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to [unclear]

NOTE FOR THE RECORD

The Prime Minister spoke with Lord Carrington after her conversation with President Carter. She said that she had now had an opportunity to look at the detailed amendments which we were suggesting to the American text. She had told the President that these were merely technical amendments (i.e. apart from the problem of extra-territoriality), but she now felt that some of them were a good deal more than this. In particular, unless the necessary change were made to deal with the problem of jointly owned Iranian flagships, British lives could be at stake. Also, unless the necessary changes were made in the export credit provisions, ECGD could be at severe risk. Although in the last analysis we would have to support the Americans, we ought to do everything possible to sort these problems out. The President had indicated that they were going for a two stage approach: this ought to give rather more time to settle the details of the sanctions. But we still ought to move quickly; and she suggested that Lord Bridges might go over to New York to negotiate. Other countries would no doubt have similar problems, and we ought to concert with them.

Lord Carrington said that we ought not to allow the Americans to "railroad" us. We ought to express our views strongly and sort these problems out to our satisfaction. It would be worth concerting with the French, who appeared to have similar difficulties. It would probably be best for Sir Anthony Parsons to take the lead with the help if necessary of Mr. Ryrie; but Lord Bridges could of course go over to New York if necessary..

The Prime Minister then said that it would be much better if the Americans had included oil purchases from Iran and food exports to Iran in their embargo proposals. Without these, sanctions would not be effective. Lord Carrington said that there was some evidence that McHenry held the same

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view, but the President seemed to have decided what he wanted to do, and there was no point in trying to persuade him to shift his ground at this stage.

They then spoke briefly about President Carter's suggestions concerning Afghanistan - and in particular his proposal that we might take the lead in mounting an initiative at the Security Council. Lord Carrington said that it would be better to get a Western consensus - i.e. with the French and the Portuguese - rather than take the initiative on our own. The FCO would be putting forward advice on this later, together with a draft message for the Prime Minister to send to Breznev. Lord Carrington also questioned whether a meeting of the North Atlantic Council would be an appropriate forum for discussing Afghanistan. The Prime Minister said that this possibility should not be ruled out: she^{and} or Lord Carrington would need to discuss this with Mr. Warren Christopher.

Later the Prime Minister spoke again to Lord Carrington on the telephone after his conversation with Mr. Vance (recorded in Paul Lever's note of today's date). Lord Carrington summarised their conversation. The Prime Minister asked whether, in the light of the initiative to get the Secretary General into Tehran, we should still evacuate the remaining members of our embassy. She was inclined to let them stay for the time being: assuming Mr. Waldheim went to Tehran, it was most unlikely our staff would be taken hostage while he was there. The Prime Minister and Lord Carrington agreed that the contingency plans for their evacuation should remain in place, but that the FCO should now ask Sir John Graham for his own advice on whether or not they should stay.

28 December 1979

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