

PRIME MINISTER

Supply of Defence Equipment to Syria

You agreed in May that MOD officials could explore the prospects of arms sales to Syria. You were sceptical.

You were quite right. The Defence Secretary's minute (Flag A) attached shows that the Syrians only real interest is in items which it would be impossible to supply: tanks, Jaguars and Blindfire.

*Passage deleted and retained under Section 3(4). Wayland 23 May 2014*

The Defence Secretary recognises he has drawn a blank. He wants to tell the Syrians that we would be ready to supply some less contentious items but only in the context of a developing relationship and on a gradualist basis. Only if the Syrians responded positively would he go ahead with the proposed visit to Damascus by officials which was earlier agreed.

Sir Geoffrey Howe (Flag B) agrees that we have reached the end of this particular line but also wants to keep the door ajar for the future.

Agree course proposed by Defence Secretary?

*CDP*

*Yes no*

11 July 1984



cc/c  
To await 33  
DTI cannot

PM/84/116

PRIME MINISTER

Supply of Defence Equipment to Syria

1. I have seen a copy of the minute of 27 June from the Secretary of State for Defence.
2. I think we have reached the end of this particular episode, but I agree that the Secretary of State for Defence should now reply to General Tlass on the lines he proposes. Even if we judge that there is little room to expect a useful Syrian reply, we should leave the door open for the future. We must also protect the prospects for our wider political dialogue with Syria.
3. I am sending copies of this minute to the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, the Secretary of State for Defence, and Sir Robert Armstrong.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

9 July 1984

Middle East Line Sales A3

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PM/84/112A

PRIME MINISTER

- CCPC<sup>①</sup>
- Prime Minister.
1. Re Talbot point is a weighty one.
  2. No lethal items are involved.
  3. Agree, subject to colleagues' views, to ~~release~~ release of spares provided no major change in military situation?

Iran: Supply of Defence EquipmentCDP  
5/7

1. In my minute of 10 April I set out my proposals for the gradual release of the non-lethal items amongst the armoured vehicle spare parts for Iran. Your agreement to our going ahead on the lines I proposed was conveyed in Mr Coles' letter of 16 April to my Private Secretary.
2. The spate of attacks on shipping in the Gulf shortly thereafter prompted further consideration of whether we should still go ahead at that time. In his minute of 1 June proposing that we should proceed with signature of the oversight contract for the Yarrow ships, the Defence Secretary suggested that we could leave the question of the spares a little longer, and in my minute of 11 June I agreed. The Yarrow ships contracts are now through. IMS signed their contract in April, and the Iranians have paid the bulk of the money outstanding (£17.9 million). The 'oversight agreement' is about to be signed, probably this week.
3. The Iranians had earlier sought to link signature of the Yarrow contracts to assurances from us on release of the spare parts. We have successfully avoided this, but are now coming under increasing pressure from the Iranians for a very early decision on the spare parts. Our Interests Section in Tehran were closely questioned on this by Dr Kashan, the Iranian chief negotiator at the beginning of June; he is now in London and has raised the question again. There could be serious repercussions on our relations with Iran if we do not show early progress on this question.

/4.



4. A new and potentially weighty consideration is that our Interests Section report that progress on the spares may well be a determining factor in securing the release of letters of credit, totalling £14 million, to Talbot (UK), without which Talbot will be in increasing difficulties and will have to lay off 2,000 men at their Stoke factory. (Talbot's exports to Iran contribute more than £100 million per annum to our export earnings.) Since all foreign firms are having temporary difficulties in securing payment because of the drop earlier this year in Iranian foreign currency earnings, it will require a decision to discriminate positively in Talbot's favour to restore their position. The same Iranian officials deal with our exports, including those from Talbot, and with the problem of the non-lethal spares.

