· Marte set CONVERSATION BETWEEN THE PRIME MINISTER AND THE FOREIGN AND COMMONWEALTH SECRETARY ON SATURDAY 27 SEPTEMBER 1980 AT 2000 PM: Hello Peter. FCS: I thought I'd just have another round up with you in the light of what's been happening here. On reflection, I think that we must be careful not to get ourselves too far in front in terms of the other people. Not with Oman but with the others. Because it is fairly obvious from information that the cooperation between them and Iraq is growing fairly close and if, as I suspect, we are not really going to find it possible to alter the decision, I

think we must be careful not to have put ourselves in a position in which everybody gangs up against us. So what I've done is, I've sent that telegram as I told you to Oman and I've talked to the man on the telephone. Tunnel his name is, who is extremely sensible. Unfortunately the Ruler is about 500 miles away

PM: So he can't pop in and see him

FCS: No, but he can see the Foreign Minister they've good communication, this was about an hour ago and he was just off to see him. He didn't know what the timescale of all this was, he thought it might be tomorrow morning or it could conceivably be in about 48 hours and there was evidence that there were more things coming along.

PM: I must say I'm very very depressed about this because I think the first decision was right. And the first decision, the instinctive one, is usually right in terms of what may happen. And what depresses me is that it looks as if we were the only people prepared to give a lead. I'm certain the first decision was right, that it was right to stop it.

FCS: You were right to stop it if you could. The difficulty is it was all confidential information and to have sent a telegram round as my first reaction was and second thoughts prevailed, is of course to breach the confidentiality which of course would have conceivably and perhaps even probably made things worse.

PM: Yes, that I understand except I suppose it would have been possible to ask him to consult with certain people before deciding. That would not have broken the confidentiality but said look we don't think you're right but please before you continue would you consult with blah blah blah ...

<u>FCS</u>: Unfortunately you see I think in this particular case they're working their passage back into the Arab fold.

PM: I see, yes.

<u>FCS</u>: And there is no doubt that he's been giving, been getting advice on the lines that he has now accepted from Hussain.

PM: What???

FCS: Yes. There is a real ...

 $\underline{\underline{PM}}$: I must tell you I'm very very shocked because I think they're going in to it far too naively.

FCS: Yes, so do I.

 $\underline{\underline{PM}}$: It's dead easy to go into these things and within three days you'll wish you hadn't.

<u>FCS</u>: Yes, for sure. Iddon't think they've thought of the consequences.

PM: No neither do I.

<u>FCS</u>: But I think that the information, you know all of which came a little bit later, leads one to suppose that there isn't going to be very much chance of changing his mind if all the friends are urging him to do it. The Americans are not sending messages to anybody.

PM: So I understand.

FCS: But I think they're probably going to get hold of Fahd. I've had a talk with the French. I had a word with Francois-Poncet.

PM: On the basis of published reports, yes.

FCS: Yes. I said there were indications, you know, all that.

And his immediate reaction was, well it's going to happen anyway.

 \underline{PM} : Peter, I must say that when anyone says that to me I think it's a specious argument. Our job is to influence events, not to assume they're going to happen.

FCS: Well no I agree. I'm not defending the attitude but that's what he said. He then went on to say since it's going to happen anyway, I think it would be better if it were short and sharp and successful. But of course it isn't going to be.

 \underline{PM} : Exactly. That's exactly what it't not going to be. It's not going to be short, it's not going to be sharp and it's going to be disastrous.

<u>FCS</u>: Yes, well that's right, if it happens. He said he was going to ring his boss up and his boss knows a little bit more than he does because I think Reg Hibbert has told him.

PM: Oh!!

FCS: Within the sort of seal of secrecy, I think. I don't think it matters. On the UN front I was talking to Tony Parsons. Zia is at the moment in Tehran and has had quite a good reaction about mediation from the Iranians but he ..

PM: With the Iranians?

