIL ACTION WOULD BE MESSY AND INCONCLUSIVE. IT WOULD BE LIKELY TO HARDEN IRANIAN ATTITUDES AND WOULD SERVE NO USEFUL PURPOSE FOR THE UNITED STATES. I RECENTLY DISCOURAGED AN IDEA IN THE UNITED STATES MISSION THAT THEY SHOULD SOMEHOW GET THE IRAQ/IRAN PROBLEM BROUGHT BEFORE THE COUNCIL AND EXTEND IT TO COVER THE HOSTAGES CRISIS.

3. I AM SURE THAT THIS IS THE RIGHT ADVICE. SETTING ASIDE THE INEVITABLE SOVIET NEGATIVE VOTE, AMERICAN ARM TWISTING MIGHT NOT EVEN SUCCEED IN SECURING THE NECESSARY NINE VOTES FOR EG A CHAPTER VII RESOLUTION ON TELECOMMUNICATIONS SANCTIONS.

4. BY THE SAME TOKEN, THE US MIGHT WELL FAIL TO SECURE NINE PROCEDURAL VOTES FOR GOING TO THE GENERAL ASSEMBLY UNDER THE UNITING FOR PEACE PROCEDURE. EVEN IF THEY SUCCEEDED, I BELIEVE THAT THEY WOULD HAVE DIFFICULTY IN SECURING A SUBSTANTIAL VOTE FOR A SIMILAR SANCTIONS RESOLUTION IN THE GENERAL ASSEMBLY. THE RESULT COULD WELL BE A MAJOR HUMILIATION FOR THE UNITED STATES WHICH WOULD BE SEEN BY THE IRANIANS AS A VICTORY FOR THEM.

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*Read i full*  
*mt*

FM WASHINGTON 172356Z APR 80  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1516 OF 17 APRIL 1980  
INFO IMMEDIATE TEHRAN SALISBURY (FOR P S), BCNN, PARIS, ROUTINE  
UKMIS NEW YORK ROME OTTAWA TOKYO MOSCOW CANBERRA WELLINGTON  
INFO SAVING OTHER EC POSTS AND UKDEL NATO.

MIPT: PRESIDENT CARTER'S PRESS CONFERENCE: IRAN

1. FOLLOWING IS A SUMMARY OF THE PRINCIPAL POINTS ON IRAN MADE BY THE PRESIDENT IN RESPONSE TO QUESTIONS FOLLOWING HIS STATEMENT:

(A) ASKED WHETHER HE HAD SET A DEADLINE FOR A DECISION ON MILITARY ACTION BEFORE THE SUMMER AND WHETHER THE UNITED STATES' ALLIES WERE PROVING FAIRWEATHER FRIENDS, THE PRESIDENT SAID THAT THROUGHOUT, HE HAD HAD TWO GOALS IN MIND:

(I) TO PROTECT THE INTERESTS OF THE UNITED STATES AND ITS PRINCIPLES AND STANDARDS; AND

(II) AN EQUAL CONCERN TO PROTECT THE LIVES OF THE HOSTAGES AND TO SECURE THEIR RELEASE AND FREEDOM. IN MEETING THESE GOALS, HE HAD THREE OPTIONS: ECONOMIC, POLITICAL AND MILITARY OF WHICH SO FAR ONLY THE ECONOMIC AND POLITICAL OPTIONS HAD BEEN EXERCISED. WHILE HE COULD NOT PREDICT EXACTLY WHAT OTHER NATIONS WOULD DO, HE HAD BEEN IN TOUCH WITH ALMOST ALL THE ALLIED LEADERS ABOUT WHAT ECONOMIC AND POLITICAL ACTION THEY MIGHT TAKE TO CONVINCE THE IRANIAN LEADERSHIP OF THE DANGERS TO IRAN, BOTH INTERNAL AND EXTERNAL, ARISING FROM THE CONTINUED DETENTION OF THE HOSTAGES. ALLIED AMBASSADORS HAD BEEN WITHDRAWN TO CONSIDER THE NEXT STEPS AND THE EUROPEANS WOULD BE HOLDING A MEETING NEXT WEEK TO CONSIDER WHAT MEASURES MIGHT BE TAKEN. IF THE MEASURES ANNOUNCED BY THE UNITED STATES, AND THE CONCERTED ACTION WHICH WOULD BE TAKEN BY AMERICA'S ALLIES WERE NOT SUCCESSFUL THEN THE ONLY NEXT AVAILABLE STEP WHICH HE COULD SEE WAS SOME KIND OF MILITARY ACTION WHICH WAS THE PREROGATIVE AND RIGHT OF THE UNITED STATES.

(B) ASKED HOW FAR CIRCUMSTANCES AND TIMING OF ANY MILITARY ACTION WOULD DEPEND ON ALLIED SUPPORT AND HOW FAR ON CIRCUMSTANCES WITHIN IRAN ALONE, THE PRESIDENT SAID THAT THERE WERE THREE FACTORS:

/ (I) THE EFFECTIVENESS

(I) THE EFFECTIVENESS OF THE ECONOMIC AND POLITICAL SANCTIONS IMPOSED BY THE UNITED STATES:

(II) THE EFFECTIVENESS OF SANCTIONS TO BE IMPOSED BY OTHER NATIONS; AND

(III) THE RESPONSE OF IRAN AND THE EFFECT OF WORLD CONDEMNATION. IT WOULD NOT BE APPROPRIATE TO SET A TIME SCHEDULE BUT THE KEY ALLIED LEADERS UNDERSTOOD THE TIME FRAME UNDER WHICH THE UNITED STATES WAS OPERATING AND THEIR DECISIONS WOULD BE COLOURED BY HIS CONTACTS WITH THEM.

(C) ASKED WHETHER THE U S WOULD FIND IT ACCEPTABLE TO WAIT UNTIL JULY BEFORE THE IRANIANS TOOK A DECISION ON THE FUTURE OF THE HOSTAGES, PRESIDENT CARTER SAID THAT JULY WOULD REPRESENT AN EXCESSIVE TIME FOR THE US TO WAIT.

(D) ASKED ABOUT THE THREAT TO THE PEACE AND TO ALLIED ECONOMIES WHICH MILITARY ACTION MIGHT INVOLVE THE PRESIDENT SAID THAT HE HAD NOT DISCUSSED SPECIFIC MILITARY STEPS WITH AMERICA'S ALLIES, BUT THAT THOSE ALLIES KNEW FROM PRESS REPORTS AND FROM COMMON SENSE WHAT THOSE MEASURES MIGHT BE. WHILE HE HOPED TO AVOID SUCH STEPS, THEY WERE AN OPTION WHICH HE MUST KEEP OPEN. HE DID NOT BELIEVE THAT STEPS WHICH MIGHT LEAD TO THE INTERRUPTION OF OIL SUPPLIES FROM IRAN WOULD BE A DEVASTATING BLOW AS OPPOSED TO AN INCONVENIENCE, TO AMERICA'S ALLIES BECAUSE IRANIAN SHIPMENTS OF OIL HAD ALREADY DROPPED PRECIPITOUSLY BECAUSE OF EXISTING SANCTIONS AND THE FRAGMENTED NATURE OF IRAN'S OWN ECONOMY. THEY WOULD HOWEVER HAVE A SERIOUS IMPACT ON IRAN.

(E) ALTHOUGH THERE WERE HISTORICAL TRADE LINKS BETWEEN IRAN AND THE SOVIET UNION, THE PRESIDENT DID NOT BELIEVE THAT IRAN COULD CIRCUMVENT THE EFFECTS OF ANY BLOCKADE BY MEANS OF LAND LINKS WITH OTHER COUNTRIES. HE ADDED THAT HIS REPLY DID NOT INDICATE THAT HE HAD DECIDED THAT A BLOCKADE SHOULD BE IMPOSED.

(F) HE HAD NOT TAKEN SPECIFIC STEPS TO BAN THE EXPORT OF FOOD AND DRUGS TO IRAN BECAUSE TRADE IN THEM WAS NOW PRACTICALLY NON-EXISTENT. BUT A BAN ON SUCH EXPORTS REMAINED AN OPTION.

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UKREP BRUSSELS AND UKDEL NATO

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FM WASHINGTON 172359Z APR 80  
TO IMMEDIATE F C O

TELEGRAM NUMBER 1515 OF 17 APRIL 1980,  
INFO IMMEDIATE TEHRAN, SALISBURY (FOR PRIVATE SECRETARY), BONN,  
PARIS, ROUTINE UKMIS NEW YORK, ROME, OTTAWA, TOKYO, MOSCOW, CANBERRA,  
WELLINGTON  
INFO SAVING OTHER E C POSTS, UKDEL NATO.

*Read in full.*  
*mf*

PRESIDENT CARTER'S PRESS CONFERENCE: IRAN.

FOLLOWING IS TEXT OF SUBSTANCE OF PRESIDENT CARTER'S STATEMENT ON  
IRAN AT HIS PRESS CONFERENCE ON 17 APRIL. THE MEASURES ANNOUNCED  
OVERLAP, BUT DIFFER IN IMPORTANT RESPECTS FROM, THOSE IN THE U S  
PAPER HANDED OVER IN ADVANCE IN LONDON (F C O - WASHINGTON TELNO  
722).

BEGINS:

FIRST, I AM PROHIBITING ALL FINANCIAL TRANSFERS BY PERSONS SUBJECT  
TO THE JURISDICTION OF THE U S TO ANY PERSON OR ENTITY IN IRAN,  
EXCEPT THOSE DIRECTLY RELATED TO THE GATHERING OF NEWS AND FAMILY  
REMITTANCES TO THE HOSTAGES. AS FROM TODAY ANY SUCH TRANSACTIONS WILL  
BECOME A CRIMINAL ACT.

SECONDLY, ALL IMPORTS FROM IRAN TO THE U S WILL BE BARRED.

THIRD, I INTEND TO EXERCISE MY STATUTORY AUTHORITY TO PROTECT  
AMERICAN CITIZENS ABROAD BY PROHIBITING TRAVEL TO IRAN AND BY  
PROHIBITING ANY TRANSACTION BETWEEN AMERICANS AND FOREIGN PERSONS  
RELATING TO SUCH TRAVEL OR THE PRESENCE OF AMERICANS IN IRAN. AGAIN,  
THIS AUTHORITY WILL NOT NOW BE USED TO INTERFERE WITH THE RIGHT OF  
THE PRESS TO GATHER NEWS. HOWEVER, IT IS MY RESPONSIBILITY AND MY  
OBLIGATION, GIVEN THE SITUATION IN IRAN TO CALL ON AMERICAN JOURNAL-  
ISTS AND NEWSGATHERING ORGANISATIONS TO MINIMISE AS SEVERELY AS  
POSSIBLE THEIR PRESENCE AND THEIR ACTIVITIES IN IRAN.

/ FOURTH,

FOURTH, I AM ORDERING THAT ALL MILITARY EQUIPMENT PREVIOUSLY PURCHASED BY THE GOVERNMENT OF IRAN, WHICH I HAD PREVIOUSLY IMPOUNDED, BE MADE AVAILABLE FOR USE BY THE U S MILITARY FORCES OR FOR SALE TO OTHER COUNTRIES.

FINALLY, I WILL ASK CONGRESS FOR DISCRETIONARY AUTHORITY TO PAY REPARATIONS TO THE HOSTAGES AND TO THEIR FAMILIES OUT OF THE MORE THAN 8 BILLION DOLLARS IN FROZEN IRANIAN ASSETS IN THE UNITED STATES. THESE ASSETS WILL BE AVAILABLE TO SATISFY CONTRACTS AND OTHER COMMERCIAL CLAIMS OF AMERICAN FIRMS AGAINST IRANIAN GOVERNMENT ENTITIES, AND TO REIMBURSE CLAIMS OF THE U S FOR THE HEAVY MILITARY AND OTHER COSTS WE HAVE INCURRED BECAUSE OF IRAN'S ILLEGAL ACTIONS.

IF A CONSTRUCTIVE IRANIAN RESPONSE IS NOT FORTHCOMING SOON THE U S SHOULD AND WILL PROCEED WITH OTHER MEASURES. WE WILL LEGALLY FORBID SHIPMENTS OF FOOD AND MEDICINE AND THE U N CHARTER, AS YOU KNOW, STIPULATES INTERRUPTION OF COMMUNICATIONS AS A LEGITIMATE SANCTION ACCORDINGLY, I AM PREPARED TO INITIATE CONSULTATIONS WITH THE MEMBER NATIONS OF INTELSAT TO BAR IRAN'S USE OF INTERNATIONAL COMMUNICATIONS FACILITIES.

THE MEASURES WHICH I AM ANNOUNCING TODAY ARE STILL NON-BELLIGERENT IN NATURE. THEY ARE A CONTINUATION OF OUR EFFORTS TO RESOLVE THIS CRISIS BY PEACEFUL MEANS. THE AUTHORITIES IN IRAN SHOULD REALISE HOWEVER THAT THE AVAILABILITY OF PEACEFUL MEASURES, LIKE THE PATIENCE OF THE AMERICAN PEOPLE IS RUNNING OUT. I AM COMPELLED TO REPEAT WHAT I HAVE SAID ON PREVIOUS OCCASIONS. OTHER ACTIONS ARE AVAILABLE TO THE U S AND MAY BECOME NECESSARY IF THE GOVERNMENT OF IRAN REFUSES TO FULFILL ITS SOLOMN INTERNATIONAL RESPONSIBILITY. THE AMERICAN HOSTAGES MUST BE FREED.

ENDS.

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FM TOKYO 170725Z APR 80  
TO PRIORITY FCO  
TELEGRAM NUMBER 245 OF 17 APRIL

MY TELNO 239: IRAN SANCTIONS

1. ADDRESSING THE FOREIGN PRESS CLUB AT LUNCH TODAY MR OHIRA SAID (IN CONNECTION WITH IRAN AND AFGHANISTAN) THAT HE THOUGHT THE TIME HAD COME WHEN IT WOULD BE NECESSARY TO STRENGTHEN JAPAN'S UNITY WITH THE UNITED STATES AND COOPERATION WITH "THE FREE COUNTRIES OF WEST EUROPE AND ELSEWHERE". IN ANSWER TO A QUESTION HE ADDED THAT THE JAPANESE AMBASSADOR IN TEHRAN HAD HITHERTO FELT SOMEWHAT ISOLATED WHEN EUROPEAN DIPLOMATS DISCUSSED THEIR ATTITUDE TOGETHER: "THE RECENT INVITATION TO AMBASSADOR WADA TO JOIN THE EUROPEAN AMBASSADORS IN THEIR DISCUSSIONS WAS WHAT WE HAD ALWAYS WANTED. I BELIEVE THIS COOPERATION IS A WELCOME DEVELOPMENT".

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THIS TELEGRAM  
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ADVANCED

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IRAN: ADVANCE COPIES ~~47~~

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 PS/MR HURD  
 PS/PUS  
 SIR D MAITLAND  
 MR J C MOBERLY  
 LORD BRIDGES  
 LORD N G LENNOX  
 MR EVANS  
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 MR LE CHEMINANT ) OFFICE  
 MR W N WENBAN SMITH )  
 DIO )  
 PS/CHANCELLOR )  
 MR F R BARRATT ) TREASURY  
 MR R G LAVELLE )  
 MR C W McMAHON ) BANK OF  
 MR P B EDGLEY ) ENGLAND  
 MR R WILLIAMS CRE5 DOT  
 MR W KNIGHTON DEPT OF TRADE  
 MR C BENJAMIN DOI  
 MR D LE B JONES) DEPT OF  
 MR C LUCAS ) ENERGY

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GR 173  
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DESKBY FCO 171200Z  
 FM TEHRAN 170715Z APR  
 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 399 OF 17 APRIL 80  
 INFO ROUTINE UKREP BRUSSELS.

YOUR TELNO 443 TO UKREP BRUSSELS: IRAN-ECONOMIC MEASURES.

1. IT HAS BEEN POINTED OUT TO ME ON MY RETURN THAT ONE POSSIBLE IRANIAN RESPONSE TO ANY SUBSTANTIVE ECONOMIC MEASURE TAKEN BY THE UK (OR OTHERS) WOULD BE THE CALLING OF OUTSTANDING BONDS AND GUARANTEES PUT UP BY BRITISH FIRMS. WE HAVE NO MEANS OF KNOWING THE TOTAL SUM INVOLVED, BUT AT A GUESS FIRMS COULD STAND TO LOSE COLLECTIVELY ANYTHING BETWEEN £50M AND £100M, SOME OF WHICH MIGHT BE RECOVERABLE FROM ECGD. THIS ARGUES FOR AT LEAST SOME CONTROL BEING PLACED ON TRANSFERS, AS A DEFENCE, DESPITE THE DISLIKE SHOWN BY MINISTERS FOR ANY MEASURE AFFECTING IRANIAN FUNDS IN LONDON. WOULD IT FOR EXAMPLE BE POSSIBLE TO REQUIRE UK BANKS STANDING GUARANTOR OF SUCH BONDS TO REPORT ANY DEMAND AND TO DELAY PAYMENT FOR A TIME TO ALLOW FIRMS AFFECTED TO OBTAIN

PAYMENT FOR A TIME TO ALLOW FIRMS AFFECTED TO OBTAIN  
INJUNCTIONS AGAINST PAYMENT ?  
GRAHAM

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SIRD MITLAND  
MRJ MOBERLY

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IRAN: ADVANCE COPIES 43

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PS  
PS/SIR I. GILMOUR  
PS/MR HURD  
PS/PUS  
SIR D MATTLAND  
MR J C MOBERLY  
LORD BRIDGES  
LORD N G LENNOX  
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MR C W McMAHON ) BANK OF  
MR P B EDGLEY ) ENGLAND  
MR R WILLIAMS CRE5 DOT  
MR W KNIGHTON DEPT OF TRADE  
MR C BENJAMIN DOI  
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MR C LUCAS ) ENERGY

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FM BNG BERLIN 171525Z APR 60

TO IMMEDIATE BONN

TELEGRAM NUMBER 54 OF 17 APRIL

INFO IMMEDIATE FCO, UKREP BRUSSELS

INFO PRIORITY WASHINGTON, PARIS

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IMMEDIATE

IRAN

1. STATE SECRETARY SPANGENBERG TODAY GAVE ALLIED MINISTERS AN ACCOUNT IN CONFIDENCE OF DISCUSSIONS IN THE FEDERAL CABINET ON 15 APRIL, AT WHICH HE HAD BEEN PRESENT.

2. THE CABINET HAD DIRECTED GENSCHER AND LAMBSDORFF TO PREPARE THE TEXTS FOR A CABINET DECISION IMPOSING SANCTIONS AGAINST

IRAN. AT THE E.C. COUNCIL OF MINISTERS ON 21 APRIL, GENSCHER  
WOULD AIM FOR A UNANIMOUS DECISION ENABLING MEMBER GOVERNMENTS  
TO TAKE NATIONAL MEASURES. THIS WAS OUT OF CONSIDERATION FOR  
THE CONSTITUTIONAL DIFFICULTIES OF THE ITALIANS AND POSSIBLY  
THE FRENCH. (SPANGENBERG DID NOT MENTION THE UK.) THE GERMAN  
MEASURES WOULD THEN BE ADOPTED IN CABINET ON 23 APRIL AND WOULD  
FOLLOW QUOTE AMERICAN LINES UNQUOTE, EXCLUDING FOOD AND MEDICINES.  
THE MEASURES WOULD NOT TAKE EFFECT UNTIL MID-MAY IN ORDER TO  
ALLOW THE IRANIANS A FURTHER BREATHING SPACE TO RELEASE THE  
HOSTAGES. BUT EXPORT LICENSING PROCEDURES WOULD TAKE IMMEDIATE  
EFFECT AND BE USED TO PREVENT NEW LAST-MINUTE BUSINESS BEFORE  
THE SANCTIONS COME INTO FORCE.

2. THE CHANCELLOR HAD ON 15 APRIL DISCUSSED WITH BOTH PRESIDENTS  
CARTER AND GISCARD THE LINE SUBSEQUENTLY ADOPTED IN CABINET.

RICHARDSON

NNNN

XSENT AT 171447Z AMV

S E C R E T



5.  
IRAN

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

17 April 1980

M.O.B. Alexander, Esq.,  
No.10, Downing Street

K. Hunt 17/4

*Dr Mitchell,*

IRAN

The Foreign and Commonwealth Secretary's memorandum OD(80)35 was through force of circumstance circulated very shortly before OD discussed it on Tuesday afternoon. As he reported to Cabinet, the Chancellor has now been able to obtain the views of the Governor about the recommendation, which OD agreed, that the Foreign Secretary should be authorised to explore at the meeting of the Foreign Affairs Council on 21 and 22 April the possibility of the "Second Stage Measures" referred to in paragraph 8 of the paper.

On further reflection, and in the light of the Bank's views, the Chancellor thinks that it would be very unwise at this stage, in Community discussions or elsewhere, to raise the possibility of mandatory action in the financial field as described in paragraph 8(ii) of the Foreign Secretary's paper. His understanding is that this point was taken by colleagues in Cabinet today; but since the discussion was very brief, he has asked me to bring the matter specifically to the attention of members of OD Committee.

The question whether we should proceed with legislation on financial matters to make compulsory the voluntary measures which are already in force is for later discussion. At this stage the Chancellor is concerned only with what should be said about the possibility. He has no doubt that when it became publicly known - as it would once we had raised the question in some Community forum - that the UK were contemplating some legislation in the financial field dealing with Iranian

/loans

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S E C R E T



loans and credit, the inference would be rapidly drawn that we were preparing a statutory freeze of Iranian assets, following the lead which the US had given. Serious damage would result if it were thought that we were even prepared to contemplate introducing a measure of this kind in an international financial market such as London. This damage would result even if in the end we decided not to introduce the legislation; the supposition that we had seriously thought of doing so would be enough.