5. From the viewpoint of our bilateral relations with Iran, it would be very much to our advantage now to begin the gradual release of these items to the Iranians. The main complication is of course the continuing conflict with Iraq, where a major Iranian land offensive has been forecast since February, and may be launched in the next few weeks. It would clearly look odd to release any of the spares while the offensive was actually in progress. On the other hand, if it does not in fact take place, or is a total failure, it is likely that the Iranians will revert to the somewhat less intransigent stance we have seen lately: for example they agreed to the UN Secretary-General's 10 June call for a cessation of attacks on civilian centres, accepted the presence of UN observers to monitor this, and played a relatively more constructive role in recent discussions in the UN Security Council. They have also announced that if the Iraqis made no further attacks on shipping in the Gulf, they would exercise the same restraint. Gradual release of the spares to them at this stage could therefore perhaps be defended as a gesture of appreciation for their somewhat more moderate and realistic approach.

/Equally,



Equally, if the situation deteriorates and they go back on the international undertakings they have made, refusal to continue with the release of spares could more easily be justified.

6. We have explained our policy on both the ships and the spare parts to the Americans, to the Iragis and to most of the other Arab states, who seem, albeit reluctantly, to understand even though they do not accept our policy. Going ahead now would both remove an increasing irritant from our relations with the Iranians and enable us to take advantage of the present relative understanding on the part of the Arabs for such a move. It may also help to tip the balance on the Talbot case. It was noteworthy that the Americans made no mention of deliveries of defence equipment to Iran during the Political/Military talks in London this week. None of this means of course that we shall escape criticism if and when news of a decision leaks out. We shall need to have a carefully prepared public line, and to deploy it vigorously with critics of our policy.

7. I hope therefore that you and other members of OD(EM) can now confirm your earlier agreement to our going ahead on the lines I proposed in my minute of 10 April, provided that there is no major change in the military situation on land.

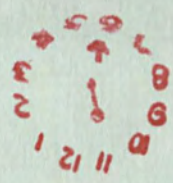
8. In view of the implications for British industry of the Talbot problem, I am sending copies of this minute to the Trade & Industry and Employment Secretaries, as well as to OD(EM) members and Sir R Armstrong.

GEOFFREY HOWE

Foreign &amp; Commonwealth Office

5 July 1984

IRACEL: Iraq/Iran #4



- 4 JUL 1984



MO 26/9/4

*cell 32*  
*Await reply from FCS & Mr. Robbit*  
*CDP 25/6*

PRIME MINISTERSUPPLY OF DEFENCE EQUIPMENT TO SYRIA

Following your agreement that we should maintain contact with the Syrians two of my officials visited Geneva to discuss with General Tlass's nominated representative plans for an official visit to Damascus.

2. As a result of that meeting it is clear that, although this approach has been authorised at the highest level, it is unlikely that the Syrian Government would regard the proposed deal as having particular significance for future political relationships between Britain and Syria. Of the five items included on General Tlass's list, the Syrians regard Hawk trainers and early warning radars as secondary. Their real interest centres on tanks, Jaguars and Blindfire Rapier: while one of these three items might be negotiable, they would not want to proceed if the British Government was unwilling to give the green light to supply at least two of the three. The Syrians also made it clear that, while they accepted that a package of this size would take at least four years to complete, they would not agree to delivery dates being artificially delayed for political reasons. They also felt that any discussion in Damascus with General Tlass could only profitably and constructively take place after the terms and scope of the deal had been established through representatives; substantive discussions in Damascus were not possible.

3. We therefore appear to have little scope for our preferred option of a gradualist approach based on an initial Hawk and radar sale with other items being considered for supply later. As a result of enquiries during the visit to Geneva we have heard that the Syrians would be





prepared to forgo tanks from the package but the supply of Blindfire Rapier and Jaguar aircraft would still pose clear political and security problems.

4.

*Passage deleted and retained under Section 3(4).  
C. Wayland, 23 May 2014*

Despite the value of the potential orders we have always recognised the political difficulties surrounding supply and the need to work cautiously on a step by step basis. This new information makes such an approach all the more necessary. But the response from General Tlass's representative appears to rule it out.

5. I have not so far formally replied to General Tlass's approach. With colleagues agreement I intend to reply saying that, while we would be willing to consider the supply of some of the items required, we should want to put this in the context of a developing relationship between the two countries and to proceed on a gradualist basis. If, unexpectedly, this reply received a positive response we could then go ahead with the Damascus visit as previously proposed.

6. I am copying this minute to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry and Sir Robert Armstrong.

Ministry of Defence  
27th June 1984