

SUBJECT



File

Iran

K 8

10 DOWNING STREET

From the Private Secretary

27 December 1979

Dear Paul,

Iran: UN Sanctions

The Prime Minister held a meeting at Chequers this afternoon to consider the latest American proposals for sanctions against Iran (as set out in telegram number 1952 from UKMIS New York). The Foreign and Commonwealth Secretary, Mr. Douglas Hurd and Mr. J. Bullard were present.

The Prime Minister said that she had serious misgivings about the American approach. First, it was by no means clear that their proposals, if endorsed by the Security Council, would help secure the release of the hostages. On the contrary, it seemed just as likely that they would provoke the Iranians into taking more hostages from other Embassies. Second, it was questionable whether the Americans would obtain sufficient votes for the proposals in their present form. Third, the Americans seemed to be rushing unnecessarily. By pressing for a vote on 31 December, they were making it difficult for the UK and other allies to consider properly the implications of their proposals, and they were therefore increasing the risks of retaliation. The Americans did not appear to have exhausted the possibilities of unilateral action against Iran; it also seemed that they could be doing more to approach the Iranians jointly with the Russians and Islamic countries. Moreover, they appeared to have ruled out the option of a two-stage approach whereby they would ask for a resolution under Article 39 to the effect that the Iranians were posing a threat to peace - to be followed, if the hostages were not freed, by a resolution calling for economic sanctions under Article 41. The latter approach would appear to have very considerable advantages both from the Americans' and their allies' points of view. Fourthly, there were aspects of their trade embargo proposals which ought to be queried. The proposed embargo on exports to Iran did not cover food, and therefore the Americans would be to some extent unaffected. By contrast, our own industries would suffer - in particular the Talbot plant at Bathgate. Furthermore, it was not clear why the Americans were not proposing an embargo on imports from Iran. If the UK stopped exports to Iran, there was little doubt that the Iranians would in any case no longer be willing to sell oil to our oil companies. Unless there was an embargo on Iranian oil sales, other countries would simply take our place as purchasers. Trade sanctions were likely to be more effective if they operated on both exports and imports.

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In discussion the following points were made. Mr. Bullard reported that there had been a meeting of the Western Five this afternoon in New York at which the Americans had indicated that they had consulted with the non-aligned countries on the Security Council and that the response had been discouraging. In particular, the Nigerians had made plain that they were not keen to take the lead. Thus the American initiative was already running into considerable difficulty. Nonetheless, they had indicated that they still planned to go ahead with it. This raised the question of what were the Americans' real motives. It could be that they were "going through the motions" so that, having failed to obtain Security Council support, they could then say that they had tried everything. The Foreign and Commonwealth Secretary commented that it was essential to ascertain what their motives were. He went on to say that now that the US had announced that they were going to the United Nations, there was no point in our trying to dissuade them: our objective must be to minimise the damage to our own interests and maximise the effectiveness of whatever sanctions might be adopted. The Prime Minister had raised some important points, but we could not withdraw our general support for what they were trying to do. We could reiterate our support in general terms, but indicate strongly that we had doubts about their tactics and about some of the measures proposed. In particular we should argue for the two-stage approach to give more time for detailed proposals for sanctions to be worked out and to avoid unnecessary risk to other Embassy staffs in Tehran. The Prime Minister added that the Americans ought to be made aware that moves for sanctions against Iran could build up pressure for sanctions against South Africa.

The following further points arose:

- (i) Lord Carrington reported that the French Ambassador had asked to see him. It would be helpful to concert with the French on our response to the Americans. The Prime Minister agreed. While Lord Carrington would not be seeing the Ambassador until tomorrow, it would be desirable to speak to him at once and suggest that the French Government should argue separately on the same lines as ourselves. (Mr. Bullard spoke to the French Ambassador accordingly on the telephone.)
- (ii) Mr. Bullard reported that Sir J. Graham had sent a telegram proposing that the EEC Ambassadors in Tehran should visit Khomeini and spell out the consequences if Iran continued to hold the hostages. It was agreed that this would be worthwhile, and that Sir J. Graham should be instructed accordingly.
- (iii) It was reported that nine of our Embassy staff had left Tehran today, leaving seven. The Prime Minister said that, while it was possible that we might be able to persuade the Americans to postpone going to the Security Council, we still ought to make plans for getting out the remaining seven before Monday. Lord Carrington agreed that the plans for final evacuation should proceed, though a final decision should be put off until tomorrow (Friday).