FCS: Bani-Sadr. But he gets the feeling, according to the Pakistan Ambassador at the UN, he gets it very strongly, that any association with the UN, any mediation associated with the UN is totally unacceptable. The UN is in the doghouse. Consequently,

according to the Pakistan Ambassador,/resolution at the UN would be the most counter-production thing that could happen, because it might really stop all this mediation going on. Well now I think it's a very moot point whether this is true or whether this is a Pakistani assessment of it being true, I don't know. But what Tony is doing, and this is right, I'm sure, is in the sidelines to say well look a resolution isn't going to help very much so let's not press it too hard. The Americans want a resolution and the Norwegians want a resolution and the Mexicans want a resolution. And of course is there is a resolution which says cease-fire we should support it. But on the whole it might be better to delay things rather than to risk what I think is the only possibility of getting a solution here, which is Islamic mediation on one side or another.

PM: Where's Zia's next stop?

<u>FCS</u>: He's going to Baghdad. And after that he's coming to New York. I think he's probably stopping in Paris on the way to see Giscard.

PM: On the way to New York?

<u>FCS</u>: Well he was going to because the French were getting very worried about the Pakistan attitude on Afghanistan and he was going to stop off and have a word with Giscard on the way. Whether he will now I don't know.

PM: Well that's for him to decide, isn't it.

FCS: Yes. Anyway he will then come and I hope that there will be a mediation. But if this other thing happens all hell will break loose I think. And I think it's very difficult to say what the reaction ...

 $\underline{\underline{PM}}$: I suppose there's no hope if the Iraqis indicate certain things to him that he could stop off in Oman on his way?

FCS: He doesn't know anything about it.

 \underline{PM} : No, I wonder if they said certain things to him. I mean he really is mediating on the assumption that the conflict is isolated.

FCS: Yes. The Americans feel that to let him know would be unwise.

 $\underline{\underline{PM}}$: It's not possible to bring certain press reports to his attention.

FCS: Well I think that's going to happen anyway. I would doubt whether, in the light of what's going on here, it will not leak.

 \underline{PM} : I still think the other thing that we're basically talking about is the most worrying thing I've heard. The most naive thing and the most disastrous thing. And it could lead to the fall of the person himself.

FCS: Well it could lead to anything, couldn't it. But the whole thing is pretty gruesome and I don't really believe that anybody has looked at the consequences of it because if anybody should suppose that it could be isolated in a couple of days, I think that they are misjudging the actions. Because I cannot believe that the Iranians will not retaliate.

PM: I think they're misjudging the Iranian reaction and their capacity to react which is greater than most people, I think, have calculated. Because you see their capacity, they only need to issue threats.

<u>FCS</u>: It's difficult to know what the capacity is you see because the Americans have turned off the tap of spare parts over a considerable period of time.

PM: Yes, but their ship capacity is quite big.

FCS: Well, it's the only one in the area really.

PM: Yes. Their ship capacity across the Straits is quite big.

FCS: It's the only one in the area.

PM: Yes. There's no-one else there.

<u>FCS</u>: Yes. But one doesn't know in what condition it is. This is presumably partly the objective of this exercise.

PM: But Peter would you take a tanker in under those circumstances?

FCS: No, not on your life.

PM: Exactly.

<u>FCS</u>: This is what I didn't think the French had quite hoisted in.

PM: I mean they've only got to threaten.

<u>FCS</u>: Tony Parsons thinks that that if this other thing happens that there would be an outrage on the part of most countries on the grounds that this was spreading the conflict beyond the bounds of what was necessary for what the Iraqis have claimed.

 \underline{PM} : Yes, but are they still, but does he still think that they'd keep the Arab world with them? Clearly he does and that's what worries me.

<u>FCS</u>: Yes. Oh I think that there's evidence that it's becoming solider rather than less solid.

 \underline{PM} : Yes, but this is not a calculation of the consequences, this is of teaching Khomeini a lesson which implies that they think he can be taught a lesson. I'm not certain that he can.

<u>FCS</u>: I think that the evidence today is beginning to make it look less likely, don't you?

PM: Yes. They're good fighters.

<u>FCS</u>: Yes, and it looks, the military reports I thought reading the telegrams this morning, to me indicate that the Iranians are doing rather better.

