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Prime Minister
 You should be aware of the study
about how we should respond to
request from the Gulf states for
assistance if the war escalates.

A.F.C. $\frac{25}{10}$

SECRETARY OF STATE FOR DEFENCE

Consequences of an Escalation of the Iran/Iraq War

1. There has been much speculation about the possibility that the Iraqis may use their new Super Etendard aircraft to disrupt Iranian oil exports from the Gulf. In that event, the Iranians might seek to retaliate in one or more of the following ways:

- (i) attacks on the Iraqi/Turkey pipeline;
- (ii) attacks on Gulf state ports and oil installations;
- (iii) blockade of Gulf state oil export terminals;
- (iv) attacks on tankers going to or from Gulf state oil terminals;
- (v) attempted closure of the Straits of Hormuz, which could involve:
 - (a) a declaration that the Gulf was closed to shipping;
 - (b) mining or blockage of the Straits;
 - (c) attacks on shipping.

2. I do not wish to be alarmist about these possibilities. It is not yet certain that the Iraqis will use the Super Etendards in the way that has been feared. Iranian naval and air capabilities are limited, and could not, for example, sustain a blockade of the Straits for long. The latest indications from Tehran are of greater caution, and a retreat from the exaggerated threats of the past few weeks. Recent

/activity



activity at the United Nations has led to the preparation by the Western four members of the Security Council of a resolution calling inter alia for an immediate ceasefire in the Gulf area. Though the Iranians are suspicious of most UN activity, they may be unwilling to reject this out of hand.

3. Nevertheless we cannot assume that Iranian reactions to the use by Iraq of Super Etendard/EXOCET against economic targets will be rational. We may be faced at short notice by requests for air or naval assistance, either from an Arab Gulf state which is threatened by attack or from the Americans, who are, like us, concerned to maintain freedom of navigation throughout the Straits of Hormuz. UK/US politico-military talks in Washington on 18/19 October provided an opportunity to compare notes on the extent of the threat, and established that the Americans have no clearly defined policy as yet for responding to the potential crisis; that their ideas for possible military action are to date modest; and that they would wish to act cautiously, and preferably only in response to a direct request for help from one of the Gulf states. This is reassuring, but there is a continuing need to keep very closely in touch with the Americans, in order to influence their thinking as it develops.

4. I also believe we should clear our own minds about the range of British military support which could be made available in any of the contingencies outlined above, if we decided that the urgency of the Gulf situation required us to divert some part of our forces from their existing commitments. To set the ball rolling, I attach a short self-explanatory paper illustrating some of the questions which might need to be answered if the Iranians exercised any of the options listed above. Your own experts will be best placed to take this further. I should be grateful for your comments on this paper and on the other points I have raised.

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5. I am sending copies of this letter to the Prime Minister, the Secretaries of State for Trade and Industry, Energy and Transport and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G.H.', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

25 October 1983

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