The Chancellor urges therefore that until Ministers have had the opportunity of considering these matters further collectively, UK representatives in international discussions should not raise the possibility of legislation in the financial field.

I am sending copies of this letter to the Private Secretaries to other Ministers who attended OD on Tuesday, to the Private Secretary to the Governor, and to David Wright.

*Yours ever,*

*M.A.*

M.A. HALL

17 APR 1960

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Iran  
Subject file 4  
Econ PS - Jan 80  
Inflation proof pension

## 10 DOWNING STREET

From the Principal Private Secretary

17 April 1980

When the Chancellor of the Exchequer called upon the Prime Minister at 0900 this morning the following were the main points which arose in discussion.

### IRAN

The Chancellor of the Exchequer said that he had let the Governor of the Bank of England know the conclusions which OD had reached at its meeting on 15 April. The Governor was very concerned that there should be no discussion at the forthcoming meeting of the Foreign Affairs Council of the possibility of taking legislation to provide for mandatory action on Iranian loans, deposits and credits.

The Prime Minister said that OD had agreed that it would be preferable to take action on this point by means of persuasion rather than by legislation. The Chancellor should minute other members of OD explaining the Governor's concern and asking for their agreement that the Foreign and Commonwealth Secretary should not mention the possibility of legislation for this purpose at next week's meeting with the other Foreign Ministers of the Nine.

### PUBLIC SECTOR PENSIONS

The Prime Minister said that she remained of the view that Mr. Drain should not be invited to become a member of Sir Bernard Scott's group on index linked pensions in the public sector. Mr. Drain was the leader of a union whose members now enjoyed inflation proof pensions and as such he would find it impossible to make a proper contribution to the enquiry.

The Chancellor of the Exchequer said that he would arrange for Mr. Leif Mills to be invited instead.

### PUBLIC SECTOR PAY

The Chancellor said that he hoped to bring forward quickly the work which he already had in hand on public sector pay. In the meantime it was important to correct the wrong impressions which had resulted from his appearance before the Select Committee on the Treasury and Civil Service earlier in the week. There was now a belief

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that the going rate for public sector pay in the present year was 25%. He was proposing to issue a statement either today or tomorrow which would make clear that the figures which he had quoted to the Select Committee embraced a good deal of catching up pay awards of the Clegg kind and that they were fully consistent with approved cash limits.

More generally, the future level of pay settlements was critical to the attempt to reduce the money supply. It looked as though the money supply figures for this month would come out satisfactorily, though inter bank lending was still running at too high a level. The new tap stock looked as though it would go well. But the fact was that because pay settlements were still at very high levels, they were putting up borrowing and helping to keep up interest rates.

The Prime Minister said that she would consider including something about the level of public sector pay increases in the speech she was due to give in Birmingham on Monday of next week. Looking further ahead to the next pay round, she believed that it was important to have an assessment of our ability to withstand a national rail strike. This meant essentially forming a view on whether the power stations could keep going during such a strike. She proposed to have a meeting with the Home Secretary, the Chancellor, the Secretary of State for Energy and the Minister of Transport to consider what work needed to be set in hand on this.

SELECT COMMITTEE ON THE TREASURY AND CIVIL SERVICE

The Chancellor said that his appearance before the Select Committee had shown that its members were determined, regardless of Party, to attack the Government wherever they could. Mr. du Cann wanted to maintain the unity of his Committee and not to let it divide on Party lines. The Chancellor added that he was due to appear before the Select Committee again in the near future and he expected that one of the principal areas of questioning would be unemployment. The Committee would be bound to press him for the Government's assumptions and predictions for future trends in unemployment, but he proposed to tell them that there were many areas where the Government could not hazard forecasts.

C. A. WHITMORE

A.J. Wiggins, Esq.,  
HM Treasury.

*J. Hoskins*

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FM WASHINGTON 170005Z APR 80  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1489 OF 16 APRIL 1980  
INFO PRIORITY BONN, PARIS, AND UKMIS NEW YORK

IRAN:

1. AT OUR PRIVATE LUNCH TODAY THE FEDERAL GERMAN AMBASSADOR SAID THAT IT WOULD HELP IF THE UNITED STATES COULD INDICATE CLEARLY THAT THEY WOULD HELP OTHER COUNTRIES WHOSE NORMAL SUPPLIES OF OIL FROM IRAN WERE CURTAILED BECAUSE OF ACTION TAKEN AGAINST IRAN. THE AMBASSADOR ASKED PARTICULARLY THAT SUCH A GESTURE BE MADE BEFORE THE MEETING OF EUROPEAN FOREIGN MINISTERS ON 21 APRIL.

2. CHRISTOPHER DID NOT REPLY TO THIS BUT TOOK THE OPPORTUNITY OF TELLING US IN CONFIDENCE OF THE FOLLOWING STEPS THAT THE PRESIDENT WOULD BE TAKING OVER THE NEXT WEEK OR TWO:

- (A) ALL US IMPORTS FROM IRAN, AMOUNTING AT THE MOMENT TO NOT MORE THAN 1 MILLION DOLLARS PER MONTH, WOULD BE TERMINATED (I GATHERED THAT THERE IS NO OIL COMING INTO THE U S BUT A CERTAIN AMOUNT OF CAVIAR AND MANY RUGS):
- (B) BUSINESSMEN AND OTHER POTENTIAL TRAVELLERS WOULD BE CAUSED DIFFICULTY IN GOING FROM THE U S TO IRAN:
- (C) FINANCIAL IMPEDIMENTS WOULD BE PUT IN THE WAY OF ANYONE CONDUCTING BUSINESS WITH IRAN, FOR EXAMPLE TO BUY FILM:
- (D) SUCH IRANIAN OFFICES AS WERE STILL OPEN IN THE UNITED STATES, EG IRANAIR, WOULD BE CLOSED DOWN:
- (E) ALL EXPORTS TO IRAN INCLUDING FOOD AND MEDICINES WOULD PROBABLY BE CUT OFF: AND
- (F) THE U S GOVERNMENT WOULD SEE WHETHER THEY COULD INTERFERE WITH TELECOMMUNICATIONS BETWEEN IRAN AND THE OUTSIDE WORLD. THEY WERE WAITING FOR A FINAL JUDGEMENT OF THE INTERNATIONAL COURT ON 15 MAY. IN THE LIGHT OF THIS THEY WOULD CONSIDER GOING TO THE SECURITY COUNCIL TO SEEK ACTION AGAINST IRAN ON TELECOMMUNICATIONS.

3. IN THE COURSE OF DISCUSSION ABOUT THE EFFECTIVENESS OF SANCTIONS, THE FRENCH AMBASSADOR SAID THAT HE DID NOT THINK THAT THEY IMPINGED IN ANY WAY ON KHOMEINI'S MIND. WHAT WAS IMPORTANT WAS TO GIVE AN IMPRESSION OF SUPPORT FOR THE AMERICANS IN ORDER TO PLACATE AMERICAN OPINION AND TO WORK UPON THE OTHER ISLAMIC COUNTRIES TO MAKE REPRESENTATIONS TO KHOMEINI.

S E C R E T

/4. CHRISTOPHER



S E C R E T

4. CHRISTOPHER ACKNOWLEDGED THAT KHOMEINI WAS ISOLATED, ILL AND UNPREDICTABLE, BUT HE DID NOT ACCEPT THAT SANCTIONS WOULD INEVITABLY BE INEFFECTIVE. AS REGARDS THE TIMING OF THE FURTHER MEASURES HE SAID THAT SOME OF THEM MIGHT BE TAKEN WELL BEFORE 21 APRIL IN ORDER TO AVOID THE ACCUSATION OF INFLUENCING THE PENNSYLVANIA PRIMARY ON 22 APRIL. AS REGARDS THE IDEA OF A SECURITY COUNCIL RESOLUTION FOLLOWING THE JUDGEMENT OF THE INTERNATIONAL COURT, CHRISTOPHER SAID THAT IF THIS WERE VETOED THERE WOULD BE THE POSSIBILITY OF GOING TO THE GENERAL ASSEMBLY FOR A UNITING FOR PEACE RESOLUTION.

5. I PRESSED CHRISTOPHER TO INDICATE WHAT MORE STRINGENT MEASURES THE PRESIDENT WAS THINKING OF IN THE EVENT OF FAILURE OF OTHER MEASURES TO BRING ABOUT THE RELEASE OF THE HOSTAGES, BUT HE SAID HE COULD SAY NOTHING. (I HOPE TO FIND OUT MORE ELSEWHERE).

6. ASKED ABOUT RUMOURS OF RECENT SOVIET TROOP MOVEMENTS, CHRISTOPHER SAID THAT HE DID NOT THINK THERE WAS ANY UNUSUAL CONCENTRATION OF SOVIET TROOPS IN THE WEST OF AFGHANISTAN. AS REGARDS SOVIET TROOPS IN TRANSCAUCASIA, HE SAID THAT THEIR NUMBERS WERE NOT PARTICULARLY UNUSUAL THOUGH THEIR ACTIVITIES MIGHT HAVE UNUSUAL FEATURES.

7. I DEPLORED THE ATTENTION GIVEN TO RIFTS IN THE ALLIANCE. CHRISTOPHER ARGUED THAT IT WAS NO GOOD TRYING TO COVER UP THE DIFFICULTIES BY SAYING THAT THE ALLIANCE WAS SOLID UNLESS PRACTICAL STEPS WERE TAKEN. PEOPLE WOULD SEE THROUGH WORDS. HE HAD NOTICED THAT WHEN HE APPEARED IN PUBLIC NOWADAYS AND REFERRED TO SUPPORT FROM THE ALLIES HE WAS MET WITH A SCEPTICAL RESPONSE FROM THE AUDIENCE. I REFERRED TO THE UNEQUIVOCAL NOT TO SAY RESOUNDING DECLARATIONS OF SUPPORT FOR THE UNITED STATES OVER THE IRANIAN CRISIS MADE BY THE PRIME MINISTER IN THE HOUSE OF COMMONS ON 14 APRIL AND ON GRANADA TELEVISION THE SAME DAY. I ALSO MENTIONED YOUR OWN VERY CLEAR SUPPORT EXPRESSED IN THE HOUSE OF LORDS THE SAME DAY. IN THAT CONTEXT I MENTIONED THE READINESS OF SOME ELEMENTS IN THE U S GOVERNMENT TO MISS NO CHANCE OF CASTING ASPERSIONS ON THE ALLIES. CHRISTOPHER SAID THAT HE WAS DOING HIS BEST TO TRY TO PREVENT THIS.

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DOUGLAS HURD - INTERVIEW ON GOVERNMENT'S POLICY TOWARDS IRAN

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Transcript from BBC Radio 4, Today, 15 April 1980

INTERVIEWER: (Brian Redhead) Diplomacy has failed so far to secure the release of the American hostages in Teheran. We must therefore consider what to do next and that means political or economic action or both, but economic action can be effective only if it has widespread international support. Now that, as I understand it from what the Prime Minister said in the Commons yesterday, is the British Government policy. To explain it further we have in the studio this morning Douglas Hurd, Minister of State for the Foreign Office. ; Mr Hurd, the objective first, is it simply to secure the release of the hostages without provoking military conflict?

HURD: Yes of course, and also to keep the alliance together. This is vitally important because a Western alliance which starts to come apart at the seems is a Western alliance which is no longer providing us with the protection which we need.

INTERVIEWER: Yet might it not be better to wait even though diplomacy has failed so far, wiser to wait and let diplomacy take its course?

HURD: Well there are always people who say it's wiser to wait, and often it is. But the Americans have waited. I think if one just imagines what we'd be saying on the Today programme if there had been fifty British hostages kept somewhere, diplomats kept somewhere, and nothing had happened for all this time. I think that the temperature here would be rising very fast, and it's not at all surprising that the temperature is rising in the United States and that the President, as he did very reasonably I thought the the other night on television, comes to his allies and says 'look, help'.

INTERVIEWER: Does he think we've been dragging our feet?

HURD: No, I don't think he does, that's certainly not the impression he gave the other night. You see, the Americans themselves, as you said, have been trying diplomacy, they've had all kinds of ideas and unfortunately they haven't yet worked out. But it was only very recently that they came to us and said 'look, these ideas, these diplomatic exercises, haven't worked out. Now we propose to use our allies, that we do X, Y and Z'. And what Margaret Thatcher said yesterday in the House of Commons is that we are now urgently considering with our allies and partners the X, Y and Z. We have to consult Parliament as well but our aim is to give the Americans the maximum support.

INTERVIEWER: We had an American Senator on here yesterday morning who seemed to regret that they hadn't got helicopters and marines just dropping in and grabbing the hostages rather like an Antebbi raid. Could it be that the imposition of economic sanctions is not so much a move against Iran but a means of satisfying American opinion to prevent the Americans getting hot headed about it?

HURD: I think the Americans have been very cool headed up till now. I think it's very important that the President continues to say that what he's talking about are diplomatic and economic measures. Obviously in the background is the idea, which many Americans have voiced from time to time - not the President, of a military answer. That would be extremely dangerous. I think everybody recognises that who thinks about it for a moment. And that is one reason why it is very important in our view, the British view, that the allies should show solidarity with the Americans on the diplomatic and, if necessary, economic side.

INTERVIEWER Now if the meeting on Monday, when Foreign Ministers from the EEC get together, fails to reach agreement - if say the French refuse to take part in any kind of economic sanctions - would Britain be prepared to ally itself to the United States without the other EEC countries?

HURD: I don't think there's anything absolutely sacred about the meeting on Monday, it just happens to be a day on which the Foreign Ministers of the 9 will go to meet anyway and they will obviously now discuss this at the top of their agenda. But we may not reach the final conclusion then. But we have to make good speed. The point about consultation, it's not just a fetish, you'd think us pretty softheaded for example, if we started stopping particular British exports to Iran only to find that that business was ~~xxx~~ snapped up by the Japanese or the Germans. So consultation is a very practical and important part of it.

INTERVIEWER: Well may I turn just for a moment then to Afghanistan; Mrs Thatcher has now begged the Olympic Committee to think again, do you think we're in danger of being the only major western nation sending its team to the Olympics?

HURD: Well some of our sports may be in that danger. I mean we did actually warn the British Olympic Association that they were getting into this difficulty, rushing ahead before they needed to give a reply and the situation might change. Fortunately they put into their decision that they would look at it again if the situation did change. Well it has changed, I hope they will.



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PRIME MINISTER

*ms*

Iran: OD Meeting on 15th April

BACKGROUND

OD last took stock of the United Kingdom response to the situation in Iran on 2nd April (OD(80)10~~th~~ Meeting, Item 1). Since then, on 7th April, President Carter has announced an intensification of American sanctions against Iran and appealed publicly to the United States' allies to step up their action against Iran. Details of this American request are set out in an aide-memoire which the United States Ambassador gave to the Lord Privy Seal on 8th April. The paper by the official group on Iran (OD(80) 34) includes a general analysis of British interests in the new circumstances and a commentary on the detailed proposals in the American aide-memoire and on some further possibilities. A copy of the aide-memoire is attached to the paper, at Annex I.

2. The paper by officials contains no recommendations. It was envisaged that discussion would focus on a minute by the Foreign and Commonwealth Secretary. It is not yet clear whether he will in fact have time to produce one.

3. Other relevant developments are a highly secret meeting in the Cabinet Office today of senior British, American, German and French officials at which the President's request to his allies was mentioned only in the context of a general American description of their public and Congressional disillusionment over the lack of concrete allied measures to support the United States either over Afghanistan or over Iran; and President Carter's comparatively unpolemical interview with European reporters, which was broadcast by the BBC on Sunday evening.

4. The Americans are now exerting considerable pressure on their friends and allies, in public as well as privately, to achieve a concerted intensification of action against Iran. They have made it fairly clear that, in the absence of the degree of support they are seeking, they may feel obliged themselves to take even stronger action - presumably with a military dimension. The time is

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approaching when we and our European allies may have to suspend our better judgment on what action is likely to speed the release of the hostages, and fall in line with the American request.

5. Much has been made in the Press of the suggestion that President Carter had given the United States allies a 'deadline' for compliance with his request. Mr. Warren Christopher of the State Department has publicly linked this to the European Council Foreign Ministers' meeting on 28th April. But I was told last night by Dr. Aaron of the White House that, when President Carter referred in his televised interview to having given allies a date, this could be taken as the 'by mid-May' timeframe mentioned in the President's letter of 25th March.

6. The Secretaries of State for Industry and for Energy and the Attorney General have been invited to attend.

HANDLING

7. You will wish to invite Lord Carrington to give his assessment of the position in Iran and of the latest American thinking; and to report on his discussions in Lisbon last week with his European colleagues. The Committee's view of the general situation will provide the background to discussion of how the United Kingdom might now act in support of the United States.

8. On the maintenance of existing measures, you will wish to seek confirmation from the Chancellor of the Exchequer that the informal financial measures can be kept in place without damage to United Kingdom interests; and from Mr. Pym that there should be no relaxation of the ban on arms supplies and, in particular, that an export licence for the Kharg should not be issued.

9. You could then invite Mr. Nott and the Attorney General to give their views of the commercial and legal implications of agreeing to the American request that we implement economic sanctions in the absence of a mandatory decision of the United Nations Security Council. You could also ask Mr. Howell to say what would be the consequences if the Iranians implemented their threat to retaliate by cutting off oil supplies.



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10. You could next ask the Minister of State, Home Office, to assess the pros and cons of introducing stringent restrictions on the entry of Iranian citizens to the United Kingdom. This idea is outlined in paragraph 12a of the paper, and dealt with more fully in Annex IV.

11. Finally, you will wish to invite Lord Carrington to assess the case for breaking off diplomatic relations with Iran, or such lesser measures as withdrawing our Embassy staff and boycotting international meetings involving the Iranians.

#### CONCLUSIONS

12. Subject to points made in discussion, you might lead the Committee to the following conclusions:-

- (i) That the United Kingdom should be ready to move as close as is practicable to the position on sanctions against Iran requested by President Carter.
- (ii) That such a move should not yet be made, but may have to be made at very short notice - in which case the decision should be left to you and the Foreign and Commonwealth Secretary.
- (iii) That the Foreign and Commonwealth Secretary should be guided by the discussion when he attends next week's meeting of the Council of ~~Europe~~ Ministers.
- (iv) That an export licence for the Kharg should not for the time being be issued.

RA

(Robert Armstrong)

14th April 1980



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IRAN AND AFGHANISTAN

1. CHANCELLOR SCHMIDT HAS RETURNED TO THE STAGE AFTER HIS EASTER BREAK. AT PARTY MEETINGS IN HAMBURG ON 11 APRIL AND ESSEN ON 13 APRIL AND IN AN INTERVIEW WITH BILD ZEITUNG ON 14 APRIL HE MADE HIS FIRST SUBSTANTIVE STATEMENTS SINCE PRESIDENT CARTER'S DECISION ON SANCTIONS AGAINST IRAN.

2. HIS MAIN POINTS WERE:

A) COMPARISONS BETWEEN THE CURRENT SITUATION AND THE FINAL PHASE BEFORE THE OUTBREAK OF WORLD WAR ONE WERE UNFORTUNATELY NOT COMPLETELY FALSE. THE PROCESS OF ESCALATION WAS SLOWER NOW THAN IN THE SUMMER OF 1914; AND THE MILITARY IN THE MOST IMPORTANT COUNTRIES CONCERNED WERE PLAYING NO DECISIVE ROLE. BUT PEOPLE WERE THINKING IN MILITARY TERMS, ESPECIALLY IN THE SOVIET UNION.

B) UP TO NOW THE TWO SUPERPOWERS HAD NOT DEVELOPED ANY ADEQUATE STRATEGY FOR AVOIDING CRISES AND THEY DID NOT TALK OPENLY ENOUGH TO EACH OTHER ABOUT THEIR BASIC OBJECTIVES AND NEEDS. IN THE CURRENT SITUATION IT WAS ESSENTIAL FOR THEM TO PUT THEMSELVES IN EACH OTHER'S SHOES.

C) THE FEDERAL GOVERNMENT HAD UP TILL NOW ADVISED THE US AGAINST MILITARY ACTION AND AGAINST ECONOMIC SANCTIONS AGAINST IRAN. BUT IF NECESSARY THE FRG WOULD, TOGETHER WITH HER EC PARTNERS, TAKE PART IN BOYCOTT MEASURES, EVEN IF THEY DID NOT CONSIDER THEM LIKELY TO BE PRODUCTIVE.

D) IN ANSWER TO A QUESTION FROM BILD ZEITUNG HE SAID THAT HE DID NOT THINK THAT PRESIDENT CARTER HAD BEEN LEFT IN THE LURCH BY THE FRG. HE HAD NOT HEARD ANYTHING LIKE THAT FROM THE PRESIDENT HIMSELF.

E) ASKED IF AN OIL CRISIS WOULD LEAD TO A COLD WINTER FOR THE GERMANS HE SAID THAT HE WOULDN'T GO THAT FAR. BUT HEATING OIL, PETROL AND DIESEL COULD BE IN MUCH SHORTER SUPPLY AND MUCH MORE EXPENSIVE. IT WOULD BE ABSOLUTELY ESSENTIAL TO CONVERT TO COAL FOR DOMESTIC HEATING AND IN INDUSTRY.

F) ASKED ABOUT MILITARY ACTION TO FREE THE HOSTAGES HE SAID THAT THERE WERE VERY CLEAR CONSTITUTIONAL LIMITATIONS FOR THE FEDERAL REPUBLIC OVER MILITARY ACTION EG IN THE MIDDLE EAST. THE BASIC LAW PERMITTED ONLY ONE EXCEPTION (TO OPERATING EXCLUSIVELY INSIDE THE FEDERAL REPUBLIC) AND THAT WAS FOR THE AREA WHICH WAS PRECISELY DEFINED IN THE NATO TREATY. THAT AREA DID NOT INCLUDE THE MIDDLE EAST.

