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16959 - 1

PP MUSCAT
GRS 763
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FM FCO 031600Z MAY 84
TO IMMEDIATE WASHINGTON
TELEGRAM NUMBER 826 OF 3 MAY
INFO PRIORITY BAGHDAD, TEHRAN, AMMAN, GULF POSTS, UKDEL NATO,
UKMIS NEW YORK
MY TELNOS. 283 TO AMMAN AND 285 TO BAGHDAD: ARMS SALES TO
IRAN.

1. THE ARABS (INCLUDING THE IRAQIS) NOW SEEM SATISFIED WITH OUR ASSURANCES THAT WE ARE NOT SUPPLYING ARMS TO IRAN AND UNDERSTAND (EVEN IF THEY DO NOT WHOLLY AGREE WITH) OUR POSITION OVER THE KHARG, THE YARROW SUPPORT SHIPS AND THE ARMoured VEHICLE SPARES.
2. THE SOURCE OF THE LONG AND WILDLY INACCURATE LIST GIVEN TO CALLAN ON 15 APRIL (BAGHDAD TELNOS 218 AND 219) IS UNCLEAR. WE HAD WONDERED ABOUT THE AMERICANS, BUT AL-ZAHAWI TOLD HASKELL ON 30 APRIL THAT MANY OF THE ENGLISH NAMES WERE MISSPELLED BECAUSE OF TRANSLATION FROM AN ARABIC ORIGINAL. (WHILE THE AMERICANS MIGHT HAVE PROVIDED AN ARABIC TRANSLATION, THEY WOULD PRESUMABLY HAVE HANDED OVER AN ENGLISH VERSION ALSO).
3. NEVERTHELESS THE AMERICAN ATTITUDE OVER THE PAST FEW MONTHS HAS BEEN UNWELCOME. THEIR LOBBYING HERE WITH FCO AND MOD HAS BEEN EXCESSIVE AND HEAVY-HANDED. IN FEBRUARY THERE WERE (INACCURATE) PRESS LEAKS FROM OFFICIAL US SOURCES ABOUT SPEY ENGINES AND MISSILES SPARES, FOR WHICH THE AMERICANS SUBSEQUENTLY APOLOGISED. ON 2 APRIL MR SHULTZ'S REMARK TO THE TIMES THAT OUR ATTITUDE OVER ARMS SUPPLIES TO IRAN WAS 'UNHELPFUL' WAS NOTED AND RESENTED, THOUGH WE MADE NO PROTEST AT THE TIME. WE NOW LEARN THAT DURING MURPHY'S VISIT TO AMMAN ON 19/20 APRIL HE ASSURED KING HUSSEIN THAT BRITISH MILITARY SPARES WERE BEING SENT TO IRAN. (IF, AS WE PRESUME, HE WAS REFERRING TO THE INTERIM PACKAGE THIS REMARK WAS INACCURATE, SINCE NO SPARES HAVE YET BEEN RELEASED: MORE SERIOUSLY, HE SEEMS TO HAVE LEFT THE KING WITH AN EXAGGERATED

CONFIDENTIAL

16959 - 1

IDEA OF THE SIZE AND SIGNIFICANCE OF THE PACKAGE). FINALLY, THE EGYPTIAN EMBASSY TOLD US ON 3 MAY THAT THE STATE DEPARTMENT HAVE BEEN ENCOURAGING THEM TO PRESS US TO ADOPT AN EVEN TOUGHER LINE ON SUPPLY TO IRAN.

4. PLEASE SPEAK AT SUITABLY HIGH LEVELS IN THE PENTAGON AND STATE DEPARTMENT TO EMPHASISE THAT WE ARE BECOMING IRRITATED AT WHAT APPEARS TO BE US MISCHIEF-MAKING BETWEEN THE UK AND OUR ARAB FRIENDS. YOU SHOULD DRAW ON OUR TURS FIRMLY TO REFUTE ANY SUGGESTION THAT WE ARE SUPPLYING IRAN WITH EQUIPMENT WHICH MIGHT MEASURABLY ENHANCE HER MILITARY POTENTIAL. YOU SHOULD PARTICULARLY STRESS THAT:

(A) TOTAL DELIVERIES OF ALL LICENSABLE DEFENCE EQUIPMENT TO IRAN IN THE 4 YEARS 1980 TO 1983 AMOUNTED TO ONLY ABOUT POUNDS 10 MILLION, AND THIS INCLUDED ITEMS LIKE CIVIL AIRCRAFT ENGINES, CIVIL RADAR SPARES, DISTRESS FLARES AND OTHER SUCH ITEMS, WHICH ARE NOT REMOTELY WARLIKE. WE WOULD BE INTERESTED TO KNOW HOW MUCH THE US EXPORTED IN THESE CATEGORIES OVER THE SAME PERIOD.

