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PRIME MINISTER

THREAT TO SHIPPING IN THE GULF

Please see the attached minute from Tony Parsons.

You have seen correspondence between the Foreign Secretary and the Defence Secretary about contingency planning. I attach again Mr. Heseltine's minute of 23 November and Sir Geoffrey Howe's minute of 25 October.

FLAG A
FLAG B

I quite take Tony Parsons' point that a political decision by you on British participation in military action in the Gulf would concentrate the minds of the bureaucracy. But I do not think that you could possibly take such a decision alone - i.e. without consultation with your colleagues. Nor do I think that you can do it without fuller advice than you have in these papers.

Mr. Heseltine's minute attached clearly shows that our capacity to help militarily is being considered.

Would you like me to write to the Foreign Office and MOD saying that you have noted the contingency preparations, that you think it important that these be quickly completed, and that you would like advice from the Foreign and Defence Secretaries on whether or not it would be right to participate in military action in the Gulf should the need arise? I would ask for this advice to come forward within the next ten days. You could then consider whether an OD discussion was necessary - but I am a bit inclined to think that there can be no final decision on military action until we are faced with an actual situation requiring a decision. Agree?

I think we should have a meeting - with proper papers if possible before James met

A.S.C. - Bureau have already given assurances to some of the Gulf states not

2 December 1983

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MR. COLES

THREAT TO SHIPPING IN THE GULF

In my recent paper on the Middle East, I said that I thought we should make contingency plans very quickly against a possible crisis in the Gulf. Although it may not materialise, the problem is that it could be on us at any moment. It only requires the Iraqis to do one thing, eg a determined attack on Kharg Island or sinking an Iranian tanker, for the Iranians to react in some way or another. This would immediately trigger an international crisis.

We know about American contingency planning (Washington tel 3586 - copy attached). The Secretary of State for Energy has circulated a memorandum on the oil supply implications (copy attached). Work is in progress between FCO and MoD on a paper dealing with diplomatic and military contingencies. It may still be some time in gestation.

I believe that Prime Ministerial guidance is needed in order to clear away some of the bureaucratic undergrowth. The diplomatic and technical contingency preparations are arduous but relatively straightforward. The crucial point is a political decision of principle on whether or not we should participate in military action to clear the Straits and/or protect the Arab states of the Gulf if they need it.

I believe that, if it comes to the crunch, we must participate. If we fail to do so, there would be three important negative consequences. The Arab states in the Gulf would lose all faith in us as a residual presence in their area. There would be a serious Anglo/American split. Domestic opinion of the kind which matters would be severely critical. The worst outcome would be for the Americans to do the job themselves, leaving us bleating on the sidelines.

If the Prime Minister feels similarly, and gives the necessary guidance to the Foreign Secretary and the Defence Secretary, contingency planning could be accelerated. The money would have to be found - an important point - and we could decide on the nature of our participation. This need not be extensive. It could be confined eg to the provision of Nimrod, or Rapier, or a minesweeping capability. What would matter would be our willingness to participate.

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I am putting this on paper as I will not have a chance to see the Prime Minister until late next week. I should add that I am not meant to know as much as I do about the state of planning within the FCO and the MoD.



A.D. PARSONS
1 December 1983

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