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3. GENERAL BRANDT, INSPECTOR GENERAL OF THE BUNDESWEHR, MADE MUCH THE SAME POINT IN A SPEECH OVER THE WEEKEND AT THE FRG STAFF COLLEGE IN HAMBURG: QUOTE NATO IS AN ALLIANCE FOR THE DEFENCE OF THE NORTH ATLANTIC AREA AND NOT AN ALLIANCE FOR THE DEFENCE OF ITS MEMBERS' MANY-SIDED INTERESTS ALL OVER THE WORLD UNQUOTE.
4. HERR GENSCHER ALSO SPOKE OUT STRONGLY OVER THE WEEKEND. IN A TV INTERVIEW HE SAID THAT ALL EFFORTS MUST NOW BE DIRECTED TO LEAVING NO DOUBT ABOUT THE SOLIDARITY BETWEEN THE EUROPEANS AND THE AMERICANS. WASHINGTON HAD NOT IN FACT SET ANY DATE FOR ITS PARTNERS TO REACH A DECISION OVER IRAN. BUT IT WAS NECESSARY TO QUOTE TO DO SOMETHING SOON UNQUOTE. THE POSSIBILITIES OF THE EC TREATIES SHOULD BE USED FOR ANY MEMBER STATE WHICH UNLIKE THE FRG DID NOT HAVE AT ITS DISPOSAL THE NECESSARY LEGISLATION FOR ECONOMIC SANCTIONS. THAT WOULD MAKE COLLECTIVE ACTION POSSIBLE. (DR PER FISCHER, DEPUTY SECRETARY FOR ECONOMIC AFFAIRS IN THE AUSWAERTIGES AMT HAS A DETAILED PIECE IN TODAY'S EDITION OF DIE WELT, ARGUING THAT ARTICLE 113 OF THE TREATY OF ROME PROVIDES THE NECESSARY BASIS - TRANSLATION OF ARTICLE FOLLOWS BY TOMORROW'S BAG).
5. COMMENT. SCHMIDT AND GENSCHER ARE APPROACHING THE ISSUE FROM SLIGHTLY DIFFERENT ANGLES, THE FORMER STRESSING THE SERIOUSNESS OF THE CRISIS AND THE SHORTCOMINGS OF US POLICIES, THE LATTER (AT ANY RATE IN PUBLIC) FOCUSING ON THE OVERRIDING NEED FOR SOLIDARITY WITH THE US. BUT THEY APPEAR TO HAVE REACHED COMMON GROUND ON THE PROPOSITION THAT THE MOMENT IS NEAR WHEN SANCTIONS WILL BE JUSTIFIED, WITHOUT DISGUIISING THEIR SCEPTICISM AS TO WHETHER SANCTIONS ARE LIKELY TO PROVE EFFECTIVE.
6. PUBLIC OPINION HAS MOVED IN THE SAME DIRECTION. THE PRESIDENT OF THE CONFEDERATION OF GERMAN INDUSTRIES (BDI) HAS SAID THAT ALTHOUGH A LIMITATION OF EXPORTS TO IRAN WOULD CAUSE DIFFICULTIES FOR A NUMBER OF ENTERPRISES, THE BDI WOULD LOYALLY IMPLEMENT A DECISION IN FAVOUR OF SANCTIONS IF THE FEDERAL GOVERNMENT WERE TO TAKE IT. LAST WEEK THE PRESIDENT OF THE ASSOCIATION OF GERMAN CHAMBERS OF COMMERCE AND INDUSTRY (DIHT) SAID THAT HE SAW A BASIS FOR SANCTIONS, THOUGH HE DID NOT WANT TO BE OVER-ZEALOUS. THERE HAS MOREOVER BEEN A CLEAR CONSENSUS IN THE PRESS FAVOURING ACTION TO SUPPORT THE US; AND THE OPPOSITION ARE CALLING FOR FIRM STEPS. MARX, CDU/CSU FOREIGN AFFAIRS SPOKESMAN, HAS DEMANDED DECISIVE MEASURES OF SOLIDARITY WITH THE AMERICANS, SAYING THAT LONG COMMUNIQUEES WITH HIGH-SOUNDING WORDS WERE NOT ENOUGH. BOTH HE AND KIEP (CDU) HAVE SAID THAT A RUPTURE OF DIPLOMATIC RELATIONS SHOULD BE ONE OF THE STEPS (THE GOVERNMENT HAVE STUCK TO THEIR LINE THAT AT THE MOMENT THEY THINK THIS WOULD BE COUNTER-PRODUCTIVE. DIPLOMATIC RELATIONS WITH IRAN SHOULD BE USED IN THE INTERESTS OF THE HOSTAGES). OPINION WITHIN THE SPD

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IS MORE CRITICAL. WISCHNEWSKI HAS DOUBTED THE EFFECTIVENESS OF SANCTIONS AND EGON BAHR HAS SAID THAT AN EMBARGO AGAINST IRAN, EVEN IF SUPPORTED BY EUROPE, JAPAN, CANADA, AUSTRALIA AND NEW ZEALAND, WOULD STILL LEAVE HOLES AS BIG AS A BARN DOOR UNLESS THE IMPORTANT ISLAMIC COUNTRIES CAME ALONG TOO. BUT THE GENERAL IMPRESSION HERE IS THAT A WELL PREPARED CONSENSUS IN FAVOUR OF ECONOMIC SANCTIONS IS EMERGING, PREFERABLY UNDER COMMUNITY COVER. IT IS NOT YET CLEAR WHAT THE GOVERNMENT MIGHT DO, SHOULD IMPORTANT MEMBERS OF THE COMMUNITY NOT BE PREPARED TO GO THAT FAR.

GOODALL

[THIS TELEGRAM WAS NOT ADVANCED]

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With permission, Mr. Speaker, I will make a statement about Iran.

President Carter has asked the friends and allies of the United States for their help and support in the serious situation over the continued illegal detention of the American hostages in Tehran.

This illegal act by Iran is now in its sixth month. The United States Administration and the American people have exercised remarkable patience and restraint in the face of the greatest provocation. Time and again their reasonable hopes of progress have been dashed. It has become clear that the prospects for the early release of the hostages through diplomatic action have markedly diminished. The U.S. Administration have put up with the flouting of international law and established diplomatic practice by Iran for several months in the hope of securing the release of the hostages. But naturally they now feel obliged to demonstrate that the continued detention of their people will carry increasing penalties. They understandably expect solidarity from their allies and we, for our part, have been giving and will continue to give them our utmost support.

At an early stage in the crisis we agreed on certain measures in the financial and commercial fields, on which we have been co-operating with the United States. These remain in force. No arms or defence equipment has been sent from this country to Iran since the hostage crisis arose in early November. In December we made a substantial reduction in the size of our Embassy in Tehran.

The European Foreign Ministers met in Lisbon last week. The Foreign Ministers of the Nine expressed their solidarity with the United States and the American people and instructed their Ambassadors to make an immediate approach to the President of Iran to urge the release of the hostages and to seek precise assurances about the dates and methods by which their release would take place and then to report back in person. Our Ambassador, Sir John Graham, is due to arrive in London this afternoon.

The Americans have asked us to consider a wide range of measures. These include applying the economic sanctions which the Russians vetoed at the UN in January. They also include an eventual break in relations with Iran if there is no progress. It is important that whatever we do should be effective and should be capable of commanding a broad measure of international support.

We are now in close and urgent consultation with our European Partners as well as with other friendly countries about how best we can together respond to President Carter's appeal to us to intensify our efforts. When the Foreign Ministers of the EEC meet on Monday of next week, I hope the necessary decisions will be taken. This therefore can only be an interim statement and a further report will be made to the House after next week's meeting or sooner if required.

PETER SHORE'S INTERVIEW ON TODAY PROGRAMME: 14 APRIL

Q:

Peter Shore: Well I don't like to follow a precise timetable nor necessarily should one as it were commit oneself as it were to a particular series of measures. You have to think very hard about the effectiveness of action is going to be. But let me make it entirely plain that on this issue I do not think there is any doubt about where ones backing should be. If there is one rule in international law, a relationship which is worth anything it is that diplomatic representatives of one country and another are people who have the protection of the country where they are stationed. And it is absolutely incredible frankly that 50 odd American representatives should be imprisoned in their own Embassy for nearly six months; that this should be done contrary to all the precepts of international law.

Q: The British Government has not given its response to President Carter's request yet. What else do you think we might do to help the Americans in their efforts to get the hostages released to avoid them having to go to the length of using military force.

Peter Shore: Well I do not think they should use military force because I do not think it would secure the release of the hostages. I think that would bring a real increase in the chaos in Iran. But I have a strong feeling that if collective economic pressures as well as political pressures are brought to bear on the Iranians they will come to their senses.

Q: You said that you do not want to see the Americans having to use force to get the hostages released. But if all else fails would you be prepared in the last resort to support the American use of force to get them out of Teheran?

Peter Shore: I think that before one contemplated seriously the use of force it would be very necessary first to get a very wide international backing before any move was made.

Q: President Carter, in his interview broadcast last night, rather dodged the question of whether he could be pushing Iran into the hands of the Russians by what he was proposing. What do you think?

Peter Shore: I can understand that obviously as a concern. But I do not believe that will happen. There is no predominant element in the present Iranian regime which looks to the Soviet Union. I do not think that this is so, and I do not believe that the Soviet Union - although no doubt it would look for possibilities of using its influence - will find them.

Q: Do you not think in fact that it might be a wise cause for the Americans to be more patient and see what the Iranian Parliament decides when it discusses this next month and indeed what response there is from the students to whatever decision Parliament takes?

Peter Shore: Actually I do not. The Americans have already waited six months and they have seen a substantial evolution of Government, as it were, inside Iran. The elections have taken place. But even if the Parliament considers the question when it finally meets there is no guarantee as things are now that the Parliament would make a decision which is different from that of the Ayatollah.

Q: If this had been a British crisis and these had been British hostages being held in our Embassy in Teheran, what would you have done? Would you, like President Carter is now doing, have put pressure on our allies to help in securing their release?

Peter Shore: Yes, indeed I would. I am quite certain and I am very glad you put that question. It is only if you ask yourself that question and that applies to every country in the world: what would happen if all your diplomats were siezed and threatened with execution in another country? You would first of all take whatever measures you could yourself to bring pressure to bear to get their release. Nobody's talking about the regime no-one's talking about quarrels with the people of Iran: it is simply a question of getting the release of your own diplomats. I would certainly expect in those circumstances the full backing of all my friends and allies. More than that, of the whole international community. This is the one thing, the one issue, on which the whole international community is agreed.



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GR 160  
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FM TEHRAN 140500Z APR  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 387 OF 14 APRIL 88  
INFO IMMEDIATE WASHINGTON AND UKMIS NEW YORK.

MY TEL NO 838 : US/IRAN.

1. I LEARN THAT THE RED CROSS HAVE BEEN TOLD THAT THE STUDENTS CAN AGREE TO THEIR VISITING THE HOSTAGES. ONLY ON THE CONDITION THAT THEY DO NOT COUNT THE HOSTAGES, ASK THEIR NAMES, OR MAKE INDIVIDUAL REPORTS ON THEIR STATE OF HEALTH. THE RED CROSS CANNOT ACCEPT THIS AND THERE THE MATTER RESTS FOR THE MOMENT.
2. AS YOU PROBABLY KNOW, ALL MY EC COLLEAGUES HAVE NOW RECEIVED INSTRUCTIONS TO RETURN TO THEIR CAPITALS AND WILL BE DOING SO IN THE THE COURSE OF TODAY, WITH THE EXCEPTION OF THE IRISH CHARGE, WHO HOWEVER EXPECTS TO BE TOLD TO REPORT TO DUBLIN AND TO LEAVE ON THE MORNING OF 15 APRIL. THE JAPANESE AMBASSADOR WILL ALSO LEAVE FOR TOKYO ON 15 APRIL, HAVING BEEN TOLD TO FOLLOW THE EC'S EXAMPLE. IN NOTIFYING OUR DEPARTURE TO THE MFA, WE ARE SAYING THAT WE HAVE BEEN RECALLED ''TO REPORT'', WITHOUT A DATE OF RETURN.

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GRPS 170

UNCLASSIFIED

FM THE HAGUE 140912Z APR 86.

TO IMMEDIATE FCO

TELEGRAM NUMBER 152 OF 14 APRIL

INFO ROUTINE TO WASHINGTON, TEHRAN, UKDEL NATO AND EC POSTS,  
 INFO SAVING TO TOKYO, OTTAWA, UKMIS NEW YORK, BMG BERLIN AND  
 MOSCOW.

FCO TEL NO 669 TO WASHINGTON: US/IRAN

1. THE NETHERLANDS PRIME MINISTER TOLD THE PRESS AFTER A CABINET MEETING ON 11 APRIL THAT

(A) IT WOULD BE IRRESPONSIBLE FOR THE NINE TO DO NOTHING MORE TO HELP OBTAIN THE RELEASE OF THE HOSTAGES. "WE WOULD NOT BE ACTING LIKE ALLIES: THE U.S. MUST BE HELPED." THE IRANIAN ACTION WAS ONE OF THE MOST SERIOUS VIOLATIONS OF INTERNATIONAL LAW EVER COMMITTED.

(B) THE NETHERLANDS' ATTITUDE WOULD BE DECIDED IN THE LIGHT

- (B) THE NETHERLANDS' ATTITUDE WOULD BE DECIDED IN THE LIGHT OF THEIR AMBASSADOR'S REPORT FROM TEHRAN ON IRANIAN REACTION TO THE LATEST DEMARCHE BY THE NINE.
- (C) HE DID NOT EXCLUDE THE POSSIBILITY OF BREAKING DIPLOMATIC RELATIONS WITH IRAN, BUT TO BE EFFECTIVE ANY ACTION WOULD NEED TO BE TAKEN JOINTLY BY THE NINE.
- (D) THE NETHERLANDS COULD IN PRACTICE DO LITTLE MORE TO SUPPORT ECONOMIC SANCTIONS. MILITARY SALES HAD BEEN STOPPED IN JANUARY; OTHER EXPORTS WERE ALMOST EXCLUSIVELY FOOD AND MEDICAL SUPPLIES.
- (E) THE NETHERLANDS IMPORTED LESS THAN 12 PER CENT OF ITS OIL FROM IRAN AND COULD SURVIVE AN IRANIAN RETALIATORY BOYCOTT ON OIL SALES.

FCO PLEASE PASS TO SAVING ADDRESSEES.

TAYLOR

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FM WASHINGTON 131705Z APR 80

TO IMMEDIATE F C O

TELEGRAM NUMBER 1450 OF 13 APRIL, 1980,

INFO IMMEDIATE BONN, PARIS, ROME, OTTAWA, TOKYO, UKMIS NEW YCRK,

UKREP E C, UKDEL NATO,

INFO PRIORITY TEHRAN.

*Read in full*

U S / IRAN.

1. IN AN INTERVIEW YESTERDAY WITH EUROPEAN TELEVISION CORRESPONDENTS, (PRESUMABLY THE ONE WHICH WILL APPEAR ON PANORAMA ON MONDAY NIGHT), THE PRESIDENT CONFIRMED THAT HE HAD SOUGHT THE SUPPORT OF AMERICA'S ALLIES IN OBTAINING THE HOSTAGES' RELEASE AND THAT HE HAD SENT THEM QUOTE A SPECIFIC DATE AT WHICH TIME WE WOULD EXPECT THIS COMMON EFFORT TO BE SUCCESSFUL UNQUOTE. HE WOULD NOT BE DRAWN ON WHAT THE SPECIFIC DATE WAS. TODAY'S U S PRESS MAKES MUCH OF THE QUOTE DEADLINE UNQUOTE, AND SPECULATES THAT THE ALLIES HAVE BEEN ASKED TO BREAK DIPLOMATIC RELATIONS WITH IRAN IF THE CRISIS IS NOT RESOLVED BY THE TIME IT EXPIRES. *ms*
2. UNLESS THERE HAS BEEN AN EXCHANGE ABOUT WHICH I AM UNAWARE, I ASSUME THAT THE DEADLINE CARTER REFERRED TO IS THAT CONTAINED IN HIS MESSAGE TO THE PRIME MINISTER OF 25 MARCH IN WHICH HE HOPED THAT IF THE HOSTAGES WERE NOT RELEASED WITHIN QUOTE TWO WEEKS AFTER THE MAJLES CONVENES, AND IN ANY CASE NOT LATER THAN MID-MAY, YOU WILL JOIN US AT THAT TIME IN COMPLETE AND FORMAL SEVERANCE OF ALL DIPLOMATIC RELATIONS WITH IRAN UNQUOTE (FCO TELNO 586 TO WASHINGTON). PRECHT (STATE DEPARTMENT IRAN WORKING GROUP) CONCURS THAT IT WAS TO THIS THAT THE PRESIDENT MUST HAVE BEEN REFERRING, ALTHOUGH HE ADDS THAT HE CANNOT BE CERTAIN.
3. TODAY'S NEW YORK TIMES TAKES UP THE THEME THAT THE U S ALLIES ARE NOT DOING ENOUGH. IN AN EDITORIAL HEADED QUOTE ALLIES ARE WHAT ALLIES DO UNQUOTE, IT CONCLUDES: QUOTE IN THEIR REACTIONS TO IRAN, AS TO AFGHANISTAN AND THE PALESTINIANS, THE ALLIES HAVE BEEN COMPETING TO APPEASE THE VERY FORCES THEY ALSO EXPECT THE UNITED STATES TO FACE DOWN. THE REAL DANGER OF MR CARTER'S NEW APPROACH LIES NOT IN ITS THREATS OF NONVIOLENT ACTION AGAINST IRAN BUT IN THE FACT THAT IT ALSO REQUIRES ALLIES TO BE THREATENED. THAT POINTS TO A WEAKNESS MORE SERIOUS THAN ANY IN IRAN. BUT THE DEGENERATION OF THE ALLIANCE MIGHT AS WELL BE FACED. IF THE ALLIES WANT TO HELP STEER AMERICAN POLICY, THEY NEED FIRST TO SHOW A WILLINGNESS TO SHARE THE RISKS AND THE COSTS. UNQUOTE.
4. INTERVIEWED ON TODAY'S TV PROGRAMME QUOTE ISSUES AND ANSWERS UNQUOTE, DEPUTY SECRETARY WARREN CHRISTOPHER WAS

*/ASKED*

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ASKED ABOUT THE PRESIDENT'S REFERENCE TO A QUOTE DEADLINE UNQUOTE. HE DECLINED TO BE MORE SPECIFIC THAN SAYING THAT THE TIMESCALE WAS NOT LONG AND CERTAINLY NOT A MATTER OF MONTHS. HE DID, HOWEVER, EXPRESS THE HOPE THAT THE E C COUNTRIES WOULD, AFTER THEIR DISAPPOINTING MEETING WITH BANI SADR, QUICKLY DECIDE TO IMPOSE SANCTIONS - POSSIBLY AT THEIR SCHEDULED E C MEETING ON 21 APRIL. IF THEREAFTER EVEN ALLIED SANCTIONS FAILED TO SECURE THE RELEASE OF THE HOSTAGES, HE HOPED THEY WOULD FOLLOW THE U S EXAMPLE AND BREAK DIPLOMATIC RELATIONS WITH IRAN.

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 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 383 OF 13 APRIL 80  
 INFO IMMEDIATE WASHINGTON AND UKMIS NEW YORK.

MY TEL NO 379 : US / IRAN

1. I HAVE DISCUSSED THE MEETING WITH BANI SADR IN CONFIDENCE WITH THE SWISS AMBASSADOR. HE HAS TOLD ME, AGAIN IN CONFIDENCE, THAT THERE WAS INDEED A SCENARIO AGREED BETWEEN THE PARTIES AS LONG AGO AS JANUARY WHICH LED DIRECTLY TO THE SETTING UP OF THE UN COMMISSION OF ENQUIRY. IT WAS ENVISAGED THAT THE COMMISSION WOULD "SEE" ALL THE HSTAGES, AT IRANIAN REQUEST (OF THE FORMULA IN WLADHEIM'S STATEMENT AS REPORTED IN UKMIS NEW YORK TEL NO 348 TO YOU OF 20 FEBRUARY, WHICH USES THE PHRASE "SPEAK TO EACH OF THE HOSTAGES"). FOR ITS PART, THE UNITED STATES WAS TO EXPRESS IN A PUBLIC STATEMENT ITS OPPOSITION TO ANY INTERROGATION BY THE COMMISSION, AND AS I UNDERSTAND IT THIS WAS TACITLY ACCEPTED BY IRAN. FINALLY THE SCENARIO ENVISAGED THE TRANSFER OF THE HOSTAGES TO A HOSPITAL WHERE THEY WERE TO BE IN THE CUSTODY OF REPRESENTATIVES OF THE GOVERNMENT AND OF THE COMMISSION.
2. I AM NOT AWARE THAT WE HAVE YET RECEIVED FROM THE MFA THE COPY OF THE SCENARIO WHICH BANI SADR PROMISED US, ALTHOUGH THE ITALIAN PRESIDENCY ASKED FOR IT YESTERDAY IMMEDIATELY AFTER THE MEETING. BUT FROM WHAT I LEARNED FROM THE SWISS, WHO HOWEVER EMPHASISED THAT HE WAS NOT FULLY AWARE OF ALL THE COMMUNICATIONS BETWEEN THE IRANIANS AND THE AMERICANS, IT SEEMS THAT BANI SADR'S COMPLAINT THAT THE SCENARIO HAD NOT BEEN FOLLOWED BY THE US GOVERNMENT DOES NOT STAND UP. AS ONE MIGHT EXPECT, THE BREACHES SEEM TO HAVE BEEN ON THE IRANIAN SIDE.
3. THE ITALIAN PRESIDENCY ALSO ASKED YESTERDAY AFTERNOON TO SEE LAINGEN IN THE MFA AND WAS TOLD THAT IT WOULD TAKE 3 OR 4 DAYS TO AGREE "ARRANGEMENTS". I SPOKE TO QOTBZADEH'S OFFICE YESTERDAY AFTERNOON AND AGAIN TODAY AND HAVE BEEN TOLD, ON QOTBZADEH'S AUTHORITY, THAT THE MATTER OF VISITS TO THE HOSTAGES HAS STILL TO BE DECIDED BY THE REVOLUTIONARY COUNCIL. ACCORDINGLY I SPOKE TO BANI SADR'S OFFICE, BANI SADR HIMSELF HAVING GONE TO KHUZESTAN, AND TAGHAVI PROMISED TO SPEAK TO QOTBZADEH'S OFFICE. I AM NOT CONFIDENT THAT I SHALL NOT BE FOBBED OFF.
4. IT IS CLEAR, I THINK, FROM ALL THAT I HEAR FROM OTHER SOURCES THAT BANI SADR SPOKE NO MORE THAN THE TRUTH IN ONE MATTER

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AT LEAST, NAMELY THE SERIOUSNESS OF THE ILLNESS OF KHOMEINI. IT SEEMS THAT HE IS SCARCELY ABLE TO CONCENTRATE ON ANY SUBJECT AND QUITE INCAPABLE OF TAKING DECISIONS, WHICH ARE NOW TAKEN IN HIS NAME BY HIS OFFICE, IN WHICH, EVERYBODY ASSUMES, BEHESHTI AND AHMED KHOMEINI HAVE THE BIGGEST SAY.