(B) IN THIS CONNECTION WE HAVE JUST BEEN ASKED TO GIVE A TRANSSHIPMENT LICENCE FOR POUNDS 250,000-WORTH OF US-MANUFACTURED RADAR SPARES FOR THE IRANIAN AIR FORCE. SINCE THE SPARES HAVE BEEN GIVEN A US DEPARTMENT OF COMMERCE EXPORT LICENCE, WE SEE NO REASON TO REFUSE, BUT THOUGHT THE AMERICANS MIGHT BE REASSURED TO KNOW HOW STRICT OUR MONITORING IS.

(C) WE HAVE DENIED OURSELVES MAJOR NEW EXPORT OPPORTUNITIES, E.G. THE 300 CHIEFTAIN TANK ENGINES AND, VERY RECENTLY, A POUNDS SEVEN MILLION ORDER FOR CHAFF-DISPENSING SYSTEMS FOR IRANIAN SHIPS.

(D) THE LIST GIVEN US BY THE IRAQIS APPEARS TO BE A MIXTURE OF MISUNDERSTANDINGS AND PURE FANTASY. WE NOTICE HOWEVER THAT IT INCLUDES 200 SIDEWINDER MISSILES, WHICH ARE US-MANUFACTURED. HAVE SUCH ITEMS PERHAPS BEEN SUPPLIED TO IRAN THROUGH THIRD COUNTRIES?

(E) WE CONSTANTLY HEAR REPORTS OF OTHER US-ORIGIN WEAPONS REACHING IRAN BY CIRCUITOUS ROUTES, ESPECIALLY FROM ISRAEL. WHAT IS BEING DONE TO CHOKO OFF THIS SOURCE OF SUPPLY?

CONFIDENTIAL

16959 - 1

5. YOU SHOULD CONCLUDE BY EMPHASISING THAT OUR BASIC ATTITUDE TO THE IRAN/IRAQ WAR IS IDENTICAL TO THE AMERICAN ONE. WE WANT TO SEE THE EARLIEST POSSIBLE NEGOTIATED END TO THE FIGHTING: AND IN THE MEANTIME WE WANT TO PREVENT ANY HARMFUL ESCALATION. WE HAVE EXPLAINED OUR POSITION ON ARMS SALES CLEARLY, FULLY AND CONSISTENTLY, AND WE HAVE COOPERATED TO THE FULL IN CONTINGENCY PLANNING. BUT WE DO NOT LIKE 'BEING BAD-MOUTHED' BY THE AMERICANS WITH THE ARABS, AND WANT THIS TO STOP. THE PROPENSITY OF 'OFFICIALS' TO GIVE GARBLED VERSIONS OF CONFIDENTIAL INFORMATION TO THE PRESS COULD PRECLUDE US FROM BEING AS FRANK WITH THEM IN FUTURE.

6. IN REPORTING THE RESULTS OF YOUR DEMARCHE YOU MAY CARE TO SPECULATE ON THE US MOTIVATION (INCLUDING THE PERSONALITIES RESPONSIBLE FOR KEEPING THE CAMPAIGN GOING). IF THE RESPONSE IS UNSATISFACTORY WE MAY NEED TO CONSIDER RETURNING TO THE CHARGE AT MINISTERIAL LEVEL.

HOWE

IRAN/IRAQ

STANDARD (PALACE)

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NENAD
NAD
UND
SOV D
ECD (E)
MAED
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ERD
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CONS D
CONS EM UNIT
DEFENCE DEPT
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ADDITIONAL DISTRIBUTION

IRAN/IRAQ

3
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