

JPS

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Subject - IRAQ,

Iran Relations Part 4

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T43/84

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FM THE WHITE HOUSE
TO CABINET OFFICE
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S E C R E T VIA CABINET OFFICE CHANNELS WHO2103
MARCH 16, 1984

DEAR MARGARET,

I READ YOUR LETTER OF YESTERDAY WITH GREAT INTEREST AND WANT TO
CONFIRM THAT WE ARE INDEED CONCERNED ABOUT THE PROSPECTS OF
ESCALATION IN THE IRAN-IRAQ WAR. WE ARE JUST COMPLETING A REVIEW
OF ESCALATION SCENARIOS AND THEIR POSSIBLE IMPACT ON WESTERN
INTERESTS WITH A VIEW TO IDENTIFYING THE POLITICAL-MILITARY AND
ECONOMIC RESPONSES THAT MAY BE NECESSARY. OUR WORK IN THIS REGARD
SHOULD BE WELL ALONG BY THE TIME YOUR TEAM ARRIVES AND WE LOOK
FORWARD TO DISCUSSING THESE CONTINGENCIES WITH MR. LUCE AND HIS
PARTY.

I FULLY SUPPORT YOUR PLANS FOR ENHANCING THE READINESS OF A FINE
COUNTERMEASURES FORCE. THIS WILL BE AN IMPORTANT STEP TOWARD
IMPROVING OUR COLLECTIVE ABILITY TO RESPOND TO ANY ATTEMPT TO CLOSE
THE STRAIT OF HORMUZ. TO ANTICIPATE OUR DISCUSSIONS WITH MR. LUCE
AND HIS TEAM, WE ARE ALSO CONCERNED ABOUT POSSIBLE AGGRESSIVE
ACTIONS AGAINST THE PRODUCTION AND TRANSHIPMENT FACILITIES IN THE
GULF ARAB STATES PROPER. I NEEDNT TELL YOU THE CATASTROPHIC IMPACT
SUCH ACTIONS MIGHT HAVE ON THE WORLD ENERGY SITUATION, THE WORLD
ECONOMY, THE INTERNATIONAL FINANCIAL SYSTEM, AND THE STABILITY
OF KEY OIL-PRODUCING STATES IN THE REGION.

IN CLOSING LET ME ASSURE YOU THAT WE WELCOME THE TIMELY VISIT
BY YOUR TEAM AND REAFFIRM TO YOU THE IMPORTANCE I PERSONALLY
ATTACH TO CLOSE CONSULTATIONS WITH YOUR GOVERNMENT ON THESE
CRITICAL MATTERS.

SINCERELY,

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