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FOLLOWING FROM PRIVATE SECRETARY.

IRAN.

- 1. AT THE QUADRIPARTITE DINNER HERE ON 12 DECEMBER THE SECRETARY OF STATE INVITED MR VANCE TO SAY WHAT AMERICA'S FRIENDS COULD DO TO HELP HER IN THE APPALLING PROBLEM SHE FACED.
- 2. MR VANCE SAID THAT BY THE WEEKEND, OR EARLY NEXT WEEK, IRAN WAS LIKELY TO HAVE FLOUTED BOTH THE SECURITY COUNCIL AND THE INTERNATIONAL COURT OF JUSTICE. THE QUESTION WAS WHETHER OR NOT TO GO NEXT FOR SANCTIONS UNDER CHAPTER VII. ALL THE ASPECTS NEEDED TO BE CONSIDERED. MR VANCE CONCEDED THAT IF A RESOLUTION WERE INTRODUCED IN THE SECURITY COUNCIL AND VETOED BY THE SOVIET UNION. THE PROSPECTS FOR RATIFICATION OF SALT II WOULD BE NIL. BUT HE GUESSED THAT THE RUSSIANS WOULD NOT GO SO FAR. HE THEN WENT THROUGH THE LIST OF MEMBERS OF THE SECURITY COUNCIL AND SAID THAT ALL EXCEPT RUSSIA PLUS CZECHOSLOVAKIA/GDR COULD IN HIS JUDGEMENT BE RELIED ON TO SUPPORT A MOVE FOR SANCTIONS AGAINST IRAN. THE SAME WAS TIVE OF CUBA AS HEAD OF THE NON-ALIGNED MOVEMENT. THE ONLY REASONS FOR WAITING UNTIL NEXT WEEK WERE FIRST THE ICJ JUDGEMENT AND SECONDLY THE DESIRABILITY OF WAITING FOR THE NEW IRANIAN REPRE-SENTATIVE TO REACH NEW YORK. THE SITUATION ON THE GROUND WAS NOT SUCH THAT IT MATTERED WAITING 4 OR 5 DAYS RATHER THAN 2 OR 3.
- 3. THE SECRETARY OF STATE ASKED ABOUT THE CONSEQUENCES IN THE LONGER TERM. WOULD RESORT TO CHAPTER VII IN THIS CASE ENCOURAGE OTHERS TO FOLLOW SUIT IN OTHER AREAS? MR VANCE AGREED THAT THIS WAS LIKELY, BUT SAW CHAPTER VII AS THE ONLY AVAILABLE NEXT STEP, OTHER THAN MEASURES WHICH NONE OF US WISHED TO SEE ADOPTED.

- 4. AS TO WHAT KIND OF SANCTIONS TO GO FOR, MR VANCE THOUGHT IT BETTER TO SEEK A BROAD RANGE OF MEASURES AT THE OUTSET RATHER THAN START WITH SOMETHING SMALLER AND QUOTE RACHET IT UP UNQUOTE. IT WOULD HAVE NO EFFECT TO DENY IRAN EG CIVIL AIR COMMUNICATIONS AND SPARE PARTS.
- 5. THE SECRETARY OF STATE ASKED WHETHER AN ECONOMIC BLOCKAGE WOULD CONSITUTE SANCTIONS OR AN ACT OF WAR. MR VANCE SAID THERE WERE TWO OPINIONS ABOUT THIS: HE PERSONALLY THOUGHT THE LATTER.
- 6. M. FRANCOIS-PONCET SAID THAT THE ADVANTAGE OF CHAPTER VII WAS THAT IT WOULD CREAT A LEGAL BASIS FOR FRANCE AND OTHERS TO TAKE ACTION. AS THINGS STOOD IT WOULD BE LEGALLY DIFFICULT TO FREEZE IRANIAN ASSETS IN FRANCE. THERE WAS NO LEGISLATION AVAILABLE EXCEPT AN ACT OF 1939 WHICH FRENCH COURTS WOULD PROBABLY NOT REGARD AS VALID. (THIS WAS NOT TRUE OF CROSS-DEFAULT WHICH HE WAS WILLING TO LOOK AT). THE INTERNATIONAL APPROACH WOULD SOLVE THIS PROBLEM. AND IT WOULD NOT WORSEN THE FEELING OF ISOLATION AMONG THE IRANIAN MODERATES.
- 7. HERR GENSCHER SAID THAT THE FRG WOULD VERY MUCH WELCOME A MOVE-FOR CHAPTER VII. THE FRG WAS NOT A MEMBER OF THE SECURITY COUNCIL, BUT THEIR REPRESENTATIVE IN NEW YORK WOULD BE INSTRUCTED TO EXPRESS SUPPORT. THE EARLIER THE BETTER.
- B. THE SECRETARY OF STATE SAID THAT MR VANCE NEED NOT DOUBT WHERE BRITAIN STOOD. HE ASKED WHETHER, IN PARALLEL WITH THIS, IT MIGHT BE POSSIBLE TO ORGANISE A CONSENSUS OF OIL BUYERS TO REFUSE TO BID FOR IRANIAN OIL. SUCH A MOVE HOWEVER SHOULD NOT BE MOUNTED BEFORE THE OPEC MEETING IN CARACAS, AND IT WOULD BE ESSENTIAL TO GET JAPAN ON BOARD. MR VANCE THOUGHT IT MIGHT HAVE SOME EFFECT IF PURCHASES OF IRANIAN OIL COULD BE BROUGHT BELOW 2.5 M.B.P.D. BUT IT WOULD BE DIFFICULT TO PERSUADE JAPAN.
- 9. AT MR VANCE'S SUGGESTION, IT WAS AGREED THAT THE FOUR MISSIONS IN NEW YORK SHOULD CONSULT URGENTLY ON THE PROSPECTS FOR THE KIND OF ACTION WHICH HE HAD INDICATED, AND HOW BEST TO GO ABOUT IT. MEANWHILE ECONOMIC EXPERTS FROM THE FOUR FOREIGN MINISTRIES SHOULD CONTINUE THEIR DISCUSSIONS ON POSSIBLE MEASURES AGAINST IRAN IN THAT FIELD.

10. FINALLY, MR VANCE SAID THAT IF THE SECURITY COUNCIL FOUND THAT THERE WAS A THREAT TO PEACE AND ORDERED SANCTIONS, THE SITUATION IN TEHRAN MIGHT STILL REMAIN UNCHANGED. A FORTNIGHT WOULD BE LONG ENOUGHT TO WAIT BEFORE JUDGING WHETHER A SANCTIONS RESOLUTION HAD BEEN EFFECTIVE OR NOT. M. FRANCOIS-PONCET SAID THAT IF THIS POINT WERE REACHED, IT WOULD BE NECESSARY TO HAVE AN EVALUATION OF THE LIKELY RESULTS, NOT ONLY IN IRAN, BUT ELSEWHERE IN THE AREA. IN ADDITION FRANCE WOULD NEED TO HAVE ADVANCE NOTICE. MR VANCE ACCEPTED THIS.

11. PRIVATE OFFICE TO BE CONSULTED BEFORE ANY DISTRIBUTION IS GIVEN TO THIS TELEGRAM.

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