PM: I know.

<u>FCS</u>: And the other thing, I don't know whether you've noticed, the other thing is that it looks as if the Soviet Union are rather hedging their bets.

PM: Well I didn't quite notice that.

<u>FCS</u>: Yes. They started off by being inclined to favour the Iraqis and they now seem to be back in the middle.

 $\underline{\underline{PM}}$: Well, what frightens me is that they might not merely go back in the middle but the other way.

FCS: Well that's possible too.

<u>PM</u>: Because they're right near them and they could go in and help. That's the frightening thing. That the other side looks like winning remotely and they'll be absolutely in a position to help.

 $\overline{\text{FCS}}$: Well we'll just play the thing hour by hour, do what we can and I'll keep in touch with you.

PM: It's Hussain that bothers me because I thought he was the ...

<u>FCS</u>: I think it's not just him. Christopher told me that there was evidence that there was supportive action on the part of other people.

PM: Yes, well there has been for two or three days, hasn't there.

FCS: Yes, a bit more though.

<u>PM</u>: But that was at a time when they thought it was all going to over in a short time therefore they might as well weigh in on the winning side. Warlike cricket isn't like that. I think it's the wish is father to their thought at the moment rather than calculation. There's no point in sending anyone Peter is there? Too late.

<u>FCS</u>: Well I doubt it. I don't think there's time apart from anything else. I've told the Tunnel to go in on my authority and say that I have said this because the Americans are doing it on the Muskie net and not the Presidential one.

 $\underline{\underline{PM}}$: Well Peter in that case we just have to wait. Your first reaction was still the right one.

FCS: Well it was the right one in logic.

 \underline{PM} : No, it was the right one in feel and judgement. Damn the logic it was the right one in feel and in judgement.

FCS: I think on the whole though we don't want to get out in front too much.

PM: I don't know, I don't know.

FCS: I think we stand ...

 $\underline{\underline{PM}}$: Well what we're saying is that no-one's going to give a lead therefore we can't afford to ..

FCS: No I don't think we're really quite saying that. I think we're saying if we did do it, would it make matters worse. And I think it might conceivably make matters worse. And I think every indication, I've got some telegrams in front of me now, every indication is that all of them are now getting behind Iraq, you know, Hussain. I think the Saudis are getting behind.

PM: You know what will happen to Iraq. They'll be left out in front and alone when things don't go that way. Iraq is out in

front, she's asked certain people to follow her. Other people are and if that operation is not successful and rebounds, Iraq too will find that she's left out in front, alone.

<u>FCS</u>: Well that's absolutely true. But that isn't any particular skin off our nose.

PM: No it isn't.

FCS: The skin off our nose is the Gulf.

PM: Yes, all I'm saying is that the whole operation, even from the viewpoint of Iraq would have been better not conducted. All right Peter, well if we can't do anything else we'll have to do that.

<u>FCS</u>: Well I think we're probably right. Just sort of wait and see now. I think we've done, the French aren't going to do anything, we've done what we can with the people concerned and I think probably that's the best we can do

 \underline{PM} : The Tunnel will go in and say that it's the Omanis best interests we have at heart. I mean they must obviously be the best judges of their interest but ..

FCS: That's right but it's going to be very very important that in the Arab world we're seen not to let them down, so to speak. I mean we've got no interest in Iran and we've got a lot of interest in the Arab world.

 $\underline{\underline{PM}}$: Yes, but you see my worry is that we are letting them down by not giving them our best judgement.

<u>FCS</u>: Well I think we are, we are giving them our best judgement, I promise you that. The trouble is I think he's actually promised it and can't retreat.

 $\underline{\underline{PM}}$: Well I said to Clive when he was here, the fact is that he's too nice a man, he doesn't like to refuse a request from a friend.

FCS: He's working his passage back. That's my judgement.

PM: Yes. All right Peter.

 \underline{FCS} : I won't bother you again tonight unless there's a crisis. Have a good dinner. Goodbye.

PM: Goodbye Peter.