/(iv) Although

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(iv) Although it might seem that the American proposals were less damaging to them than to us, this was purely coincidental. Their suggestion that food exports should be excluded from embargo was intended for humanitarian reasons. As regards oil exports from Iran, the Americans had presumably not included these in their proposals because they did not wish to cause further damage to world oil supplies.

Summing up, the Prime Minister said that a telegram should be sent immediately to our Ambassador in Washington asking him to convey to the Americans our concern about their approach following the main points which had been made in discussion.

The attached telegram was then drafted by Mr. Bullard and agreed by the Prime Minister and Lord Carrington.

I am sending copies of this letter to Tony Battishill (HM Treasury), Bill Burroughs (Department of Energy), Stuart Hampson (Department of Trade), John Beverly (Bank of England) and Martin Vile (Cabinet Office).

Tom *en.*

T. Laker.

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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File No. _____

OUTWARD

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TELEGRAM

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Distribution:-

[TEXT]

- PS/LPS
- /Mr. Hurd
- /PUS
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- Chief Clerk
- Mr. Bullard
- Lord Bridges
- Mr. J. Moberley
- Mr. Evans
- Middle East Dept.
- News Department

Begins:

IRAN

1. The Prime Minister and I have considered the situation today in the light of the latest reports. Please approach the State Department and White House today at the highest level you can reach and convey to them the points in paragraphs 2 to 3 below. Sir R. Hibbert may give the general line on our thinking to the French: this has been done today through the French Ambassador here, who is calling on me at his own request early tomorrow.

Copies to:-

/2. We

2. We stand absolutely by the undertaking given by the Prime Minister in Washington to support the Americans in an approach to the Security Council for action under Chapter 7 of the Charter. But the Prime Minister made it clear in interviews in Washington that any such action must be related to the objective of securing the release of the hostages. Measured by this test the draft in UKMIS New York telegram number 1952 and the proposed American tactics cause the following misgivings:-

(a) we wonder whether it will be so easy to obtain sufficient votes for a Resolution in these terms to be adopted: if a Resolution were tabled by the United States and supported by her Western allies but then defeated, the consequences could be very bad for all of us.

(b) if a Resolution in these terms is passed by the Security Council, is it likely to secure the release of the hostages? We must honestly say that we see a grave risk of it provoking the Iranians into taking more hostages from other Embassies including our own.

3. The implications of the whole exercise are so serious and the risks of mishandling it so great that we should very much prefer to tackle the problem in slower time, giving more thought to the best approach from the points of view of New York and Tehran. The Americans are aware of our concern lest moves for sanctions against Iran should build up pressure for sanctions against South Africa. We wonder how important is the deadline of 31 December, given that apart from Cuba the new members of the Security Council look either no worse than their predecessors and in some cases perhaps even better. A more measured approach would also give the Americans time to consider further unilateral moves which may be open to them, whether on the

/lines suggested

NOTHING TO BE WRITTEN IN THIS MARGIN

lines suggested by the Head of Mission of the community in Tehran or in other fields. Could we not envisage a step by step approach in which the first stage would be a Resolution by the Security Council finding that there is a threat to the peace under Article 39, calling upon Iran to comply with the ruling of the International Court and the unanimous resolution of the Security Council itself, resolving to remain seized of the problem and to meet again after a specified interval to consider action under Article 41 unless the hostages have by then been released?

4. It is most desirable to establish what really are the American motives. One reading of their tactics in New York is that they are determined to table a whole-hog resolution whether or not it is going to be passed. The purpose of this, as Sir Anthony Parsons has suggested, could be to free the American hands for some kind of unilateral action. The implications of this for Britain and the West in the entire Middle East are too serious to need stating. Any light you can shed on this question would be most welcome.

5. As the Americans know, we had a number of comments on points of detail in the draft resolution and we may have more. Most of these are of a minor and technical nature, but for their own information only we are concerned at the thought that export of Chrysler/Talbot car kits to Iran would be banned, leading to serious local unemployment in Britain. This might be more serious than the damage to any other country. It could even look to some in this country as if the Americans were obliging their allies to cut off valuable exports while at the same time protecting the interests of their own farmers in continuing to sell food to Iran.