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Foreign and Commonwealth Office

London SW1A 2AH

29 September 1980

Dear Michael,

I enclose the paper on Soviet attitudes which it was agreed at Chequers yesterday the FCO should prepare for this afternoon's meeting on the Iran/Iraq conflict.

I am sending a copy of this letter and enclosure to PS/Secretary of State for Defence, PS/Secretary of State for Energy, and to Sir Robert Armstrong.

*For Mr  
JGH*

(G G H Walden)  
Private Secretary

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## SOVIET ATTITUDE TO THE IRAN/IRAQ CONFLICT

1. Soviet policy in the Middle East aims to extend Soviet influence while avoiding military confrontation with the US. The Soviet Union has a long-term interest in securing a share of Middle East oil supplies but recognises that access to Middle East oil is a vital Western interest of which it must take account.

2. The current conflict places the Soviet Union in a difficult position. It has a friendship treaty with Iraq<sup>(i)</sup> and is that country's main supplier of arms. It will wish to avoid putting pressure on Iraq of a kind which would put at risk its influence in Baghdad and antagonise other Arabs. It will also be conscious of the need to be seen to live up to its treaty commitments. However, one of the Soviet Union's major objectives in the Gulf Area is to gain a high degree of influence in Iran. While its efforts to get on terms with the Khomeini regime have been unsuccessful, it may be reluctant to see a breakdown of government in Iran and a struggle for power while the Tudeh Party is too weak to have a decisive say in the outcome.

3. So far, while maintaining normal arms supplies to Iraq, and acknowledging their treaty obligations, the Russians have been reasonably even handed in their attitude to the conflict between Iraq and Iran. Mr Gromyko assured Mr Muskie in New York on 25 September that the Russians would not intervene as long as others did not.

Possible Scenarios

4. If the fighting between Iran and Iraq remains at a fairly low level the Russians are likely to maintain their present attitude. They might offer to mediate in the dispute, but only if they thought this could be done successfully. They would in any case hope to be

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(i) The Soviet Iran Treaty of 1921 is not of the same degree of relevance. The Iranians have denounced it, and the Russians could use it to justify military intervention only if they could plausibly claim that Iranian territory was being used to threaten the Soviet Union.

associated as much as the United States in any negotiated settlement of the crisis. Behind the scenes, they may put some quiet pressure on the Iraqis to accept a negotiated settlement which would allow them limited territorial gains.

5. If the Iraqis press on they may succeed in taking over the oil-producing province of Khuzestan and in setting up a nominally independent 'Arabistan' with a regime sympathetic to Baghdad. It would then be a major Soviet objective to gain influence over the new regime.

6. An Iraqi take-over of Khuzestan could well be accompanied by nationalist risings in areas of Iran such as Kurdistan and Azerbaijan. If a pro-Soviet grouping with a reasonable degree of popular backing were to emerge in Azerbaijan and request Soviet assistance the Russians would find it difficult to refuse. But they would see the establishment of a puppet republic in Iranian Azerbaijan, or more ambitious moves to take parts of Iran, in the light of their major objective of increasing their influence over Iran as a whole. If the cost of a lesser move were to decrease the chances of attaining the major prize the Russians might restrain themselves. But if the chance of attaining the major prize was deemed slight, the lesser moves might be undertaken.

7. Were the Iranian regime to seek Soviet military assistance, the Russians would find themselves in a dilemma. They would be offered the opportunity of an internationally defensible military intervention with the prospect of eventual control, either directly or by proxy, of Iranian oil. But the cost would be correspondingly high: the risk of confrontation with the US, and the alienation of Iraq and other Arab states. On balance, we doubt whether the Russians would embark on such a course.

8. If Iran suffered a humiliating defeat at the hands of the Iraqis, which led to the disintegration of the Khomeini regime, the Russians would face a new set of problems. A collapse of the regime could lead to a military take over, anarchy or civil war. In the short term the Russians would probably be content to settle for the first: the risks would be less, and they would hope to be able to extend their influence in the longer term.



9. The Russians must also consider how they would react to any US move to protect its interests in the area. If there were an attempt by Iran to close the Straits of Hormuz, and the US were to take naval or other military measures to keep the Straits open, the Russians would probably recognise this to be in pursuit of a vital Western interest and would confine their response to a propaganda and diplomatic onslaught. Much, however, would depend on how the Arabs reacted.

#### Conclusions

10. By maintaining a reasonably even-handed attitude to the Iran/Iraq crisis, the Russians can hope:

- (i) to minimise the risk of a major East-West crisis in the run up to the US elections;
- (ii) to avoid damaging their relations with the Arabs and other Islamic countries (particularly important post-Afghanistan); and
- (iii) to keep their longer term options open.

A successful Soviet effort to promote a settlement - like Tashkent in 1966 - would be a triumph and would greatly increase Soviet influence in the area. But the Russians will undertake one only if they can be confident of success, and may be more concerned to ensure that they are not excluded from any international peace-making efforts in which the US is involved. In short, they may see greater scope for extending their influence in the longer term if the present crisis can be played in a relatively low key.

EASTERN EUROPEAN & SOVIET DEPARTMENT

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