T 203/80 La . Aus . 15/4 CAB/WTE HSE ØØ1/15 GRS 970 SECRET IMMEDIATE 151129Z OCT 8Ø FROM CABINET OFFICE LONDON TO THE WHITE HOUSE DEAR MR PRESIDENT, THANK YOU FOR YOUR MESSAGE OF 9 OCTOBER ABOUT THE CONFLICT BETWEEN IRAN AND IRAQ AND THE SITUATION IN THE GULF AREA GENERALLY. I AM GRATEFUL TO YOU FOR LETTING ME HAVE YOUR ASSESSMENT OF RECENT DEVELOPMENTS. I AGREE THAT THERE ARE FOUR PARTICULAR OBJECTIVES WE SHOULD BE PURSUING. THE FIRST, AN EARLY ENDING OF HOSTILITIES, IS OF OVERRIDING IMPORTANCE, ALTHOUGH I BELIEVE WE MUST BE PATIENT, AS NEITHER PARTY TO THE FIGHTING SEEMS YET READY FOR PEACE ON REALISTIC TERMS. OUR RESPECTIVE GOVERNMENTS ARE NEVERTHELESS DOING WHAT THEY CAN TO PREPARE FOR THE TIME, ALTHOUGH THE PROSPECTS ARE NOT YET PROMISING. THIS MATTER SHOULD CERTAINLY REMAIN BEFORE THE SECURITY COUNCIL. I TOO HAD USEFUL TALKS WITH PRESIDENT ZIA WHO SEEMED PESSIMISTIC ABOUT HIS CHANCES OF TAKING MATTERS FURTHER FOR THE TIME BEING. IT MAY BE THAT ANOTHER MEDIATOR, PERHAPS FROM INDIA OR ANOTHER NON-ALIGNED COUNTRY, COULD BUILD ON THE OR ANOTHER NON-ALIGNED COUNTRY, COULD BUILD ON TH FOUNDATIONS HE HAS LAID AND PURSUE TALKS WITH THE TWO SIDES. YOUR SECOND OBJECTIVE, THAT WE MUST PREVENT THE CONFLICT BEING EXTENDED, IS OF CRUCIAL IMPORTANCE. I AGREE THAT YOUR EFFORTS SO FAR SEEM TO HAVE BEEN SUCCESSFUL. INDEED THERE SEEMS TO BE A GROWING REALISATION, FOR EXAMPLE IN THE ATTITUDE OF KING HUSSEIN, OF THE DANGERS. WE MUST KEEP THIS UP. AS REGARDS CONTINGENCY PREPARATIONS TO PROTECT SHIPPING IN THE GULF AND THE STRAITS OF HORMUZ, IT HAS BEEN HELPFUL TO HAVE AN EARLY SIGHT OF YOUR PLANS. OUR COMMENTS ON THESE HAVE BEEN PASSED TO YOU THROUGH VARIOUS CHANNELS, MOST RECENTLY BY OUR EMBASSY IN WASHINGTON. YOU WILL KNOW THAT WE WELCOME THE GENERAL CONCEPT OF CONCERTED ACTION TO ENSURE FREEDOM OF

NAVIGATION AND TO PROTECT THE OIL FLOW SO ESSENTIAL TO

US ALL, AND ARE READY AND ABLE TO PLAY OUR PART. BUT WE

HAVE CERTAIN RESERVATIONS ABOUT SOME ASPECTS OF YOUR

PROPOSALS. IN PARTICULAR, I DOUBT WHETHER, IF THE THREAT

TO CLOSE THE STRAITS WERE TO BE REALISED, THE CONCEPT OF

OPERATIONS NOW BEING DISCUSSED WOULD BE EFFECTIVE IN RESTORING CONFIDENCE AMONG SHIP-OWNERS AND MASTERS. I HOPE YOU WILL SHARE OUR VIEW THAT IN ORDER TO AVOID MISUNDERSTANDING AND PERHAPS MISCALCULATION, IT IS OF THE UTMOST IMPORTANCE THAT THERE SHOULD BE JOINT CONSULTATIONS AMONG THOSE WESTERN GOVERNMENTS MOST CLOSELY CONCERNED IN THIS MATTER AND WHOSE FORCES WILL BE INVOLVED. I CONSIDER THAT OUR IMMEDIATE OBJECTIVE SHOULD BE TO ESTABLISH CLEAR POLITICAL GUIDELINES FOR NAVAL COMMANDERS IN THE AREA SO THAT TOGETHER THEY CAN DRAW UP CONTINGENCY OPERATIONAL PLANS. WE SHALL HAVE TWO WARSHIPS PLUS ASSOCIATED SUPPORT VESSELS IN THE GULF OF OMAN ON 22 OCTOBER: AND OTHER SHIPS WILL BE EXERCISING WITH YOURS FROM NEXT WEEK IN THE INDIAN OCEAN. WITH THIS IN MIND. PETER CARRINGTON IS PROPOSING TO MR MUSKIE THAT MR CHRISTOPHER SHOULD VISIT LONDON VERY SOON FOR JOINT TALKS WITH US, THE FRENCH AND, IF THEY WISH TO JOIN US; THE GERMANS. I HOPE YOU CAN AGREE. ON THE RELATED QUESTION OF INSURANCE, WE ARE AS YOU KNOW READY TO TAKE PART IN TALKS ALTHOUGH WE DO NOT SEE ANY IMMEDIATE NEED FOR ACTION. FOURTHLY. YOU SUGGEST WE SHOULD BE WILLING TO RESPOND TO CERTAIN REQUESTS FOR ASSISTANCE FROM THOSE NON-BELLIGERENT FRIENDS IN THE AREA WHO MAY FEEL THREATENED BY THE CURRENT SITUATION. I ENTIRELY AGREE. WE HAVE ALREADY BEEN IN TOUCH WITH CERTAIN OF THE GULF RULERS AND THE SAUDIS ABOUT THE POSSIBILITY OF PROVIDING AID FOR DEFENSIVE PURPOSES. OUR THINKING IS AT A VERY PRELIMINARY STAGE. WE SHALL BE EXAMINING THE POSSIBILITIES URGENTLY, AND SHALL KEEP YOU INFORMED. IT IS ESSENTIAL THAT WE WORK CLOSELY TOGETHER BOTH TO AVOID DUPLICATION, WHICH WOULD HAVE SERIOUS POLITICAL IMPLICATIONS, BESIDES BEING WASTEFUL, AND TO AVOID GAPS IN OUR EFFORTS. MORE GENERALLY, I BELIEVE THAT WE SHOULD BE THINKING IN TERMS OF CONTINUING EXCHANGES OF INFORMATION AND ANALYSIS ON THE WHOLE RANGE OF PROBLEMS IN THE AREA. WOULD LIKE TO SEE THE NEW QUADRIPARTITE MACHINERY DEVELOPED IN THIS DIRECTION. FINALLY, I LOOK FORWARD TO MAINTAINING CLOSE AND DIRECT CONTACT WITH YOU AS THE SITUATION DEVELOPS. YOURS SINCERELY, MARGARET THATCHER. BT NNNN SENT AT 151314ZZ BRH