5. I HAVE JUST SEEN WASHINGTON TEL NO 1449 TO YOU. I FULLY TAKE THE POINT IN PARA 6 ABOUT WITHHOLDING INFORMATION. HOWEVER I HAVE NO DOUBT THAT THE REASON I WAS ASKED BY THE ITALIAN PRESIDENCY NOT TO PASS THE RECORD OF THE BANI SADR CALL TO THE STATE DEPARTMENT WAS PRECISELY BECAUSE THE LAST JOINT DOCUMENT WE GAVE THE US (AND THOUGH NOBODY HERE HAS ACCUSED ME I AM SURE THEY ALL THINK THAT IT WAS US) WAS LEAKED ALMOST VERBATIM IN AN OBVIOUS AND INEPT ATTEMPT TO FORCE OUR GOVERNMENT'S HANDS.

GRAHAM

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FM WASHINGTON 121741Z APR 80

TO IMMEDIATE F.C.O.

TELEGRAM NUMBER 1449 OF 12 APRIL.

INFO TEHRAN, UKMIS NEW YORK, PARIS, BONN.

TEHRAN TELNO 376 TO YOU : US/IRAN.

1. YOU WILL NO DOUBT BE THINKING WHAT TO DO NEXT ON THIS SUBJECT AND I SHOULD LIKE THE FOLLOWING TO BE TAKEN INTO ACCOUNT.
2. WE ARE TOLD THAT THE REASONS WHY THE WHITE HOUSE SPOKESMAN, JOBY POWELL, HAS JUST COME OUT WITH A STATEMENT PLAYING DOWN THE LIKELIHOOD OF IMMINENT MILITARY ACTION ARE AS FOLLOWS:
  - A. THE ADMINISTRATION ARE CONCERNED AT THE WAY WAR FEVER IS GRIPPING OPINION IN THE PRESS HERE AND THEY WISH TO DAMP THIS DOWN:
  - B. THEY ARE CONCERNED THAT THE CURRENT TENSION BETWEEN IRAN AND IRAQ AND THE WAY IN WHICH THE MILITANTS PROFESS TO SEE AN AMERICAN HAND BEHIND IT MIGHT LEAD TO AN IRRATIONAL ACT IN TEHRAN AGAINST THEIR HOSTAGES. THEY THEREFORE WISH TO LOWER THE TEMPERATURE TO AVOID ANY IMPRESSION THAT MILITARY ACTION ON TWO FRONTS MIGHT BE IMMINENT.
3. THERE IS HOWEVER NO CHANGE IN THE ATTITUDE TOWARDS THE ALLIES AND THE CONSIDERABLE CRITICISM THEY ARE UNDERGOING TODAY'S



3. THERE IS HOWEVER NO CHANGE IN THE ATTITUDE TOWARDS THE ALLIES AND THE CONSIDERABLE CRITICISM THEY ARE UNDERGOING. TODAY'S WASHINGTON STAR TAKES UP THE SAME CRITICAL THEME AS YESTERDAY'S WASHINGTON POST (MY TELNO 1424). THE ONLY NEW ELEMENT IN THIS - AND IT IS A SERIOUS ONE FROM OUR POINT OF VIEW - IS THAT THE F.R.G. IS NOW GETTING BETTER MARKS THAN THE OTHER MEMBERS OF THE COMMUNITY. PRESUMABLY OWING TO BRIEFING FROM BONN IT IS BEING SUGGESTED IN THE PRESS THAT BONN MAY BREAK RANKS WITH THE COMMUNITY AND TAKE A MORE ROBUST LINE ON THE TWO MAIN AMERICAN DEMANDS FOR WITHDRAWING THE AMBASSADORS AND IMPOSING SANCTIONS.

4. WE MUST KEEP A PERSPECTIVE IN READING THE INCREASINGLY BAD PRESS WE THE BRITISH ARE GETTING HERE ON THIS WHOLE ISSUE. NEVERTHELESS YOU KNOW WHAT HARM COULD BE DONE TO US AND THE POSSIBILITY OF THE GOVERNMENT HERE INVOKING DISAPPOINTED CONGRESSIONAL AND PUBLIC OPINION. I THINK THEREFORE THAT WE HAVE TO DO WHAT WE CAN TO AVOID BEING PUT IN THE DOCK AND I THINK THAT THE COMMUNITY AMBASSADORS' MEETING WITH BANI SADR OFFERS AN OPENING.

5. I SHOULD SAY FIRST THAT IT MUST BE ASSUMED THAT THE U.S. GOVERNMENT WILL QUICKLY LEARN FROM ONE SOURCE OR ANOTHER THE OUTCOME OF THE AMBASSADORS' MEETING. THIS MEETING RAISES TWO IMMEDIATE INTERLOCKED QUESTIONS AS SEEN FROM HERE FIRSTLY WHETHER THE AMBASSADORS CAN WITHOUT IMPROPRIETY VISIT THE HOSTAGES AND SECONDLY WHAT SHOULD BE DONE ABOUT THE U.S. REQUEST FOR THE WITHDRAWAL OF AMBASSADORS. ONE WAY OF PLAYING THIS MIGHT BE FOR US TO SAY TO THE AMERICANS IMMEDIATELY THAT WE ASSUME THAT THEY WOULD SEE ADVANTAGE IN SOME PROPER MEETING BETWEEN THE HEADS OF MISSIONS AND THE HOSTAGES, PROVIDED OF COURSE THAT IT WAS MADE PELLUCIDLY CLEAR THAT THIS DID NOT AMOUNT TO ANY CONDONING AND THAT THE MEETING TOOK PLACE IN SUCH CONDITIONS AS ENABLED BOTH SIDES TO SPEAK FREELY. WE COULD SAY TO THE AMERICANS THAT ASSUMING THAT THIS COURSE HAD ADVANTAGES WE PRESUMED THEY WOULD NOT WANT OUR AMBASSADOR TO WITHDRAW IMMEDIATELY, BUT THAT WE WOULD REVIEW THE MATTER IN THE LIGHT OF WHAT ACTUALLY HAPPENS AT THE PROPOSED MEETING.

6. I REALISE THAT THERE ARE COMMUNITY CONSIDERATIONS IN THIS, BUT YOU WILL HAVE IT IN MIND THAT WE STAND TO LOSE MORE THAN ANY OTHER COMMUNITY COUNTRY HERE ON THIS ISSUE, PARTLY BECAUSE MORE IS EXPECTED OF US. IT WILL NOT HURT FRENCH, FRG, LET ALONE DANISH, INTERESTS IF THERE IS NO RESPONSE IN THE NEAR FUTURE FOLLOWING THE BANI SADR MEETING. BUT IT WILL CERTAINLY DAMAGE US. FOR US TO WITHHOLD IMPORTANT INFORMATION RELATING TO THE HOSTAGES WHEN THE AMERICANS KNOW WE HAVE IT WILL BE VIEWED AS MARKING AN UNWELCOME DEVELOPMENT IN OUR RELATIONSHIP.

THRESHOLD IMPORTANT INFORMATION RELATING TO THE HOSTAGES WHEN THE AMERICANS KNOW WE HAVE IT WILL BE VIEWED AS MARKING AN UNWELCOME DEVELOPMENT IN OUR RELATIONSHIP.

7. I WELL UNDERSTAND THE PROBLEMS SANCTIONS PRESENT. BUT IT DOES SEEM THAT WE CAN, WITHOUT TOO MUCH COST TO OURSELVES, CONSIDER GIVING THE AMERICANS SOME SATISFACTION IMMEDIATELY OVER DIPLOMATIC REPRESENTATION. HOWEVER LITTLE PRACTICAL DIFFERENCE THIS MIGHT MAKE TO THE HOSTAGES, THE AMERICANS HAVE ALLOWED IT TO ASSUME GREAT SYMBOLIC IMPORTANCE; JOHNNY GRAHAM CONCLUDES TOO THAT THE IRANIANS HAVE BEEN GALVANISED BY THE U.S. PRESSURE RECENTLY EXERTED. THE OPENING PRESENTED BY BANI SADR'S OFFER OF VISITS BY AMBASSADORS TO THE HOSTAGES GIVES US THE CHANCE TO PUT THE BALL FIRMLY BACK IN THE AMERICAN COURT BY INVITING THEM TO CHOOSE: WHICH WOULD THEY PREFER, VISITS BY AMBASSADORS TO THE HOSTAGES OR WITHDRAWAL OF AMBASSADORS AND NO VISITS? IF THEY CHOSE WITHDRAWAL, BY HOW MUCH WOULD OUR INTERESTS REALLY BE IMPAIRED?

HENDERSON

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FM TEHRAN 121100Z APR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 377 OF 12 APRIL

MY TELNO 376: US/IRAN

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IMMEDIATE

1. MIFT CONTAINS THE FULL RECORD OF THE EC PLUS JAPAN MEETING WITH BANI SADR. I HAVE BEEN SPECIFICALLY ASKED THAT IT SHOULD NOT (REPEAT NOT) BE HANDED TO THE AMERICANS. WE ARE TELLING THE PRESS MERELY THAT WE WERE RECEIVED BY BANI SADR AND NO MORE.

2. MY COLLEAGUES AND I HAVE HAD ANIMATED DISCUSSION OF WHAT TO DO NEXT. THE FRG AMBASSADOR AND I ARGUED THAT WE COULD NOT REALISTICALLY HAVE EXPECTED TO BE GIVEN A DATE FOR THE RELEASE OF THE HOSTAGES; THAT WE OUGHT TO BE ON HAND IN TEHRAN TO FOLLOW UP THE PROMISE OF VISITS; AND THAT THE WITHDRAWAL OF AMBASSADORS MIGHT EVEN BE USED AS A PRETEXT FOR NOT CARRYING OUT THESE PROMISES. WE SUGGESTED INSTEAD THAT IF THERE WAS NO PROGRESS ON VISITS WE SHOULD SEE BANI SADR AGAIN ON TUESDAY 15 APRIL AND SAY THAT OUR GOVERNMENTS WERE FED UP WITH DIS-

PROGRESS ON VISITS WE SHOULD SEE BANI SADR AGAIN ON TUESDAY 15 APRIL AND SAY THAT OUR GOVERNMENTS WERE FED UP WITH DISHONOURED PROMISES AND MUST INSIST ON ACTION; AND THAT PENDING AANKANTCMRETE SIGN OF IT, WE WERE BEING WITHDRAWN (OR WHATEVER OTHER ACTION MAY BE FAVOURED).

3. THE ITALIAN AMBASSADOR ARGUED THAT THE AMERICANS REQUIRED A GESTURE: IF WE RETURNED TO OUR CAPITALS NOW, IT WOULD SATISFY THEM, WITHOUT GIVING THE IRANIANS A PRETEXT TO RENEGE (INDEED IT WOULD HARDLY BE INTERPRETED HERE AS A GESTURE AT ALL); AND WE SHOULD BE ABLE TO RETURN IN TWO OR THREE DAYS TIME. HE WAS SOMEWHAT DOUBTFULLY SUPPORTED BY THE FRENCH AMBASSADOR, MAINLY ON THE GROUNDS THAT IT WAS FOR OUR GOVERNMENTS TO DECIDE, SINCE ONLY THEY KNEW THE COMMITMENTS MADE TO THE US TO MAKE SOME GESTURE. THE DANE, WHO HAS BEEN HERE ONLY 10 DAYS, AND THE IRISH CHARGE, WHO IS THE SOLE MEMBER OF HIS EMBASSY AND THINKS HE WILL REMAIN HERE IN ANY CASE, WERE SILENT. THE BELGIAN AND DUTCH AMBASSADORS APPEARED TO SUPPORT THE ITALIAN, ALTHOUGH AFTERWARDS THE DUTCHMAN TOLD ME THAT HE AGREED PERSONALLY WITH ME.

4. THE ITALIAN AMBASSADOR HAS ASKED TO VISIT LAINGEN AND I PROPOSE TO FOLLOW UP MY LETTER TO QOTBZADEN ABOUT VISITING THE HOSTAGES (THOUGH I THINK WE ARE ALL AGREED THAT REGULAR VISITS BY THE RED CROSS WOULD BE BETTER). I DO BELIEVE STRONGLY THAT THERE IS ADVANTAGE IN MY BEING ON HAND TO FOLLOW ALL THIS UP. IN ANY CASE I COULD HARDLY NOW LEAVE BEFORE MONDAY MORNING.

5. I AWAIT YOUR INSTRUCTIONS.

GRAHAM

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DESKBY 121100Z

FM TEHRAN 120630Z APR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 376 OF 12 APRIL

INFO IMMEDIATE WASHINGTON AND UKMIS NEW YORK

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YOUR TELNO 230: US/IRAN

1. THE EC MEETING (WITH THE JAPANESE AMBASSADOR WHO ASKED TO JOIN US) WITH BANI SADR LASTED ONE AND A HALF HOURS. A FULL RECORD FOLLOWS. THE MAIN POINTS WERE:

(A) BANI SADR REMAINS CONVINCED THAT THE CONTINUED HOLDING OF THE HOSTAGES IS NOT IN IRAN'S INTEREST (QUOTE IF I COULD CONVINCED THE IMAM TO-DAY, IT WOULD BE FINISHED)

(B) THE IMAM SEES THE HOSTAGES AS A GUARANTEE AGAINST US INTERVENTION TO PREVENT THE FULL ACHIEVEMENT OF THE ISLAMIC REPUBLIC, SYMBOLISED FINALLY BY THE ELECTION OF THE PARLIAMENT

(C) HE WAS INSISTING THAT THE IMAM SHOULD TELL THE PARLIAMENT TO VOTE FOR THE LIBERATION OF THE HOSTAGES AS ITS FIRST ACT (BUT

(C) HE WAS INSISTING THAT THE IMAM SHOULD TELL THE PARLIAMENT TO VOTE FOR THE LIBERATION OF THE HOSTAGES AS ITS FIRST ACT (BUT PARLIAMENT CANNOT BE EXPECTED TO MEET BEFORE JUNE) PROVIDED THERE ARE NO FURTHER "PROVOCATIONS" ON THE PART OF THE US.

(D) THERE WAS A "SCENARIO" AGREED WITH THE US AND WALDHEIM, IN WHICH THE TRANSFER OF THE HOSTAGES TO GOVERNMENT CUSTODY DID NOT FIGURE. THE US DID NOT STICK TO ITS BARGAIN ON THIS. NEVERTHELESS, IF THERE WERE NO FURTHER PROVOCATIONS, IRAN WOULD CARRY OUT THE SCENARIO, AND BY ARRANGING VISITS TO THE HOSTAGES, AND AN OBSERVER TO MONITOR THEIR CONDITIONS, WOULD ACHIEVE THE SUBSTANCE OF ALL THAT COULD HAVE BEEN ACHIEVED BY THE TRANSFER. THESE ARRANGEMENTS WERE TO TAKE EFFECT FROM TO-DAY UNDER THE CONTROL OF RAFSANJANI AND WOULD APPLY TO ALL THE HOSTAGES WITH OUT RESTRICTION ON WHAT COULD BE SAID TO THEM. THE RED CROSS AND AMBASSADORS WOULD BE ALLOWED TO GO.

2. I DOUBT IF WE COULD HAVE EXPECTED MORE. A DATE FOR THE FREEING OF THE HOSTAGES IS NOT WITHIN BANI SADR'S POWER TO GIVE. OF COURSE WE HAVE HAD PROMISES BEFORE (AND IT WOULD BE REASONABLE TO CONCLUDE THAT THE US MEASURES AND THE PROSPECT OF WIDER ACTION HAS GALVANISED THE IRANIANS). NEVERTHELESS I PERSONALLY TRUST BANI SADR'S INTENTIONS, EVEN IF HIS HISTORY MAY BE PARTISAN AND DISTORTED.

3. MY EC COLLEAGUES, EXCEPT THE FRENCH AND THE IRISH WHO IS THE ONLY MEMBER OF THEIR EMBASSY, HAVE FIRM INSTRUCTIONS TO RETURN TO THEIR CAPITALS, BUT IN THEIR OWN TIME. IT IS NOT CLEAR WHETHER THE RECALL IS INTENDED TO BE OF LONG DURATION OR WHETHER THEIR GOVERNMENTS HOPE THEY WILL RETURN IN A FEW DAYS. THE FRENCH AND FRG AMBASSADORS ARE STRONGLY OF THE VIEW, WHICH I SHARE, THAT WE SHOULD BE ON HAND IN TEHRAN TO FOLLOW UP THE PROMISE OF VISITS (THOUGH SOME OF MY COLLEAGUES HAVE DOUBTS ABOUT THE PROPRIETY OF AMBASSADORS CONNIVING IN THE HOLDING OF HOSTAGES BY VISITING THEM: I BELIEVE IF WE COULD BREAK DOWN THE HOSTAGES' ISOLATION, BY FREQUENT VISITS, THEIR RELEASE WILL BECOME A SMALL FURTHER STEP FOR IRAN TO TAKE AND THAT IN ANY CASE WE MUST RISK IT). A RECALL FOR TWO OR THREE DAYS ONLY, WHICH IS WHAT THE ITALIAN GOVERNMENT APPEAR TO FAVOUR, SEEMS TO ME A GESTURE HARDLY WORTH MAKING. MY OWN RECOMMENDATION IS THAT MY RECALL (IN COMPANY WITH MY EC COLLEAGUES) SHOULD AWAIT THE OUTCOME OF THIS WEEK'S EFFORTS TO ARRANGE REGULAR VISITS.

4. WE ARE SAYING NOTHING TO THE PRESS ABOUT THE SUBSTANCE OF THIS MEETING. IT IS PARTICULARLY IMPORTANT THAT BANI SADR'S CONFIDENCES ABOUT THE IMAM SHOULD REMAIN CONFIDENTIAL. I THINK

4. WE ARE SAYING NOTHING TO THE PRESS ABOUT THE SUBSTANCE OF THIS MEETING. IT IS PARTICULARLY IMPORTANT THAT BANI SADR'S CONFIDENCES ABOUT THE IMAM SHOULD REMAIN CONFIDENTIAL. I THINK TOO THAT THE BRIEFING OF THE AMERICANS SHOULD AWAIT COMMUNITY DISCUSSION.

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TELEGRAM NO 1448 OF 11 APRIL  
INFO PRIORITY BONN, PARIS, UKDEL NATO, UKREP BRUSSELS, ROME,  
UKMIS NEW YORK, TEHRAN, MOSCOW  
INFO SAVING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE,  
KABUL, OTTAWA, TOKYO.

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MY TELNO 1428 (NOT TO ALL): THE UNITED STATES AND THE ALLIES

1. FOLLOWING THE PRESIDENT'S ADDRESS TO THE AMERICAN SOCIETY OF NEWSPAPER EDITORS, BRZEZINSKI DELIVERED LAST NIGHT TO THE SAME BODY WHAT HE DESCRIBED AS "SOME FRANK REMARKS" ON THE STATE OF THE ALLIANCE.

2. HE SAID THAT THE HISTORY OF NATO WAS A BI-CONTINENTAL SUCCESS STORY. EUROPE HAD BEEN RECONSTRUCTED, PEACE AND PROSPERITY ON BOTH SIDES OF THE ATLANTIC HAD BEEN PROMOTED, AND AN EQUALITY WELCOME TO THE US BETWEEN THE ALLIES HAD BEEN ESTABLISHED. BRZEZINSKI PAID TRIBUTE TO DIPLOMATIC SUCCESSES BY OTHER ALLIES (THE GERMANS AND OSTPOLITIK, THE FRENCH IN ZAIRE, THE BRITISH IN ZIMBABWE SHOWING "CONSUMMATE SKILL AND PERSISTENCE", AND THE JAPANESE IN THE ASEAN REGION).

