

USA, Nov 79, Visit to US  
Policy (with briefs) 2

405 7641 Ext. 3291  
Communications on this subject should  
be addressed to  
THE LEGAL SECRETARY  
ATTORNEY GENERAL'S CHAMBERS

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ATTORNEY GENERAL'S CHAMBERS,  
LAW OFFICERS' DEPARTMENT,  
ROYAL COURTS OF JUSTICE,  
LONDON, W.C.2.

Our Ref: 400/79/371

He spoke to me  
about it this evening.  
2. Prime Minister

1. As Alexander  
2. Prime Minister

13 December 1979

T P Lankester Esq  
Prime Minister's Office  
10 Downing Street  
LONDON S W 1

This seems a  
monstrous attempt  
to extend the extraterritoriality  
doctrine. As the more  
reason for the Attorney General  
not to appear as amicus  
curiae.

Dear Tim,

IRAN

As promised when we spoke on the telephone this morning,  
I am now writing to give you more information about the legal  
proceedings in the United States which purport to affect the  
High Court proceedings here in London.

The Governor of the Bank of England has handed to the  
Attorney General a copy of an Order made by the US District  
Court in New York. This was given to the Governor by the  
London solicitors acting for Bank Markazi Iran. As you know  
Bank Markazi are claiming in a High Court action here in  
London against Chase Manhattan (London) for the return of  
deposits of \$330 million. Chase Manhattan in New York in an  
action against the State of Iran, Bank Markazi and numerous  
other Iranian entities, have now obtained an Order prohibiting  
all the Iranian defendants from taking any action to prosecute  
or continue the proceeding entitled Bank Markazi Iran v. The  
Chase Manhattan Bank, N.A. heretofore commenced in the High  
Court of Justice, Queens Bench Division and from taking any  
action to commence prosecution or continue any other court  
proceeding against the Chase Manhattan Bank, N.A., in any  
jurisdiction outside the United States relating to the subject  
matter of this lawsuit.

The above Order was obtained by Chase Manhattan in New  
York on an ex parte application to the United States District  
Court. At the moment it is only an interim Order. It will  
be up to the Iranians to decide whether to appear to seek to  
prevent the Order being made permanent.

This Order appears to be a most monstrous invasion of  
the United Kingdom judicial sovereignty and we can see no  
basis at all for the American courts to require persons in the  
UK to discontinue proceedings already commenced in our courts  
nor to prohibit them from the right to commence proceedings

/here.

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here. Effectively the US Court Order is to put at risk Iranian assets in the United States if the Iranians pursue their claims here in London for the withdrawal of their deposits and in a sense the American courts are endeavouring to freeze Iranian assets in London.

We expect Bank Markazi to raise this matter before the Judge in the English proceedings and we would also expect the Judge to say something strong about an unwarranted interference with the right of persons in this country to bring actions here for the return of their deposits. This matter, however, relates only to the dispute between Chase Manhattan and the Iranians and not to affect the number of other legal actions involving American banks here in London and the Iranians. I attach a list of the legal actions which we know about so far.

As you know from my note to you of 11 December, the United States Attorney General has been pressing our Attorney to intervene in the Citibank proceedings here in London to represent the views of the United States Government. In line with our understanding of the conclusions reached at the Prime Minister's meeting on 11 December, we have been making no positive response to the US Attorney General and we are also now satisfied that the Judge in the Citibank case is unlikely to approach our Attorney with any request to act as an amicus curiae in this case. Through the US Embassy here the US Attorney General is still seeking a response to his suggestion about our intervention but, if nothing else, the knowledge of the American Court Order in the Chase Manhattan case now gives us the opportunity to say that any such intervention by our Attorney must be out of the question since any intervention in the courts here would be bound to involve our Attorney in objecting to the extraterritorial jurisdiction assumed by the American courts.

I am copying this to the Private Secretaries to the Secretary of State for Foreign and Commonwealth Affairs, the Secretary of State for Trade, Hancock (Treasury) and Martin Vile (Cabinet Office).

Yours sincerely,  
Bill Beckett

W C BECKETT

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