



CONFIDENTIAL

From the Secretary of State

Clive Whitmore Esq
Private Secretary
10 Downing Street
Whitehall
SW1

Dear Clive.

IRAN SANCTIONS

My Secretary of State has been concerned at the suggestion that this Department acquiesced last week in the proposal for sanctions to apply to goods under contracts entered into after 4 November. He has asked me to write to you to clarify the Department's involvement in the consideration of the paper by the Italian Presidency which was discussed at the meeting of Foreign Ministers of the Nine on 17 May.

The Italian paper was tabled at a meeting held in Brussels on 13 May of officials of the Nine. The UK was represented by the FCO. (The DOT officials concerned with Iran were involved in the debates on the same day on the Iranian Sanctions Bill and were unable to attend the Brussels meeting). The Italian paper was unsatisfactory in a number of important respects; it envisaged for example legislation to impose financial sanctions, and discussed unsatisfactory criteria for excluding existing contracts, including a cut-off date of 4 November. The UK representative referred to Ministerial commitments on sanctions and entered a UK reserve specifically on the proposals relating to existing contracts for the supply of goods. Reserves were also entered by France and Belgium. Officials in this Department saw the report of the meeting in UKREP Brussels telegram no 2396 of 13 May.

The Italian paper was later distributed by the UK Permanent Representative in Brussels, but copies did not reach those concerned in the Department of Trade until Monday 19 May. DOT officials did not see any need to comment further on the paper in view of the entirely satisfactory reserve which had been entered in Brussels. We are not aware of any other meeting in Whitehall or elsewhere to discuss the Italian paper.

We were then consulted about the Foreign Secretary's briefing for the Naples meeting. This recommended a graduated implementation of sanctions, the details to be worked out by officials at further meetings. Any action on exports of goods was to be taken last of all. This was of course satisfactory to us - and in accordance with the decision of OD Committee.

Prime Minister.

To see.

AKH

20v.

I'm afraid we have taken all the blame - particularly me - by the Foreign meet. 20 May 1980



I am copying this letter to Paul Lever (FCO), John Wiggins (Treasury), Ian Ellison (Industry), John Stevens (Chancellor of the Duchy's Office), Richard Prescott (Paymaster General's Office), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours sincerely,

Stuart Hampson

S HAMPSON
Private Secretary

20 MAY 1960