3. BUT ALLIANCES HAD TO PASS THROUGH CRITICAL TURNING POINTS. "THE CRISES IN IRAN AND AFGHANISTAN CONFRONT US WITH SUCH A CRUCIAL PERIOD. IN THE CASE OF IRAN ... OUR RESTRAINT IS NOT INEXHAUSTIBLE AND NOT ALL THE MEANS OF REDRESS AVAILABLE TO US HAVE YET BEEN APPLIED. WE LOOK TO OUR ALLIES TO SUPPORT THE SANCTIONS FOR WHICH THEY VOTED (AT THE UN) AND WHICH THE SOVIET UNION VETOED, SINCE SUCH SOLIDARITY COULD RENDER UNNECESSARY THE APPLICATION OF OTHER MEASURES".

4. THE CRISIS IN AFGHANISTAN ALSO INVOLVED INTERNATIONAL LAWLESSNESS. SOVIET ASPIRATIONS TOWARDS THE PERSIAN GULF, GIVEN THEIR PRESENT PROXIMITY, COULD NOT BE FORECAST WITH CERTAINTY. BUT ALL THE ALLIES WERE NOW VITALLY DEPENDENT ON OIL SUPPLIES FROM A VOLATILE REGION WHOSE OWN SECURITY, FROM INTERNAL DIVISIONS AND EXTERNAL THREAT, WAS NOW IN QUESTION.

5. MANY JOURNALISTS HAD ASKED IN RECENT WEEKS WHY THE ALLIES WERE NOT DOING MORE TO RESPOND TO THIS CRISIS. "THE CONGRESS AND THE AMERICAN PEOPLE ARE PROPERLY CONCERNED WITH THE IMPLICATIONS OF THAT QUESTION. THE POSITIVE FACT IS, NONE OF OUR MAJOR ALLIES DISAGREES WITH OUR STRATEGIC ASSESSMENT OF THE SOVIET MOVE INTO AFGHANISTAN ... MOREOVER, THE ALLIES HAVE ASSURED US THAT, IN ADDITION TO SHARING OUR VIEWS OF THE SITUATION'S GRAVITY, THEY CONCUR IN THE NECESSITY OF A CONCERTED RESPONSE ... MUCH AS WE WELCOME SUCH DECLARATIONS, WE FEEL THAT THEY SHOULD BE ACCOMPANIED

/ BY TANGIBLE



BY TANGIBLE MEASURES." THE WORLD'S THREE CENTRAL STRATEGIC ZONES - WESTERN EUROPE, THE FAR EAST AND SOUTH WEST ASIA - WERE FUNDAMENTALLY INTER-DEPENDENT. APPROPRIATE POLITICAL AND MILITARY CONCLUSIONS SHOULD BE DRAWN FROM THE FACT THAT INSTABILITY IN ONE AREA THREATENED THE OTHERS. ONLY WHEN SUCH CONCLUSIONS WERE ALSO FOLLOWED BY CLEAR ACTIONS WOULD THE SOVIETS PERCEIVE THEIR AFGHANISTAN ADVENTURE AS A MISTAKE AND DESIST FROM SIMILAR DEPREDATIONS IN THE FUTURE.

6. BRZEZINSKI CONTINUED THAT THERE WERE THOSE ON BOTH SIDES OF THE ATLANTIC WHO ASCRIBED THE LACK OF A MORE FORCEFUL RESPONSE TO THE CHALLENGE TO FEARS OF JEOPARDISING A DECADE'S DETENTE, OR DISRUPTING COMMERCIAL TIES WITH THE EAST, OR INTERFERING WITH A SPECIAL RELATIONSHIP ENCOURAGED BY MOSCOW. SOME ALSO SUGGESTED EUROPEAN INDECISION MIGHT BE MOTIVATED BY DOUBTS ABOUT THE STEADINESS OF US LEADERSHIP. ONE COULD NOT, TO BE BOTH CANDID AND REALISTIC, DISMISS THESE FACTORS. HOWEVER ALLIANCE DECISIONS IN RECENT MONTHS (THE LTDP, THE 3 PERCENT BUDGET INCREASE, AND THE TNF DECISIONS) BELIED THE IDEA OF WEAK OR UNCERTAIN LEADERSHIP.

7. "WHATEVER THE REALITY OF SUCH DOUBTS AND UNCERTAINTIES, HOWEVER, WE ON THIS SIDE OF THE ATLANTIC CANNOT ACCEPT THE PROPOSITION THAT EITHER GENUINE DETENTE OR OUR COMMON SECURITY IS DIVISIBLE, ESPECIALLY IN THE CONTEXT OF A CHALLENGE WHICH MAY AFFECT ALLIED INTERESTS MORE RAPIDLY AND DRASTICALLY THAN EVEN OUR OWN." THE US AND HER ALLIES NEEDED TO ASK SOME SEARCHING QUESTIONS:

- (I) WITH THE RUSSIANS IN AFGHANISTAN COULD WE CONDUCT BUSINESS AS USUAL?
- (II) SHOULD WE SUBSIDISE SOVIET MILITARY POWER BY GIVING THEM ADVANTAGEOUS COMMERCIAL CREDITS?
- (III) SHOULD WE FACILITATE THE TRANSFER OF HIGH TECHNOLOGY EQUIPMENT AND EXPERTISE?
- (IV) COULD WE AFFORD NOT TO FULFIL THE NATO SUMMIT COMMITMENTS TO INCREASE DEFENCE SPENDING?
- (V) SHOULD WE GIVE INTERNATIONAL RESPECTABILITY TO SOVIET AGGRESSION BY LETTING WESTERN ATHLETES PARTICIPATE IN THE OLYMPICS?

8. THE US APPRECIATED THE PARTICULAR SITUATIONS OF EACH OF THE ALLIES, FOR EXAMPLE, GERMANY WAS A DIVIDED NATION, BONN COULD NOT BE INDIFFERENT TO THE FATE OF THOSE GERMANS UNDER COMMUNIST RULE, AND BERLIN OCCUPIED A SPECIAL POSITION. "THESE ARE MAJOR CONCERNS. I DO NOT SLIGHT THEM. AT THE SAME TIME, WE BELIEVE THAT A PROPER BALANCE CAN AND MUST BE STRUCK BETWEEN INDIVIDUAL NATIONAL PRIORITIES AND THE NEED FOR A TANGIBLE EXPRESSION OF COLLECTIVE ALLIED RESOLVE."

9. "WE ACCEPT, INDEED, WE ENTHUSIASTICALLY ENDORSE THE DIVISION-OF-LABOUR CONCEPT. BUT THAT DIVISION MUST BE EQUITABLE IN SACRIFICE AND EFFORT, AS WELL AS IN RHETORIC." THE US HAD

ALREADY MADE SACRIFICES OF HER OWN (GRAIN SALES, THE OLYMPICS, INCREASED DEFENCE SPENDING, STRENGTHENED COMMITMENT IN SOUTH WEST ASIA).

10. "THE US IS MORE THAN EVER COMMITTED TO THE VITAL PURPOSES OF THE ATLANTIC PARTNERSHIP. BUT THE BURDENS, AS WELL AS THE BENEFITS OF THAT PARTNERSHIP MUST BE RECIPROCALLY BORNE. THE PLURALISTIC NATURE OF AN ALLIANCE SUCH AS OURS CARRIES WITH IT THE IMPERATIVE OF RESPONSIBILITY. PLURALISM WITHOUT RESPONSIBILITY IS A WORKING PRESCRIPTION FOR ANARCHY; PERHAPS EVEN WORSE, IT POSES THE RISK OF OPERATIONAL PARALYSIS. RESPONSIBILITY, LIKE DETENTE, LIKE SECURITY ITSELF, IS NOT DIVISIBLE."

11. BRZEZINSKI CONCLUDED "I PROMISED AT THE OUTSET TO BE FRANK IN THESE REMARKS: THE TIMES REQUIRE THAT WE AND OUR ALLIES BE WILLING TO MAKE HARD CHOICES AND REAL SACRIFICES. UNLESS WE PROVE OURSELVES CAPABLE OF RESPONDING TOGETHER TO THE CHALLENGE WHICH THE PROJECTION OF SOVIET POWER HAS POSED ON THE VERY PERIMETERS OF INTERESTS VITAL TO US ALL, OUR COMMON SECURITY WILL BE IMPERILLED."

12. IN ANSWER TO A QUESTION BRZESINSKI SAID "WE EXPECT TO BE SATISFIED" WITH THE RESPONSE FROM THE ALLIES BUT ADDED THAT HE DID NOT KNOW HOW LONG IT WOULD BE BEFORE THEY MADE WHAT HE WOULD CONSIDER A SATISFACTORY RESPONSE. "YOU CANNOT SET MECHANICAL TIMETABLES ON WHAT IS A POLITICAL PROCESS ..... BUT WE DO NOT EXPECT ANY FLAGS OF MAJOR DEMOCRACIES TO BE MARCHING DOWN THAT PATH IN MOSCOW" DURING THE OLYMPICS.

13. TO A QUESTION ABOUT ACTION TO FREE THE US HOSTAGES IN TEHRAN, BRZEZINSKI REPLIED "WE ARE DEALING WITH THE LIVES OF 53 OF OUR COUNTRYMEN. WE'RE DEALING WITH RADICAL FANATICS. WE WILL NOT STAND IDLY BY IF A SINGLE ONE IS HURT. WE DO NOT DENY OURSELVES THE RIGHT TO USE ANY MEANS TO WHICH WE ARE ENTITLED UNDER INTERNATIONAL LAW. I AM WEIGHING MY WORDS VERY CAREFULLY. I THINK YOU UNDERSTAND WHAT I MEAN. WE INTEND TO OBTAIN THE RELEASE OF OUR PEOPLE".

FCO PASS SAYING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE, KABUL, OTTAWA, AND TOKYO.

HENDERSON

[REPEATED AS REQUESTED]

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FM WASHINGTON 111905Z APR 80  
 TO IMMEDIATE F.C.O.

TELEGRAM NUMBER 1435 OF 11 APRIL.

INFO IMMEDIATE BONN, PARIS, ROME, UKDEL NATO, UKREP BRUSSELS,  
 INFO ROUTINE BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBURG, THE HAGUE,  
 TOKYO, TEHRAN, OTTAWA, UKMIS NEW YORK, BMG BERLIN, MOSCOW.

IRAN

1. WE HAVE HAD AN ACCOUNT FROM THE NSC STAFF NOTE TAKER OF A MEETING THIS MORNING BETWEEN PRESIDENT CARTER AND GOVERNING MAYOR STOBE OF BERLIN AND WHAT WAS SAID ABOUT IRAN.

2. STOBE ASKED THE PRESIDENT HOW HE SAW THE CURRENT SITUATION IN IRAN AND HOW HE FELT ABOUT EUROPEAN ATTITUDES. PRESIDENT CARTER BEGAN BY REFERRING TO APPLE'S ARTICLE IN TODAY'S NEW YORK TIMES (HE DESCRIBED APPLE AS A DISTINGUISHED U.S. JOURNALIST IN LONDON) AND ITS HEADLINE "WESTERN EUROPEANS DECLINE TO IMPOSE SANCTIONS ON IRAN - A SHARP SETBACK FOR CARTER". THE PRESIDENT SAID THERE WAS A GROWING SENSE IN THE UNITED STATES OF

SANCTIONS ON IRAN - A SHARP SETBACK FOR CARTER''. THE PRESIDENT SAID THERE WAS A GROWING SENSE IN THE UNITED STATES OF DISILLUSIONMENT AND EVEN BITTERNESS ABOUT THE LACK OF EUROPEAN SUPPORT OVER IRAN. HE HIMSELF HAD NO INTEREST IN ASCRIBING BLAME FOR THIS AND NO PERSONAL BITTERNESS TOWARDS ALLIED LEADERS. BUT IT WAS APPARENT TO HIM THAT THIS FEELING WAS VERY STRONG IN THE UNITED STATES. IT WAS IF ANYTHING EVEN STRONGER IN CONGRESS THAN WITH HIM PERSONALLY, AND THAT WAS SAYING QUITE A LOT. HIS OBJECTIVE CONTINUED TO BE THE PROTECTION OF THE HOSTAGES, BUT THE UNITED STATES HAD TAKEN DIPLOMATIC MEASURES JUST ABOUT AS FAR AS THEY COULD GO. HE HAD HAD SUPPORT FROM BANI SADR, MORE SO THAN HAD APPEARED PUBLICLY, BUT IN EVERY INSTANCE THE LATTER HAD BEEN OVERRULED BY KHOMEINI AND THE MILITANTS ON THE REVOLUTIONARY COUNCIL.

3. THE PRESIDENT SAID THERE WAS NOW ONLY A LIMITED AMOUNT OF TIME DURING WHICH THE UNITED STATES COULD CONTINUE TO ACT WITH MODERATION. THIS WAS NOT A THREAT BUT A SOBER FACT. MORE FORCEFUL ACTION ON THE PART OF THE UNITED STATES WOULD IMMEDIATELY AFFECT THE EUROPEANS. HE HAD NO DOUBT THAT IF BRITAIN, FRANCE, GERMANY, ITALY, JAPAN AND OTHER ALLIES WEIGHED IN HEAVILY WITH IRAN (WHICH HE RECOGNISED WOULD REQUIRE SACRIFICES ON THEIR PART) THIS WOULD MAKE A PROFOUND DIFFERENCE. THE LIMITS OF WHAT IT WAS POSSIBLE TO ACHIEVE BY MEASURES OF A PEACEFUL NATURE WERE ALMOST EXHAUSTED.

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TELEGRAM NUMBER 1434 OF 11 APRIL.

INFO PRIORITY TEHRAN, PARIS, BONN, ROME, OTTAWA, TOKYO, MOSCOW,  
INFO SAVING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE,  
UKREP BRUSSELS, UKMIS NEW YORK.

M.I.P.T.

1. FOLLOWING IS TEXT OF LEAD EDITORIAL, ENTITLED "WHAT IS AN ALLY?", IN WASHINGTON POST OF 11 APRIL.

BEGINS

IT SEEMS THAT THE ALLIES ARE TAKING THE UNITED STATES' LATEST REQUEST TO APPLY DIPLOMATIC AND ECONOMIC SANCTIONS AGAINST IRAM NOT AS AN URGENT PRIORITY BUT AS A ROUTINE ONE THAT IT IS SAFE AND PROPER TO MEET WITH THE KIND OF HALF-MEASURES CHARACTERISTIC OF EUROPEAN DIPLOMACY. FAR FROM DEMONSTRATING THAT THEY UNDERSTAND AND ACCEPT PRESIDENT CARTER'S TURN TO A TOUGH POLICY AND THAT THEY WILL DO EVERYTHING THEY CAN TO SUPPORT IT, THE EUROPEANS, JAPANESE AND THE REST ARE EXPLAINING BLANDLY THAT THEY HAVE MORE AT STAKE IN NORMAL DIPLOMATIC AND ECONOMIC TIES THAN WASHINGTON DOES. THEIR MORE SINUOUS DIPLOMACY, THEY SAY WITH A CERTAIN CONFIDENCE, CAN ACHIEVE RESULTS BEYOND THOSE WITHIN THE

DOES. THEIR MORE SINUOUS DIPLOMACY, THEY SAY WITH A CERTAIN PATRONIZING COUGH, CAN ACHIEVE RESULTS BEYOND THOSE WITHIN THE REACH OF THE INDELICATE TACTICS CHOSEN (PERHAPS PARTLY FOR ELECTORAL CONSIDERATIONS?) BY AN ADMINISTRATION GIVEN ANYWAY TO SUDDEN TWICHES. AND SO ON.

ALL OF THIS RAISES A QUESTION: ARE THE EUROPEANS AND JAPANESE AWARE OF THE EXTENT TO WHICH BOTH WASHINGTON OPINION AND AMERICAN PUBLIC OPINION OVERALL REGARD SUPPORT ON THE HOSTAGES AS THE LITMUS TEST OF ALLIANCE LOYALTY? OUR IMPRESSION IS THAT THEY ARE NOT. THE GATHERING EVIDENCE IS THAT THE ALLIES ARE GROSSLY MISREADING THE DEPTH OF AMERICAN FEELING ABOUT THE SUFFERING OF THE HOSTAGES AND ABOUT THE COUNTRY'S FRUSTRATION AND HUMILIATION IN GETTING THEM BACK. AS A DIRECT RESULT, A MEASURE OF PALPABLE COLDNESS, RESERVE AND RESENTMENT IS ENTERING INTO THE AMERICAN ATTITUDE TOWARDS THE ALLIES - SOMETHING VIRTUALLY BOUND TO LINGER ON AND AFFECT THE AMERICAN OUTLOOK ON OTHER MATTERS THAT MAY BE OF MUCH MORE INTEREST TO THE ALLIES THAN ARE THE HOSTAGES. THIS GOES WELL BEYOND THE SORT OF NORMAL, ARGUABLE AND MANAGEABLE DIFFERENCES THEY AND THE UNITED STATES OFTEN HAVE - AND HAVE AT THE MOMENT - ABOUT PARTICULAR ISSUES, SUCH AS THE MIDDLE EAST OR THE DOLLAR. IT TOUCHES THE ESSENCE, USUALLY UNREMARKED AND TAKEN FOR GRANTED, OF WHAT MAKES ONE NATION INSTINCTIVELY REGARD ANOTHER AS AN 'ALLY'.

TO BE SURE, MR. CARTER'S PAST DIPLOMACY HAS NOT BEEN SO SMOOTH OR CONSTANT OR EFFECTIVE AS TO EARN HIM THE ALLIES' AUTOMATIC COOPERATION WHEN HE ASKS FOR IT AT A TIME OF REAL TRIAL. IT IS IN THE ABIDING SELF-INTEREST OF THESE VERY ALLIES, HOWEVER, TO DISTINGUISH BETWEEN SITUATIONS IN WHICH A BOOKKEEPER'S TIT-FOR-TAT TALLYING OF SPECIFIC ACTS AND OBLIGATIONS CAN BE ALLOWED TO GOVERN A RESPONSE, AND THOSE RARE SITUATIONS IN WHICH CONVENTIONAL, TRANSOCEANIC MINCING AND QUIBBLING MUST YIELD. FOR THE UNITED STATES, THE HOSTAGE CRISIS IS NOW IN THE LATTER CATEGORY.

WE CAN SEE WHY OTHERS, EVEN FRIENDS, MIGHT NOT FEEL THE SAME PERSONAL COMPASSION AND RESPONSIBILITY FOR THE PRISONERS THAT THEIR COUNTRYMEN FEEL. BUT WE CANNOT SEE WHY OTHERS WOULD RESPOND SO EQUIVOCALLY AS TO FORCE THE TELLING QUESTION THAT IS IN FACT BEING ASKED IN THIS COUNTRY, WHETHER THE ALLIES REALIZE IT OR NOT: IN JUST WHAT SENSE ARE THEY ACTUALLY ALLIES? AMERICANS DO NOT EXPECT THEM TO ACT AS PUPPETS. THEY DO EXPECT THEM TO MAKE IT CLEAR, AS IT IS NOT CLEAR NOW, THAT THEY UNDERSTAND THIS IS IMPORTANT TO THE UNITED STATES.

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FM WASHINGTON 111329Z APR 80  
 TO IMMEDIATE F C O  
 TELEGRAM NUMBER 1433 OF 11 APRIL 1980  
 INFO PRIORITY TEHRAN, PARIS, BONN, ROME, OTTAWA, TOKYO, UKDEL NATO  
 INFO SAVING OTHER EC POSTS AND UKMIS NEW YORK AND MOSCOW.

US/IRAN: ALLIED RESPONSE.

1. MEDIA ATTENTION IS INCREASINGLY FOCUSSED ON THE ALLIED RESPONSE TO THE ADMINISTRATION'S LATEST MOVES ON IRAN. NONE OF THE COMMENT IS FAVOURABLE, SOME DOWNRIGHT HOSTILE - MIFT, FOR EXAMPLE, CONTAINS THE FULL TEXT OF THE LEAD EDITORIAL IN TODAY'S WASHINGTON POST.

2. TODAY'S NEW YORK TIMES REPORTS THE STATEMENTS ISSUED BY THE EC AND COUNCIL OF EUROPE ON LISBON ON THE FRONT PAGE UNDER THE HEADLINE QUOTE WESTERN EUROPEANS DECLINE TO IMPOSE SANCTIONS ON IRAN - A SHARP SETBACK FOR CARTER UNQUOTE. THE ARTICLE INTERPRETS THE LISBON RESPONSE TO MEAN THAT THE EC QUOTE DECLINED EITHER TO IMPOSE ECONOMIC SANCTIONS .... OR TO SCALE DOWN OR CLOSE THEIR EMBASSIES

ECONOMIC SANCTIONS .... OR TO SCALE DOWN OR CLOSE THEIR EMBASSIES (IN TEHRAN) UNQUOTE AND A REJECTION OF PRESIDENT CARTER'S ATTEMPT TO CONVINCE THEM THAT QUOTE THE TIME FOR CONVENTIONAL DIPLOMACY IS PAST UNQUOTE. NOT MUCH ATTEMPT IS MADE TO DISTINGUISH BETWEEN THE DIFFERENT ALLIES, THOUGH FRANCE IS IDENTIFIED AS HAVING ESTABLISHED THE TONE OF THE EC RESPONSE AND GERMANY IS MENTIONED AS HAVING ADVOCATED IMMEDIATE ECONOMIC SANCTIONS. (BUT GERMANY, ALONG WITH BRITAIN AND OTHERS, IS REPORTED TO OPPOSE EMBASSY REDUCTIONS IN TEHRAN.)

3. ANSWERING QUESTIONS AFTER HIS SPEECH TO THE AMERICAN SOCIETY OF NEWSPAPER EDITORS (MY TEL 1428 - NOT TO ALL), CARTER SAID OF ALLIED SUPPORT THAT IT HAD BEEN QUOTE ON OCCASION EFFECTIVE, ON OTHER OCCASIONS WE HAVE BEEN DISAPPOINTED ... I CANNOT TELL YOU WHAT THOSE ALLIES AND OTHER FRIENDS OF OURS MIGHT ACTUALLY DO (IN RESPONSE TO HIS REQUEST THAT THEY IMPOSE SANCTIONS AND WITHDRAW DIPLOMATS FROM TEHRAN), BUT WE ARE PUTTING AS MUCH PROPER EFFORT AS POSSIBLE TO INDUCE THE ALLIES TO ACT STRONGLY AND IN A CONCERTED WAY, HOPEFULLY TO BREAK THE PRESENT DEADLOCK AND TO RESOLVE THE CRISIS UNQUOTE.

4. MY SECOND IFT RECORDS FURTHER COMMENTS MADE TODAY BY CARTER IN PRIVATE ABOUT ALLIED SUPPORT OVER IRAN.

FOO PASS SAVING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE, UKREP BRUSSELS AND MOSCOW.

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TO IMMEDIATE F.C.O.

TELEGRAM NUMBER 1428 OF 11 APRIL.  
INFO PRIORITY BONN, PARIS, UKDEL NATO, UKREP BRUSSELS, ROME,  
UKNIS NEW YORK.  
INFO SAVING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE,  
TEHRAN, KABUL.

THE UNITED STATES AND THE ALLIES.

1. PRESIDENT CARTER DELIVERED A WIDE RANGING ADDRESS YESTERDAY TO THE AMERICAN SOCIETY OF NEWSPAPER EDITORS WHICH WAS PROMINENTLY REPORTED ON THE MAJOR TELEVISION NETWORKS AND IN TODAY'S EAST COAST PRESS. KEY EXTRACTS ARE AS FOLLOWS:

NATIONS ASK FOR LEADERSHIP - AT THE SAME TIME THEY DEMAND INDEPENDENCE OF ACTION.

THEY ASK FOR AID - BUT REJECT INTERFERENCE.

THEY ASK FOR UNDERSTANDING - YET OFTEN DECLINE TO UNDERSTAND US IN RETURN.

SOME ASK FOR PROTECTION - BUT ARE WARY OF THE OBLIGATIONS OF ALLIANCE.

NO SINGLE SITUATION SO AGGRAVATES OUR PEOPLE - SO TESTS OUR MATURITY - SO TRIES OUR PATIENCE - SO CHALLENGES OUR UNITY - AS DOES THE CONTINUED CAPTIVITY OF OUR FELLOW AMERICANS IN THE TEHRAN EMBASSY.

FOR LONG MONTHS, OURS HAS BEEN THE RESTRAINT OF STRENGTH - DESPITE OUTRAGEOUS PROVOCATION. I DO NOT REGRET THAT RESTRAINT. BUT IT HAS BECOME NECESSARY - BECAUSE IRAN WOULD NOT ACT IN ACCORDANCE WITH INTERNATIONAL LAW AND THEIR OWN INTERESTS - FOR US TO ACT AGAIN. THE STEPS I HAVE TAKEN THIS WEEK TO END DIPLOMATIC RELATIONS AND IMPOSE SANCTIONS ARE FIRM AND SUBSTANTIVE, AND WE HOPE THEY WILL BE PERSUASIVE. AMERICA WILL CONTINUE THE CAREFUL AND CONSIDERED EXERCISE OF ITS POWER.

WE WILL PURSUE EVERY - AND I REPEAT - EVERY LEGITIMATE USE OF THAT POWER TO BRING OUR PEOPLE HOME, SAFE AND FREE. WITH A RETURN TO RATIONALITY, INTERNATIONAL LAWLESSNESS NEED NOT BE IRAN'S FATE. BANKRUPTCY - POLITICAL AS WELL AS MORAL - NEED NOT BE ITS FUTURE.

IF INTERFERENCE FROM OUTSIDE IS A THREAT, THAT THREAT DOES NOT COME FROM THE UNITED STATES.

HISTORICALLY, AMERICAN STRENGTH HAS BEEN USED TO HELP THE COUNTRIES OF THE PERSIAN GULF AREA PROTECT THEIR STABILITY AND RETAIN THEIR SOVEREIGNTY.

WE CANNOT KNOW WITH CERTAINTY THE MOTIVATIONS OF THE SOVIET MOVE INTO AFGHANISTAN - WHETHER AFGHANISTAN IS THE PURPOSE OR THE PRELUDE. REGARDLESS OF ITS MOTIVES, THERE CAN BE NO DOUBT THAT  
/ THE SOVIET

*mt* *x* *Afghanistan Int*  
*Key*

THE SOVIET INVASION POSES AN INCREASED THREAT TO THE INDEPENDENCE OF NATIONS IN THE REGION AND TO THE WORLD'S ACCESS TO VITAL RESOURCES AND SEA LANES.

AND IF THE INVASION OF AFGHANISTAN DOES INDEED FORESHADOW A PATTERN OF SOVIET BEHAVIOR FOR THE NEXT DECADE, THEN AMERICANS MUST ACCEPT THE TRUTH THAT WE ARE IN FOR CHALLENGING AND DIFFICULT TIMES. IT IS EXTREMELY IMPORTANT THAT WE NOT IN ANY WAY CONDONE SOVIET AGGRESSION.

NEITHER WE NOR OUR ALLIES WANT TO DESTROY THE FRAMEWORK OF EAST-WEST RELATIONS THAT HAS YIELDED CONCRETE BENEFITS FOR SO MANY PEOPLE, BUT ULTIMATELY, IF WE CONTINUE TO SEEK THE BENEFIT OF DETENTE WHILE IGNORING THE NECESSITY FOR DETERRENCE, WE WOULD LOSE THE ADVANTAGES OF BOTH.

IT IS ESSENTIAL THAT OUR INTENTIONS BE ABSOLUTELY CLEAR. THE MEASURES WE HAVE TAKEN AGAINST THE SOVIET UNION SINCE THE INVASION WILL REMAIN IN EFFECT UNTIL THERE IS TOTAL WITHDRAWAL OF SOVIET TROOPS FROM AFGHANISTAN. THEN AND ONLY THEN, WE WOULD BE PREPARED TO JOIN WITH AFGHANISTAN'S NEIGHBORS IN A GUARANTEE OF TRUE NEUTRALITY AND NONINTERFERENCE IN AFGHANISTAN'S INTERNAL AFFAIRS. WE SUPPORT THE RESTORATION OF A NEUTRAL NONALIGNED AFGHANISTAN, WITH A GOVERNMENT THAT WOULD BE RESPONSIVE TO THE WISHES OF THE AFGHAN PEOPLE.

WE THUS FACE WHAT COULD BE A PROTRACTED PERIOD OF INCREASED STRAIN IN EAST-WEST RELATIONS. TO ENHANCE STABILITY AS MUCH AS POSSIBLE IN THIS DIFFICULT PERIOD, WE WILL CONTINUE TO MAINTAIN A STABLE MILITARY BALANCE, BOTH THROUGH OUR OWN STEADY DEFENSE MODERNIZATION AND THROUGH NEGOTIATED ARMS LIMITS THAT ARE EQUITABLE AND VERIFIABLE. THIS OBJECTIVE - A STABLE BALANCE - IS ADVANCED BY THE SALT II TREATY. IN A PERIOD OF HEIGHTENED TENSIONS IT IS ALL THE MORE IMPORTANT WE HAVE RELIABLE CONSTRAINTS ON THE COMPETITION IN STRATEGIC WEAPONS. SALT IS AN INTEGRAL ELEMENT OF OUR NATIONAL SECURITY POLICY. I REMAIN COMMITTED TO THE RATIFICATION OF THE TREATY, AND THE UNITED STATES INTENDS TO ABIDE BY ITS OBLIGATION UNDER INTERNATIONAL LAW TO TAKE NO ACTION INCONSISTENT WITH ITS INTENT OR PURPOSE, SO LONG AS THE SOVIETS ACT WITH SIMILAR RESTRAINT.

2. THE PRESIDENT'S REMARKS ABOUT THE OLYMPICS ARE BEING REPORTED BY SEPARATE TELEGRAM.

FCO PASS SAVING: BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE  
TEHRAN AND KABUL.

HENDERSON

[REPEATED AS REQUESTED]

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FM WELLINGTON 110415Z APR 80  
TO ROUTINE FCO  
TELEGRAM NUMBER 142 OF 11 APRIL  
INFO WASHINGTON AND TEHRAN

*mf*

IRAN

1. MR MULDOON HAS SAID NZ IS NOT GOING TO ADOPT SELF-DAMAGING POLICIES IN RESPONSE TO IRANIAN SITUATION. NEITHER LAMB NOR WOOL SALES ALREADY CONTRACTED WOULD BE AFFECTED BY US EMBARGO CALL.

2. MR MULDOON SAID 10 APRIL NZ AMBASSADOR IS TO REMAIN IN TEHRAN UNTIL HIS TERM IS OVER (WITHIN WEEKS). CABINET WILL BE CONSIDERING REPLACEMENT OF AMBASSADOR, BUT WOULD WISH TO SEE FIRM REACTION OF OTHER COUNTRIES TO AMERICAN REQUEST FOR SUPPORT BEFORE MAKING DECISION. US POLICY CHANGED FROM TIME TO TIME WITHOUT PRIOR WARNING OR CONSULTATION MAKING IT DIFFICULT FOR OTHERS TO FORMULATE CONSISTENT POLICY IN RESPONSE. NZ SAW CONSIDERABLE MERIT IN SOME WESTERN EMBASSIES REMAINING IN TEHRAN.

SMEDLEY

[THIS TELEGRAM WAS NOT ADVANCED]

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FM TEHRAN 110630Z APR 80  
 TO PRIORITY FCO  
 TELEGRAM NUMBER 372 OF 11 APRIL  
 INFO WASHINGTON AND TOKYO

WASHINGTON TELNO 1400: IRAN.

1. THE FIGURE GIVEN BY VANCE (PARA 2(1)), OF 300,000 BARRELS PER DAY FOR CURRENT IRANIAN OIL EXPORTS IS LOWER THAN ANYTHING WE HAVE SEEN SO FAR. HOWEVER, THERE ARE SUGGESTIONS HERE THAT MAY GO SOME WAY AT LEAST TO SUPPORT IT, NAMELY THAT BOTH BP AND THE JAPANESE COMPANIES HAVE LIFTED NO IRANIAN OIL SINCE 1 APRIL. IF TRUE, THIS IS PRESUMABLY LINKED WITH THE SITUATION OUTLINED IN YOUR TELNO 024 (NOT TO ALL) ABOUT FORTH-COMING DISCUSSIONS ON PRICE WITH NIOC BY BP, SHELL AND THE JAPANESE.
2. THE JAPANES-EMBASSY HAVE TOLD US THAT THERE HAVE BEEN NO LIFTINGS OF IRANIAN OIL BY THE JAPANESE COMPANIES SINCE 1 APRIL. WE ALSO UNDERSTAND FROM THEM THAT PETROBRAS, WHOSE CONTRACT IS FOR 60,000 B/D, ARE REFUSING TO BUY AT THE PRESENT PRICE LEVEL AND ARE SENDING A DELEGATION SHORTLY FOR DISCUSSIONS WITH NIOC ON FUTURE PURCHASES.
3. THE LOW SALES VOLUME MUST BE SEEN AGAINST THE CURRENT RELATIVELY HIGH CRUDE PRODUCTION FIGURE. WE BELIEVE THE RECENTLY ANNOUNCED DAILY AVERAGE FIGURE OF 3 MILLION BARRELS FOR THE FIRST WEEK OF APRIL TO BE ACCURATE, ALTHOUGH LIMITED LOCAL STORAGE CAPACITY WILL PRESUMABLY SOON OBLIGE NIOC TO CUT THIS BACK UNLESS SALES INCREASE.

GRAHAM

[THIS TELEGRAM WAS NOT ADVANCED]

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 MR F R BARRATT ) TREASURY  
 MR R G LAVELLE )  
 MR C W McMAHON ) BANK OF  
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 MR C BENJAMIN DOI  
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FM MOSCOW 111111Z APR 80

TO IMMEDIATE F C O

TELEGRAM NUMBER 247 OF 11TH APRIL

FOR INFO PRIORITY WASHINGTON, UKDEL NATO AND TEHRAN.

IMMEDIATE

US HOSTAGES IN IRAN

1. I TOOK THE OPPORTUNITY OF A CALL ON DEPUTY FOREIGN MINISTER SEMSKOV THIS MORNING (MY TELNO245 - NOT TO ALL) TO SAY THAT I WISHED ON A PERSONAL BASIS TO EXPRESS A VIEW ABOUT THE SOVIET PRESS TREATMENT OF THE ISSUE OF THE US HOSTAGES IN TEHRAN. IT WAS A MATTER WHICH I VIEWED WITH CONSIDERABLE CONCERN. THE UNITED STATES GOVERNMENT ACTED WITH EXTRAORDINARY RESTRAINT IN A DIFFICULT AND DANGEROUS SITUATION. I HAD HOPED THAT THE SOVIET UNION WOULD RECOGNISE THIS AND HELP TOWARDS A SOLUTION OF A PROBLEM WHICH CONCERNED ALL OF US. AT LEAST AS FAR AS THE QUESTION OF PRINCIPLE - RESPECT FOR DIPLOMATIC IMMUNITY, WAS CONCERNED, THE SOVIET UNION HAD SEEMED TO SHARE THE AMERICAN POSITION AT AN EARLIER STAGE. NOW THE ATTITUDES BEING SET OUT IN THE SOVIET PRESS WERE, TO PUT IT AS MILDLY AND POLITELY AS I

IN THE SOVIET PRESS WERE, TO PUT IT AS MILDLY AND POLITELY AS I  
COULD, DISSAPPOINTING. ZEMSKOV SAID THE SOVIET POSITION,  
PARTICULARLY ON OBSERVING INTERNATIONAL CONVENTIONS, HAD NOT  
CHANGED. BUT THE HOSTAGES WERE ONLY PART OF A MORE PROFOUND  
PROBLEM IN US/IRAN RELATIONS, THE PROBLEM EXAMINED IN THE  
SOVIET PRESS. IT WAS PERHAPS NATURAL THAT THE SOVIET AND  
BRITISH ASSESSMENTS SHOULD DIFFER - THE SOVIET UNION HAD NO  
REASON TO DISPLAY ATLANTIC SOLIDARITY.

2. I TOLD ZEMSKOV I AGREED THAT THERE WAS A WIDER COMPLEX OF  
PROBLEMS. BUT THE SORT OF ATTITUDE DISPLAYED BY THE SOVIET  
PRESS COULD ONLY MAKE A DANGEROUS SITUATION WORSE.

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FM LISBON 101240Z APR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 112 OF 17 APRIL 1980

INFO IMMEDIATE TEHRAN, WASHINGTON, UKMIS NEW YORK, ROUTINE PARIS, BONN, ROME, UKREP EC.

INFO SAVING BRUSSELS, LUXEMBOURG, COPENHAGEN, THE HAGUE, DUBLIN, UNDEL NATO.

MIPT : DECLARATION BY THE NINE ON IRAN.

LES MINISTRES DES AFFAIRES ETRANGERES DES NEUF PAYS DE LA COMMUNAUTE EUROPEENNE, REUNIS LE 10 AVRIL A LISBONNE, ONT PROCEDE A UN EXAMEN DE LA SITUATION CREEE PAR LA POURSUITE DE LA DETENTION DES OTAGES DE L'AMBASSADE AMERICAINE A TEHERAN. ILS ONT EXPRIME LEUR SOLIDARITE AVEC LES ETATS UNIS ET LE PEUPLE AMERICAIN ET LEUR TRES VIVE INQUIETUDE DEVANT CETTE ATTEINTE GRAVE ET PROLONGEE AUX REGLES FONDAMENTALES DU DROIT INTERNATIONAL ET ILS SONT CONVENUS DE FAIRE LA DECLARATION SUIVANTE :

- 1) - LES NEUF MINISTRES DES AFFAIRES ETRANGERES RAPPELLENT QUE LE CONSEIL DE SECURITE DES NATIONS UNIES AVAIT, DES 25 NOVEMBRE ET LE 4 DECEMBRE 1979, EXIGE QUE LE GOUVERNEMENT IRANIEN LIBERE IMMEDIATEMENT LE PERSONNEL DE L'AMBASSADE DES ETATS-UNIS RETENU A TEHERAN. ILS DEPLORENT VIVEMENT QUE CES RESOLUTIONS SOIENT DEMEUREES JUSQU'A PRESENT SANS EFFECT.  
ILS RAPPELLENT EGALEMENT QUE LE CONSEIL DE SECURITE A VOTE, LE 13 JANVIER 1980, EN FAVEUR D'UN PROJET DE RESOLUTION OBSERVANT QUE LA DETENTION DES OTAGES CONSTITUE UNE MENACE A LA PAIX ET PRESCRIVANT LA MISE EN APPLICATION DE MESURES SANCTIONNANT LE COMPORTEMENT INADMISSIBLE DES AUTORITES IRANIENNES. SEUL LE VETO DE L'UN DES MEMBRES PERMANENTS DU CONSEIL DE SECURITE A EMPECHE CE PROJET D'ETRE ADOPTE.
- 2) - LES NEUF MINISTRES DES AFFAIRES ETRANGERES REGRETTENT PROFONDEMENT QUE LES NEGOCIATIONS ENGAGEES A L'INITIATIVE ET SOUS L'EGIDE DU SECRETAIRE GENERAL DES NATIONS UNIS N'AIENT PU ABOUTIR, COMME ILS ETAIENT FONDES A S'Y ATTENDRE, A LA LIBERATION DES OTAGES.
- 3) - LES MINISTRES DES AFFAIRES ETRANGERES SOULIGNENT QUE L'ATTITUDE DES AUTORITES IRANIENNES EST INACCEPTABLE ET CONTRAIRE AUX PRINCIPES DONT SE RECLAMENT LES NEUF PAYS DE LA COMMUNAUTE EUROPEENNE ET QUI CONSTITUENT LE FONDAMENT DE LA SOCIETE INTERNATIONALE.

(4) - LES NEUF

- 4) - LES NEUF MINISTRES DES AFFAIRES ETRANGERES PRESCRIVENT A LEURS AMBASSADEURS D'EFFECTUER UNE DEMARCHE IMMEDIATE AUPRES DU PRESIDENT DE LA REPUBLIQUE ISLAMIQUE D'IRAN AFIN DE DEMANDER LA LIBERATION DES OTAGES ET D'OBTENIR DES AUTORITES IRANIENNES DES PRECISIONS ET DES ASSURANCES CONCERNANT LA DATE ET LES MODALITES DE CETTE LIBERATION.
- 5) - LES NEUF PAYS DE LA COMMUNAUTE EUROPEENNE ARRETERONT ENSUITE LEUR POSITION ET DEFINIRONT LEUR ATTITUDE EN FONCTION DE LA REPOSE QU'ILS OBTIENDRONT DES AUTORITES IRANIENNES ET DONT ILS DEMANDERONT A LEURS AMBASSADEURS DE RENDRE COMPTE DANS LEURS CAPITALES RESPECTIVES.

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FROM LISBON 101135Z APR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 111 OF 10 APRIL 1980

INFO IMMEDIATE TEHRAN, WASHINGTON, UKMIS NEW YORK, ROUTINE PARIS, BONN, ROME, UKREP EC.

INFO SAVING BRUSSELS, LUXEMBOURG, COPENHAGEN, THE HAGUE, DUBLIN, UKDEL NATO.

*Prime Minister  
Iran - latest developments***IRAN**

1. MINISTERS OF THE NINE ATTENDING THE COUNCIL OF EUROPE MEETING MET OVER BREAKFAST THIS MORNING TO DISCUSS THE AIDE MEMOIRE ON IRAN WHICH THE AMERICANS HAD DELIVERED IN CAPITALS ON 8 APRIL. THE SECRETARY OF STATE GAVE AN ACCOUNT, BASED ON WASHINGTON TELNO 1430, OF THE MEETING WHICH MR VANCE HAD HELD WITH REPRESENTATIVES OF OECD COUNTRIES ON 9 APRIL IN WASHINGTON.
2. COLOMBO (ITALIAN PRESIDENCY) SAID THAT HE IMAGINED THAT ALL THE GOVERNMENTS OF THE NINE WOULD HAVE DOUBTS ABOUT CERTAIN OF THE ACTIONS WHICH THEY WERE BEING ASKED BY THE AMERICANS TO TAKE. NONETHELESS THERE WAS A PRIME NEED TO SHOW SOLIDARITY WITH THE UNITED STATES. TO FAIL TO DO THIS COULD HAVE GRAVE CONSEQUENCES FOR RELATIONS BETWEEN THE UNITED STATES AND EUROPE IN THE LONGER TERM. HIS OWN RECOMMENDATION WAS THAT MINISTERS SHOULD ISSUE A STATEMENT CONDEMNING AGAIN THE CONTINUED DETENTION OF THE HOSTAGES, EXPRESSING SOLIDARITY WITH THE AMERICANS, AND ANNOUNCING THAT THE AMBASSADORS OF THE NINE WOULD BE INSTRUCTED TO MAKE A COLLECTIVE (NEXT WORD UNDERLINED) DEMARCHÉ TO PRESIDENT BANI SADR, THAT AMBASSADORS WOULD BE CALLED HOME TO REPORT THE RESULTS OF THIS AND THAT THEREAFTER EITHER MINISTERS OR POLITICAL DIRECTORS WOULD MEET TO CONSIDER WHAT FURTHER STEPS MIGHT NEED TO BE TAKEN. COLOMBO ADDED THAT THE AMBASSADORS OF THE NINE HAD APPARENTLY ALREADY BEEN SUMMONED TO SEE QOTBZADEH ON 11 APRIL; HE THOUGHT IT IMPORTANT HOWEVER THAT THE NINE SHOULD TAKE A SEPARATE INITIATIVE OF THEIR OWN WITH BANI SADR.
3. THERE WAS GENERAL AGREEMENT THAT A DECLARATION ON THESE LINES WAS REQUIRED AND THAT THE SENSE OF LONELINESS AND FRUSTRATION FELT BY THE AMERICANS OVER THIS ISSUE SHOULD NOT BE UNDERESTIMATED. OLESEN (DENMARK) COMMENTED THAT DECLARATIONS AND (NEXT WORD UNDERLINED) DEMARCHES WERE ALL VERY WELL BUT AT SOME POINT THE NINE WOULD NEED TO DISCUSS WHAT CONCRETE MEASURES THEY WOULD BE PREPARED TO TAKE. THE RECALL OF AMBASSADORS MIGHT BE ONE SUCH SYMBOLIC STEP. BUT, AS FAR AS DENMARK WAS CONCERNED, ECONOMIC SANCTIONS WOULD BE DIFFICULT. LEGISLATION WOULD BE REQUIRED AND HE WAS DOUBTFUL WHETHER THIS WOULD BE FEASIBLE. THE SECRETARY OF STATE SAID THAT ECONOMIC SANCTIONS

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WOULD POSE DIFFICULTIES, AND A SIMILAR REQUIREMENT FOR LEGISLATION FOR THE UK AS WELL. NONETHELESS, IF THE (NEXT WORD UNDERLINED) DEMARCHE TO BANI SADR PRODUCED A BAD OR UNSATISFACTORY ANSWER THE NINE WOULD BE COMMITTED TO TAKING SOME FURTHER ACTION. IT WAS IMPORTANT THEREFORE TO CONSIDER IN THE MEANTIME WHAT STEPS MIGHT BE TAKEN, ONE SUCH IDEA WAS A BOYCOTT OF INTERNATIONAL MEETINGS IN THE UNITED NATIONS AND ELSEWHERE WHERE IRAN WAS REPRESENTED. GENSCHER (FRG) SAID THAT FRG WAS READY TO TAKE MEASURES IN THE ECONOMIC FIELD, AS PART OF A JOINT ACTION WITH ITS PARTNERS. FRANCOIS-PONCET (FRANCE) SAID THAT THE NINE HAD VERY FEW CARDS TO PLAY. THE RECALL OF AMBASSADORS WAS ONE, BUT ONCE THEY HAD BEEN RECALLED, IT WOULD BE VERY DIFFICULT TO SEND THEM BACK AGAIN UNTIL THE HOSTAGES HAD BEEN RELEASED. IT WOULD ALSO BE USEFUL TO ASSOCIATE JAPAN WITH ANY (NEXT WORD UNDERLINED) DEMARCHE WHICH THE AMBASSADORS OF THE NINE MADE IN TEHRAN AND HE SUGGESTED THAT THE PRESIDENCY SHOULD APPROACH THE JAPANESE TO THIS EFFECT.

4. IT WAS EVENTUALLY DECIDED THAT THE PRESIDENCY SHOULD ISSUE THE STATEMENT IN MY IMMEDIATELY FOLLOWING TELEGRAM WHICH WAS BASED ON A DRAFT CIRCULATED BY FRANCOIS-PONCET. IT WAS ALSO AGREED THAT THE PRESIDENCY SHOULD MENTION THE FACT THAT THE JAPANESE WOULD BE ASKED TO MAKE A PARALLEL (NEXT WORD UNDERLINED) DEMARCHE IN TEHRAN, IN THE LIGHT OF BANI SADR'S RESPONSE, THE PRESIDENCY WOULD CONVENE A FURTHER MEETING, EITHER AT MINISTERIAL OR POLITICAL DIRECTOR LEVEL TO TAKE PLACE IN GOOD TIME BEFORE THE EUROPEAN COUNCIL ON 27/29 APRIL WHERE, IT WAS ASSUMED, SOME FURTHER STATEMENT ON THE SUBJECT WOULD IN ANY CASE NEED TO BE MADE.

FCO PLEASE PASS SAVINGS TO BRUSSELS LUXEMBOURG COPENHAGEN THE HAGUE DUBLIN AND UKDEL NATO.

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FM WASHINGTON 101720Z APR 80  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1406 OF 10 APRIL 1980  
INFO IMMEDIATE LISBON FOR PS/S OF S, PRIORITY BONN, PARIS, UKDEL NATO  
UKREP BRUSSELS ROUTINE TEHRAN, OTHER COMMUNITY POSTS AND UKMIS NEW  
YORK.

LISBON TELNO 111 TO FCO: IRAN.

1. WE HAVE HEARD FROM NSC STAFF THAT PRESIDENT GISCARD TELEPHONED PRESIDENT CARTER LAST NIGHT TO TELL HIM THAT A STATEMENT BY THE NINE WAS TO BE FORTHCOMING AND THAT EC AMBASSADORS WOULD BE INSTRUCTED TO MAKE A DEMARCHE TO THE IRANIANS ABOUT THE HOSTAGES. PRESIDENT CARTER IS SAID TO HAVE EXPRESSED THE HOPE THAT THIS WOULD DO SOME GOOD, WHILE WARNING AGAINST ALLOWING IRAN TO EMBARK ON ANOTHER LONG AND FRUITLESS PROCESS OF DELAY AND EQUIVOCATION DURING WHICH NOTHING ELSE WAS DONE. CARTER REITERATED THAT FROM THE BEGINNING OF THIS CRISIS HE HAD WISHED TO AVOID THE USE OF MILITARY FORCE BY THE UNITED STATES AND THAT REMAINED HIS WISH. BUT HE APPARENTLY TOLD GISCARD THAT WHAT THE NINE DECIDED TO DO IN RESPONSE TO THE LATEST AMERICAN REQUEST FOR SOLIDARITY, VIS-A-VIS IRAN, WOULD HAVE AN IMPORTANT AND PERHAPS EVEN DETERMINING EFFECT ON WHAT THE UNITED STATES MIGHT HAVE TO CONTEMPLATE NEXT IF THE HOSTAGES WERE NOT RELEASED.

2. OUR CONTACTS AT OFFICIAL LEVEL ARE REFUSING TO BE DRAWN ON THE SPECIFICS OF QUOTE ADDITIONAL AND MORE FORCEFUL MEASURES UNQUOTE (MY TELNO 1400). I MAY HAVE A CHANCE OF A PRIVATE WORD WITH BRZEZINSKI SOON TO PROBE ON THIS.

HENDERSON

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PM WASHINGTON 101718Z APR 80  
TO PRIORITY F.C.O.  
TELEGRAM NUMBER 1405Z OF 10 APRIL.  
INFO PRIORITY TEHRAN.

MY TELNO 1403 : IRANIANS IN THE U.S.

1. THERE ARE ALSO OVER 400 IRANIAN MILITARY PERSONNEL OR IRANIANS ON MILITARY TRAINING OF ONE SORT OR ANOTHER WHO ARE AFFECTED BY THE EXPULSION ORDER. THEY HAVE UNTIL MID-NIGHT ON 11 APRIL TO LEAVE. UNLIKE IN THE CASE OF THE IRANIAN DIPLOMATS, ANY ASYLUM REQUESTS WILL BE PROCESSED WITHOUT THEIR HAVING TO LEAVE THE U.S. TO APPLY FROM A THIRD COUNTRY.

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FM TEHRAN 100700Z APR 80  
TO IMMEDIATE FOO  
TELEGRAM NUMBER 068 OF 10 APRIL  
AND TO IMMEDIATE LISBON (FOR PRIVATE SECRETARY)  
INFO IMMEDIATE UKMIS NEW YORK AND WASHINGTON

*Read in full*

YOUR TELNO 190 TO ROME: US/IRAN.

1. AT THIS MORNING'S MEETING OF EC HEADS OF MISSION, WE DISCUSSED AGAIN POSSIBLE MEASURES TO BE TAKEN IN SUPPORT OF THE US AND ANY USEFUL ACTION AT THIS END. THERE WAS A GENERAL AIR OF GLOOM, IF NOT FATALISM.

2. THE CONSENSUS WAS THAT THERE WAS PROBABLY LITTLE WE COULD DO, EITHER IN THE FORM OF SUPPORT FOR THE AMERICANS OR BY WAY OF ACTION HERE, WHICH WOULD BE EFFECTIVE IN SECURING THE RELEASE OF THE HOSTAGES. SO MANY PEOPLE HAVE GOONE ON RECORD HERE AS COMMITTING THE HOSTAGES' FUTURE TO THE DECISION OF THE ASSEMBLY, IF AND WHEN IT IS CONSTITUTED, THAT IT IS DIFFICULT TO ENVISAGE ANY EARLIER DECISION. NEVERTHELESS IT WAS NECESSARY, WE RECOGNISED, TO DO SOMETHING TO RESPOND TO THE VERY NATURAL AMERICAN PRESSURE. WE CONCLUDED THEREFORE THAT THE FOLLOWING MEASURES SHOULD BE CONSIDERED:

(A) A SELECTIVE BOYCOTT, BY THE US AND THEIR SUPPORTERS, OF INTERNATIONAL MEETINGS AT WHICH IRAN IS REPRESENTED. THE ARGUMENT FOR THIS IS WELL PUT IN PARA 2 OF UKMIS TELNO 525 OF 29 MARCH, NAMELY THAT MOST OF THE FORTHCOMING UN MEETINGS ARE IMPORTANT TO THE THIRD WORLD, BUT ONLY IF THE WEST IS PRESENT. THE WESTERN WITHDRAWAL WOULD BE MADE AS A MATTER OF PRINCIPLE, THAT THERE IS NO PURPOSE IN DISCUSSING INTERNATIONAL AGREEMENTS WITH IRAN SO LONG AS THAT COUNTRY IS IN A STATE OF TOTAL DISREGARD OF ITS INTERNATIONAL OBLIGATIONS. THERE WOULD, WE RECOGNISED, BE SOME PENALTY TO PAY, ALTHOUGH LIKE SIR A PARSONS I DOUBT IF THE COMMUNISTS WOULD HAVE A FIELD DAY. MOREOVER TO SOME EXTENT WE COULD REDUCE THE PENALTY BY EXCLUDING, ARBITRARILY IF NECESSARY, ALTHOUGH THERE ARE GROUNDS FOR DISTINGUISHING THEM, SUCH MEETINGS AS THE SECURITY COUNCIL (OF WHICH OF COURSE IRAN IS NOT A MEMBER), THE GENERAL ASSEMBLY, ON THE GROUNDS THAT IT IS NOT PRIMARILY CONCERNED WITH THE NEGOTIATION OF INTERNATIONAL CONVENTIONS, AND THE IMF AND IBRD MEETINGS, ON THE GROUNDS THAT IRAN'S REPRESENTATIVE SPEAKS FOR OTHER COUNTRIES, NOT ONLY IRAN. FOR THE REST, PARTICULARLY THE LAW OF THE SEA CONFERENCE, WE HAVE IN MIND ONLY POSTPONEMENT UNTIL THE IRANIANS PUT THEMSELVES ONCE AGAIN WITHIN THE LAW. WITHIN IRAN A GESTURE OF THIS KIND MIGHT DO MORE THAN ANYTHING ELSE TO BRING HOME TO THOSE IN AUTHORITY WHO HAVE BEEN SITTING ON THE FENCE, THAT BY HER ACTIONS IRAN IS BECOMING AN INTERNATIONAL PARIAH.

(B) WE SHOULD GREATLY STRENGTHEN OUR ADVICE TO BUSINESSMEN, EXPERTS ETC, THAT NOW IS NOT THE TIME TO BE VISITING OR WORKING IN IRAN.

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(C) WE SHOULD LOOK AT AN ARBITRARY INCREASE IN THE NUMBER OF REFUSALS OF LEAVE TO ENTER FOR IRANIAN VISITORS TO OUR RESPECTIVE COUNTRIES. THE OBVIOUS OBJECTIONS TO THIS COURSE ARE, FIRST, THAT IT WOULD TEND TO CATCH THE WRONG PEOPLE, THOSE WHO ARE NOT IN SYMPATHY WITH THE IRANIAN REVOLUTION, AND SECONDLY, THAT IT MIGHT ALSO BRING DOWN MOB WRATH ON OUR MISSIONS HERE. MOREOVER THERE ARE OBJECTIONS IN PRINCIPLE TO AND DIFFICULTIES IN PRACTICE IN AN EXTENSION OF PURELY ARBITRARY REFUSALS.

(D) THE WITHDRAWAL OF HEADS OF MISSION. IT WAS THE GENERAL FEELING THAT WHILE THIS GESTURE MIGHT DO SOMETHING TO SATISFY AMERICAN PUBLIC OPINION, IT WOULD BE LARGELY IF NOT TOTALLY INEFFECTIVE IN IRANIAN EYES. THE COMPLETE WITHDRAWAL OF EMBASSY STAFF, BUT WITHOUT THE RUPTURE OF RELATIONS, WOULD HAVE SOME IMPACT HERE, AS WE HAVE ALREADY ADVISED, BUT THERE ARE PENALTIES ATTACHED (NO COURSE HOWEVER IS WITHOUT PENALTIES).

3. IT WAS ALSO AGREED, ALTHOUGH IN THE ABSENCE OF THE FRENCH AMBASSADOR, WHO HAD LEFT THE MEETING EARLIER, THAT THE COMMUNITY HEADS OF MISSION, EITHER ACTING TOGETHER OR THROUGH THE TROIKA, SHOULD TRY TO SEE BEHESHTI IN A FINAL ENDEAVOUR TO BRING HOME TO HIM THAT THE HOLDING OF THE AMERICANS HOSTAGE, FAR FROM DAMAGING THE US, WHICH, APART FROM THE HUMAN TRAGEDY WOULD NOT BE SIGNIFICANTLY AFFECTED EVEN BY THEIR PERMANENT IMPRISONMENT OR DEATH, WAS AS A MATTER OF FACT DESTROYING IRAN AND THE IRANIAN REVOLUTION. WE WOULD POINT OUT TO HIM THAT, FACED WITH A CHOICE BETWEEN IRAN AND THE US, MEMBERS OF THE EC WERE BOUND TO CHOOSE THE LATTER, NOT ONLY BECAUSE IRAN WAS GUILTY OF A CYNICAL FLOUTING OF HER INTERNATIONAL OBLIGATIONS BUT BECAUSE WE BELIEVED THAT THE SAFETY AND FUTURE OF OUR SOCIETIES AGAINST THE ENCRONCHMENT AND SUBVERSION OF THE SOVIET UNION AND THE COMMUNIST PARTIES IT SUPPORTS DEPEND ON SOLIDARITY AMONG THE WESTERN ALLIES, IN PARTICULAR THE US.

4. IT WAS AGREED THAT THE ITALIAN AMBASSADOR SHOULD CHECK WITH THE FRENCH AMBASSADOR AND SHOULD PUT THESE IDEAS URGENTLY TO HIS FOREIGN MINISTER IN LISBON, WITH A VIEW TO SEEKING INSTRUCTIONS FOR AN APPROACH ON THE ABOVE LINES TO BEHESHTI, TO BE MADE BEFORE THE MEASURES LISTED IN PARAGRAPH 2 ABOVE WERE PUT INTO EFFECT (ALTHOUGH I WOULD SEE NO DIFFICULTY IN PUTTING THE ADVICE IN PARAGRAPH 2(B) INTO EFFECT IMMEDIATELY).

5. IMMEDIATELY AFTER THE EC MEETING HAD BROKEN UP, I RECEIVED NEWS THAT WE ARE JOINTLY SUMMONED BY QOTBZADEH TOMORROW (FRIDAY) AT 1000 HOURS LOCAL TIME. THIS MAY BE ONLY TO GIVE US A WARNING, BUT I DO NOT EXCLUDE THE POSSIBILITY THAT HE MAY TELL US TO REDUCE OUR MISSIONS TO CHARGE D'AFFAIRES.

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FM TEHRAN 100450Z APR 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 364 OF 10 APRIL

INFO IMMEDIATE LISBON (FOR PRIVATE SECRETARY), WASHINGTON AND UKMIS NEW YORK.

MY TELNO 359 (NOT TO LISBON): US/IRAN.

1. TAGHAVI, CHEF DU CABINET OF BANI SADR, DINED WITH ME LAST NIGHT (HE IS TO REPRESENT IRAN AT ZIMBABWE'S INDEPENDENCE CELEBRATIONS). HE SAID THAT BANI SADR WAS STILL RESOLVED TO SETTLE THE HOSTAGES. I WOULD KNOW THE PRESIDENT: HE WAS UPRIGHT AND DETERMINED. THE CONTINUED DETENTION OF THE AMERICANS PREVENTED ACTION ON ANY OTHER FRONT. BUT THERE WERE MANY CROSS CURRENTS, AND PEOPLE WHO WISHED TO SEE BANI SADR FAIL, WITHOUT CARE FOR THE CONSEQUENCES FOR THE COUNTRY.
2. I ASKED WHAT TAGHAVI THOUGHT WE COULD USEFULLY DO. WOULD IT HELP IF WE, THE EUROPEAN COMMUNITY, WERE TO SEE BEHESHTI, WHO, I GATHERED, WITH RAFSANJANI AND BAHOMAR, WAS THE PRINCIPAL STUMBLING BLOCK? TAGHAVI, AGREEING WITH THIS ASSESSMENT, SAID

2. I ASKED WHAT TAGHAVI THOUGHT WE COULD USEFULLY DO. WOULD IT HELP IF WE, THE EUROPEAN COMMUNITY, WERE TO SEE BEHESHTI, WHO, I GATHERED, WITH RAFSANJANI AND BAHONAR, WAS THE PRINCIPAL STUMBLING BLOCK? TAGHAVI, AGREEING WITH THIS ASSESSMENT, SAID THAT HE THOUGHT IT WOULD. WE COULD ALSO SEE THE PRESIDENT. I SAID THAT WE WOULD CERTAINLY DO THAT, BUT IT SEEMED BETTER TO TALK TO THOSE WHO DID NOT ACCEPT THAT THE ISSUE HAD TO BE REMOVED.

3. I ASKED TAGHAVI WHETHER THE LAST SENTENCE OF THE STATEMENT BY THE IMAM'S OFFICE ON 7 APRIL (MY TELNO 352) COULD BE USED, OR WAS PERHAPS EVEN DESIGNED, AS AN OPENING FOR THE RETURN OF THE UN COMMISSION. TAGHAVI SAID IT COULD INDEED BE USED IN THAT WAY AND CONFIRMED THAT IN BANI SADR'S VIEW AT LEAST THE AMERICAN REACTIONS OF 7 APRIL DID NOT PREVENT RENEWED EFFORTS TO SOLVE THE PROBLEM ALONG THESE LINES.

GRAHAM

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Foreign and Commonwealth Office

London SW1A 2AH



10 April 1980

*to: [unclear] - 1974*

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*Dear Nick,*

Iranian Diplomats Expelled from the US

Following our conversation yesterday, you will wish to know that the Iranian diplomats expelled from the United States and their families passed through the UK without incident on their way back to Tehran.

Approximately 47 diplomats and their families arrived on two separate flights from Washington and New York. Some of them were received by the Iranian Chargé d'Affaires, Dr Afrouz, in the Alcock and Brown Suite. Of the diplomats, one asked permission to enter the UK as a visitor and was refused by immigration officials. A further group of 5 diplomats and 4 dependants arrived yesterday at Gatwick Airport and were transferred by helicopter to Heathrow during the afternoon. By yesterday evening all the Iranian diplomats and their families had left London.

One separate Iranian diplomat, Mr Biabani, (who the US authorities have confirmed will be granted political asylum once his request has been processed) arrived in London this morning with his family and has been granted temporary admission. The United States Embassy have informed us that his application will take only a few days to process.

*yours ever*  
*Roderic Lyne*

(R M J Lyne)  
Private Secretary

N J Sanders Esq  
10 Downing Street  
LONDON

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10 APR 1980

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FM TEHRAN 100335Z APR 80

TO PRIORITY FCO

TELEGRAM NUMBER 362 OF 9 APRIL

INFO PRIORITY WASHINGTON, BAGHDAD, CAIRO AND UKMIS NEW YORK.

WASHINGTON TELNO 1361: PRESIDENT CARTER'S STATEMENT

1. ALMOST ALL IRANIAN LEADERS AND POLITICAL GROUPS HAVE WELCOMED PRESIDENT CARTER'S ANNOUNCEMENT OF MEASURES AGAINST IRAN. KHOMEINI, IN A MESSAGE ON 8 APRIL TO THE IRANIAN PEOPLE (TEXT BY BAG TO MED AND WASHINGTON) DESCRIBED THE SEVERING OF DIPLOMATIC RELATIONS AS A QUOTE GOOD OMEN UNQUOTE, SHOWING THE US TO HAVE ABANDONED HOPE OF (CONTROLLING) IRAN AND REPRESENTING THE FINAL VICTORY OVER QUOTE A CRUEL SUPERPOWER UNQUOTE. HE HOPED THAT SADDAM HUSSEIN AND SADAT WOULD RECEIVE FROM THEIR <sup>(OF US)</sup> ~~RSNWMKMKCKVE~~ PEOPLES THE TREATMENT IRAN HAD GIVEN THE SHAH, AND THAT THEIR COUNTRIES WOULD THEN BREAK OFF RELATIONS WITH THE SUPERPOWERS QUOTE ESPECIALLY AMERICA UNQUOTE.
2. BANI SADR ON 8 APRIL SAID THAT THE AMERICAN THREATS WERE NOTHING NEW AND THAT PRESIDENT CARTER HAD BEEN TALKING ABOUT THEM FOR SOME TIME. NEVERTHELESS, HE DECLARED THAT "THIS IS WAR": IRANIANS SHOULD FORGET THEIR DIFFERENCES, AND CONCENTRATE ON MAKING THE COUNTRY SELF-SUFFICIENT. THE STRUGGLE WOULD CONTINUE UNTIL IRAN HAD ACHIEVED COMPLETE CULTURAL AND ECONOMIC INDEPENDENCE (A FAVOURITE THEME). HE CALLED ON THE IRANIAN PEOPLE TO ORGANISE A NATIONWIDE SOLIDARITY MARCH ON 11 APRIL. THE ARMED FORCES IN THE PERSIAN GULF AREA HAVE BEEN PUT ON THE ALERT.
3. THE 6.00 AM LOCAL NEWS ON 8 APRIL BROADCAST A REVOLUTIONARY COUNCIL STATEMENT WHICH INCLUDED XYVOTTO SUGGESTION THAT THE QUESTION OF THE HOSTAGES WAS A SECONDARY ISSUE AND MERELY A PRETEXT FOR US IMPERIALIST AGGRESSION AGAINST IRAN. THE ARMED FORCES, GOVERNMENT ORGANISATIONS AND PEOPLE SHOULD MOBILISE TO DEFEND THEIR DIGNITY, EXISTENCE, COUNTRY AND REVOLUTION. UNITY WAS ESSENTIAL, AND THE NATION SHOULD SUPPRESS QUOTE MERCENARY AND PLOTTING HANDS UNQUOTE WHO CAUSED UNEMPLOYMENT, GO-SLOWS AND SHUT-DOWNS. A LATER BROADCAST QUOTED THE DAILY TELEGRAPH AS ADVOCATING THAT BRITAIN SHOULD BREAK OFF DIPLOMATIC RELATIONS.
4. THE ISLAMIC REPUBLICAN PARTY THE SAME DAY REPEATED EARLIER STATEMENTS THAT THE US WAS POWERLESS TO ACT AGAINST A UNIFIED IRAN, AND ALSO DEMANDED TOTAL UNITY. THE TUDEH, DESCRIBED THE US AS THE REVOLUTION'S NO 1 ENEMY, AND IN A TRANSPARENT ATTEMPT TO BRING ITSELF INSIDE THE FOLD, CALLED FOR THE FORMATION OF A PEOPLE'S UNITED FRONT UNDER KHOMEINI AS THE ONLY MEANS TO DEFEATING THE US'S QUOTE MURDEROUS ATTACK UNQUOTE. THE MOJAHEDDINE KHALQ

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CALLED FOR THE SEVERANCE OF ALL COLONIALIST TIES AND CONTRACTS, BY THE ECONOMIC OR MILITARY (THERE IS AT LEAST ONE POSTER UP OUTSIDE TEHRAN UNIVERSITY CRITICISING MILITARY CONTRACTS WITH BRITAIN) AND PROMISING SPECIFIC PROPOSALS IN DUE COURSE. A NUMBER OF RADICAL RELIGIOUS GROUPS HAVE ALSO CALLED FOR UNITY AND RESISTANCE TO THE US, WITH ONLY THE NATIONAL FRONT, AT PRESENT AN INSIGNIFICANT FORCE, ADDING A CAUTIONARY NOTE THAT IRAN SHOULD NOT BECOME TOTALLY ISOLATED IN WORLD POLITICS AND EXPRESSING THE HOPE THAT OTHER WESTERN COUNTRIES WOULD NOT FOLLOW THE US'S EXAMPLE, WHICH WOULD NO DOUBT BE FOLLOWED BY STRONGER ACTION BY BOTH SIDES.

5. DESPITE THE BRAVE WORDS, AND ALTHOUGH THE RALLY SCHEDULED FOR 11 APRIL WILL NO DOUBT BE A LARGE ONE, THERE IS WIDESPREAD CONCERN AND ANXIETY HERE, PARTICULARLY AMONG THE MIDDLE CLASSES, BOTH AT THE INEVITABLE EFFECTS US MEASURES WILL HAVE ON THE ECONOMY AND AT THE VISA RESTRICTIONS. BRITISH AIRWAYS AT MEHRABAD HAVE ALREADY BEEN HAVING PROBLEMS WHEN REFUSING TO ACCEPT PASSENGERS WITH ONWARD TICKETS TO THE US.

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DESKBY 100830Z

FM WASHINGTON 092300Z APR 80

TO IMMEDIATE F C O

TELEGRAM NO <sup>1403</sup> OF 9 APRIL

INFO PRIORITY TEHRAN

INFO SAVING UKMIS NEW YORK

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*One diplomat and  
 for temporary contacts  
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*R.*

*1074*

MY TELNO 1382: IRANIAN DIPLOMATS

FOLLOWING CONFIRMS TELECON FORTESCUE/RESIDENT CLERK

1. BIABANI, ACCOMPANIED BY HIS WIFE AND TWO CHILDREN (AGED 13 AND 11) WILL ARRIVE HEATHROW ON FLIGHT PA106 FROM WASHINGTON ETA 08.25 ON 12 APRIL. HE WILL WISH TO ENTER THE UK TO APPLY AT THE AMERICAN EMBASSY FOR ASYLUM IN THE US. STATE DEPARTMENT (UNDER SECRETARY NEWSOM) HAVE ASSURED US THAT THEY HAVE THE FORMAL CONCURRENCE OF THE US IMMIGRATION AND NATURALISATION SERVICE THAT ASYLUM REQUEST WILL BE GRANTED.

2. PASSPORT DETAILS ARE:

1) DR ABDOL AZIM BIABANI, BORN TEHRAN ON 1.12.36, DIPLOMATIC PASSPORT NO 821897:

2) MRS MASRIN BIABANI, BORN TEHRAN ON 29.5.61, DIPLOMATIC

2. PASSPORT DETAILS ARE:

- I) DR ABDOL AZIM BIABANI, BORN TEHRAN ON 1.12.36, DIPLOMATIC PASSPORT NO 021097:
- II) MRS NASRIN BIABANI, BORN TEHRAN ON 28.5.41, DIPLOMATIC PASSPORT NO 021096:
- III) ARASH BIABANI, BORN TEHRAN ON 7.6.66, INCLUDED IN MOTHER'S PASSPORT:
- IV) BORZOO BIABANI, BORN RAWALPINDI ON 20.3.69, INCLUDED IN MOTHER'S PASSPORT.

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FM WASHINGTON 092356Z APR 80  
TO IMMEDIATE F C O  
TEL NO 1401 OF 09 APRIL 1980.

YOUR TELEGRAM NO 82 TO LISBON: US/IRAN/EUROPE:

PANORAMA PROGRAMME.

1. I ASSUME THAT PRESIDENT CARTER'S OBJECTIVE WILL BE TO PRESENT A JUSTIFICATION OF RECENT U S DECISIONS IN RELATION TO THE HOSTAGES IN TEHRAN AND TO APPEAL FOR GREATER ALLIED SOLIDARITY IN RELATION TO BOTH IRAN AND AFGHANISTAN. THIS WILL REQUIRE DELICATE HANDLING IF IT IS NOT TO MISFIRE. IF HE RECOGNISES THE VALUE OF THE SUPPORT ALREADY GIVEN BY WESTERN EUROPE HE WILL PLAY INTO THE HANDS OF THOSE WHO WOULD PREFER NOW TO SIT BACK, BUT IF HE CRITICISES THE EUROPEAN RESPONSE EVEN BY IMPLICATION HE MAY STIMULATE A ROUND OF PUBLIC RECRIMINATION ACROSS THE ATLANTIC.

2. I THEREFORE AGREE WITH THE VIEW THAT IT WOULD BE RISKY TO MAKE AN IMMEDIATE RESPONSE ON TELEVISION TO WHATEVER CARTER MAY SAY. BUT I THINK WE WILL NEED TO BE READY WITH A STATEMENT OF OUR OWN POSITION EXPLAINING AND DEFENDING THE ACTION WHICH THE UK AND EUROPE AS A WHOLE HAVE TAKEN IN RELATION TO BOTH IRAN AND AFGHANISTAN, DEPENDING ON WHAT CARTER SAYS, YOU MAY FEEL IT DESIRABLE TO ISSUE SUCH A STATEMENT OR TO ALLOW POSTS TO DRAW ON THE MATERIAL VERY SHORTLY AFTER THE INTERVIEW IS BROADCAST. WE SHALL BE UNDER PRESSURE TO COMMENT HERE AS WELL AS IN LONDON.

3. FCO PLEASE REPEAT AS NECESSARY.

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FM WASHINGTON 092355Z APR 80

TO PRIORITY FCO

TELEGRAM NO 1400 OF 9 APRIL

INFO PRIORITY LISBON (FOR PS/SOS) ROUTINE TEHRAN

INFO SAVING UKREP BRUSSELS NATO POSTS TOKO CANBERRA WELLINGTON  
BERNE STOCKHOLM SEOUL VIENNA MADRID DUBLIN HELSINKI BAGHDAD

YOUR TELNO 669: IRAN

1. THE MEETING THAT VANCE CALLED AT 2.00 PM TODAY AND THAT I  
HAD BEEN LED TO THINK WOULD BE FOR THE SEVEN, TURNED OUT TO BE FOR  
THE REPRESENTATIVES OF THE OECD COUNTRIES PLUS SOUTH KOREA AND  
THE EC.

2. IN INTRODUCING THE MEETING, VANCE CLOSELY FOLLOWED THE LINES  
OF THE AIDE MEMOIRE LEFT BY THE US AMBASSADOR WITH THE LORD PRIVY  
SEAL YESTERDAY WITH THE FOLLOWING ADDITIONS OR STRESSES, SOME OF  
THEM IN ANSWER TO QUESTIONS:

(A) HE EXPLAINED THAT WHAT HAD LED THE US GOVERNMENT TO DECIDE  
THAT THERE HAD BEEN A QUALITATIVE CHANGE IN THE SITUATION WAS WHEN  
THE MILITANTS HAD INDICATED THAT THEY WERE PREPARED TO HAND OVER



THE MILITANTS HAD INDICATED THAT THEY WERE PREPARED TO HAND OVER THE HOSTAGES TO THE REVOLUTIONARY COUNCIL AND THE LATTER HAD DECIDED NOT TO TAKE THEM OVER:

(B) THE USA HAD IN PRACTICE IMPOSED ECONOMIC SANCTIONS SINCE JANUARY. THE US INTENTION WAS TO IMPLEMENT THE FULL RANGE OF THE SANCTIONS PROVIDED FOR IN THE SECURITY COUNCIL RESOLUTION WHICH THE SOVIETS HAD VETCED. THAT ALSO WAS WHAT THE US GOVERNMENT WANTED THEIR ALLIES AND FRIENDS TO DO NOW:

(C) THE IMPACT OF THE NEW MEASURES THAT THE US GOVERNMENT WERE TAKING WOULD GREATLY DEPEND ON WHETHER THEY WERE REINFORCED BY SIMILAR MEASURES ADOPTED BY AMERICA'S ALLIES AND FRIENDS:

(D) IF THESE MEASURES DID NOT BRING THE RELEASE OF THE HOSTAGES QUOTE ADDITIONAL AND MORE FORCEFUL MEASURES MAY BE REQUIRED UNQUOTE:

(E) IF ANY GOVERNMENT TO WHOM THE UNITED STATES WAS MAKING THIS APPEAL THOUGHT THAT ITS LEGAL POWERS TO IMPLEMENT SANCTIONS WERE INSUFFICIENT, THE US GOVERNMENT HOPED THAT THAT GOVERNMENT WOULD TAKE THE NECESSARY POWERS:

(F) THE US GOVERNMENT HOPED THESE ECONOMIC MEASURES WOULD BE REINFORCED, BY A DECISION BY THE UNITED STATES' ALLIES TO WITHDRAW AMBASSADORS AND THEN TO BREAK DIPLOMATIC RELATIONS ALTOGETHER IF IN QUOTE THE WEEKS AHEAD UNQUOTE THE IRANIANS STILL REFUSED TO RELEASE THE HOSTAGES:

(G) WHILE THE US GOVERNMENT UNDERSTOOD THE ARGUMENT ABOUT NOT LEAVING THE DIPLOMATIC FIELD ALONE TO THE SOVIETS, THEY BELIEVED THAT THIS WAS NO LONGER THE TIME FOR NORMAL DIPLOMATIC EXCHANGES AND THAT FIRMER MEASURES WOULD PROVE MORE EFFECTIVE IN ORDER TO BRING HOME TO THE IRANIANS THE COST OF WHAT THEY WERE DOING:

(H) THE US GOVERNMENT HAD ASKED THE SWISS GOVERNMENT IF THEY WOULD REPRESENT US INTERESTS IN TEHRAN:

THE IRANIANS HAD ASKED THE ALGERIANS AND THE SYRIANS TO REPRESENT THEM IN WASHINGTON:

(I) THE US AUTHORITIES HAD HAD SOME DISCUSSION, AND WERE PREPARED TO HAVE MORE, ABOUT HOW TO REPLACE OIL THAT NO LONGER FLOWED FROM IRAN. AT THE PRESENT TIME ONLY 300,000 BARRELS PER DAY WERE BEING EXPORTED, THOUGH THE CAPACITY SHOULD ENABLE 1.5 MILLION BARRELS PER DAY TO BE EXPORTED. THE IRANIANS HAD BEEN HAVING INCREASING PROBLEMS WITH DRILLING AND SHORTAGE OF SPARES. THERE HAD BEEN A LARGE EXPLOSION. REFINING CAPACITY HAD BEEN GREATLY REDUCED. THE IRANIANS HAD BEEN EXPORTING OUT OF STOCKS, BUT THERE MAY WELL ALSO HAVE BEEN A REDUCTION IN DEMAND BECAUSE IRANIAN OIL WAS OVER-PRICED. 500-700 IRANIAN TECHNICIANS HAD LEFT IRAN:

(J) VANCE THOUGHT THAT THE EFFECT OF SANCTIONS, IF WIDELY APPLIED, WOULD NOT MERELY BE ECONOMIC (HE MENTIONED IN PARTICULAR THAT THE IRANIANS WOULD HAVE TROUBLE OVER MILITARY SPARES) BUT ALSO PSYCHOLOGICAL. THERE HAD ALREADY BEEN A SERIOUS DETERIORATION IN

IRANIAN TECHNICIANS HAD LEFT IRAN:

(J) VANCE THOUGHT THAT THE EFFECT OF SANCTIONS, IF WIDELY APPLIED, WOULD NOT MERELY BE ECONOMIC (HE MENTIONED IN PARTICULAR THAT THE IRANIS WOULD HAVE TROUBLE OVER MILITARY SPARES) BUT ALSO PSYCHOLOGICAL. THERE HAD ALREADY BEEN A SERIOUS DETERIORATION IN THE IRANIAN ECONOMY:

(K) VANCE SAID THAT THE AMERICANS WERE QUITE READY TO WORK WITH WALDHEIM BUT THEY DID NOT THINK THAT IN PRESENT CIRCUMSTANCES THIS COULD LEAD TO ANYTHING VERY MUCH:

(L) AS REGARDS THE SOVIET ATTITUDE, VANCE SAID THAT THEY WERE INCREASINGLY CRITICAL OF THE USA AND WERE LINING UP WITH KHOMEINI AND THE IRANIAN AUTHORITIES. THERE WAS NO MORE TALK, AS THERE HAD BEEN EARLIER, OF THE VIOLATION OF INTERNATIONAL LAW ETC:

(M) VANCE REGRETTED THE POSTPONEMENT OF THE ISLAMIC CONFERENCE:

(N) AS REGARDS THE TIME LIMIT BY WHICH THE ADDITIONAL MEASURES WOULD BE JUDGED, WARREN CHRISTOPHER INTERJECTED THAT THIS DEPENDED UPON THE SUPPORT RECEIVED FROM THE ALLIES. IF THE US PUBLIC SAW THAT THE ALLIED SUPPORT WAS BRINGING A NEW ELEMENT INTO PLAY, THIS COULD ENABLE THE TIME TO BE DRAWN OUT BEFORE THE US HAD TO MOVE TO WHAT VANCE DESCRIBED AS QUOTE INCREASINGLY STRINGENT MEASURES UNQUOTE:

(O) AS REGARDS IRAN/IRAQ RELATIONS, VANCE SAID THAT THEY WERE VERY TENSE. HE THOUGHT THAT BOTH COUNTRIES WOULD CLOSE THEIR EMBASSIES. THE IRANIS WERE ALLEGING THAT THERE WAS AN IRAQ/US CONSPIRACY. VANCE DID NOT THINK THAT WHAT WAS HAPPENING WOULD HELP OVER THE HOSTAGES. HE SAID THAT US COMMUNICATIONS WITH IRAQ WERE VERY THIN AS THEY ONLY HAD AN INTERESTS SECTION IN BAGHDAD:

(P) ON THE SUBJECT OF PUBLICITY, VANCE LEFT IT TO THE REPRESENTATIVES TO DO AS THEY WISHED BUT INDICATED THAT HITHERTO THE STATE DEPARTMENT HAD NOT GIVEN FULL DETAILS OF THE APPROACH THEY WERE MAKING TO THEIR ALLIES.

3. AT THE END OF THE MEETING, THE SWEDISH REPRESENTATIVE MADE A STATEMENT AS FOLLOWS, SAYING THAT HE WAS SPEAKING FOR A FRIENDLY BUT NON-ALLIED COUNTRY:

(I) THE SWEDISH GOVERNMENT ADMIRED THE PATIENCE OF THE US GOVERNMENT AND UNDERSTOOD THE ACTION THEY HAD TAKEN:

(II) SWEDEN WOULD DO WHAT THEY COULD TO TRY TO BRING ABOUT THE RELEASE OF THE HOSTAGES AND WOULD SEEK TO MAINTAIN CONTACT WITH THEM:

(III) WHAT THEY DID ABOUT SANCTIONS WOULD DEPEND UPON WHAT THE UN DECIDED:

(IV) SWEDEN DID NOT INTEND TO BREAK RELATIONS WITH IRAN OR WITHDRAW ITS AMBASSADOR.

THE FINNISH AMBASSADOR ASSOCIATED HIMSELF WITH THIS STATEMENT.

THE FINNISH AMBASSADOR ASSOCIATED HIMSELF WITH THIS STATEMENT.

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TO IMMEDIATE LISBON

TELEGRAM NUMBER 82 OF 9 APRIL

INFO IMMEDIATE WASHINGTON, TEHRAN, PARIS, BONN, ROME,  
PRIORITY UKMIS NEW YORK, UKDEL NATO, UKREP BRUSSELS, BRUSSELS, *participating!*  
THE HAGUE, COPENHAGEN, DUBLIN AND LUXEMBOURG.

*The Foreign Secretary*

*will not be*

*Ant*

FOLLOWING FOR LEVER FROM LYNE.

US/IRAN/EUROPE: PANORAMA PROGRAMME.

1. THE SECRETARY OF STATE MAY WISH TO KNOW THAT THE AMERICANS HAVE  
ARRANGED FOR PRESIDENT CARTER TO BE INTERVIEWED ON 12 APRIL BY A  
PANEL OF EUROPEAN JOURNALISTS FROM FRANCE, GERMANY, ITALY AND THE  
UK FOR PARALLEL TELEVISION PROGRAMMES IN ALL FOUR COUNTRIES. THE  
BRITISH PARTICIPANT IS FRED EMERY (OF THE TIMES AND PANORAMA)  
AND THE PROGRAMME WILL GO OUT IN BRITAIN AS A PANORAMA SPECIAL ON  
SUNDAY NIGHT. THE INTERVIEW IS TO COVER QUOTE IRAN AND THE GENERAL  
AREA OF U S COOPERATION WITH HER EUROPEAN ALLIES UNQUOTE. THE  
PURPOSE OF THIS AMERICAN INITIATIVE SEEMS OBVIOUS.

2. PANORAMA HAVE INVITED LORD CARRINGTON TO PARTICIPATE IN THE  
BRITISH VERSION OF THE PROGRAMME BY WATCHING THE INTERVIEW WITH THE  
PRESIDENT AND THEN ANSWERING QUESTIONS IN THE STUDIO. OFFICIALS  
ADVISE THE SECRETARY OF STATE TO DECLINE. IT WOULD BE DIFFICULT  
TO SAY ANYTHING SUBSTANTIVE WITHOUT ANTICIPATING EUROPEAN  
CONSULTATIONS WHICH WILL NOT YET BE COMPLETE. IT WOULD BE QUITE  
IMPOSSIBLE TO SAY ENOUGH AT THAT STAGE TO PLEASE THE AMERICANS.  
MOREOVER, IT WOULD BE NO COMPLIMENT TO THE PRESIDENT TO COMMENT  
OFF THE CUFF WITHOUT HAVING TIME TO CONSIDER WHAT HE HAS SAID.

3. GRATEFUL FOR CONFIRMATION THAT WE SHOULD DECLINE THIS INVITATION.

4. YOU MAY FIND THAT OTHER FOREIGN MINISTERS OF THE NINE HAVE  
RECEIVED PARALLEL INVITATIONS FROM THEIR NATIONAL BROADCASTING  
ORGANISATIONS TO REPLY TO PRESIDENT CARTER: WE HAVE AS YET NO  
INFORMATION ABOUT THIS.

5. THE PRESS ARE LIKELY TO SEEK SOME GENERAL COMMENTS FROM LORD  
CARRINGTON ON HIS RETURN FROM LISBON. WE SHALL TELEGRAPH DEFENSIVE  
POINTS TOMORROW.  
CARRINGTON

FILES

NEWS 2

MED

NAD

SAD

AS

AS/LPS

AS/MR HURD

AS/PUS

SIR D MAYLAND

MR BULLARD

MR J MOBERLY

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