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MINISTER OF STATE FOR  
THE ARMED FORCES

*Await reply from FCS.*

D/MIN(AF)/JS/5/3/57

*A.F.C. 20/1*

20 January 1984

Foreign & Commonwealth Secretary

CONSEQUENCES OF AN ESCALATION OF THE IRAN/IRAQ WAR

Thank you for your minute of 6 January to Michael Heseltine to which he has asked me to reply in his absence in the Falklands. He discussed your minute with me before he left. He had also seen the minute of 9 January from No 10, recording the Prime Minister's support, subject to the views of OD(EM) colleagues, for the Omani request that we should bring our Mine Counter Measures (MCM) force to a higher state of readiness at their expense. As Richard Luce has indicated that a response to this request is urgently required, I am replying on this question now. Consideration of the other questions in your minute can be deferred until the forthcoming OD(EM) meeting.

2. There have been no significant new developments in the Gulf to cause us to believe that Iranian mining of the Straits of Hormuz is any more likely than it was last month. Indeed our assessment is that the Iranian mining capability in the water conditions of the Straits is currently very limited indeed. The case for responding positively to the Omani request is therefore a diplomatic rather than a military one.
3. Our understanding is that the Omanis would at present be satisfied if the readiness of the MCM force were reduced to about one month's notice from its present six weeks. A reduction to 32 days' notice can be achieved, without the significant operational penalties of having to deploy outside UK waters, by taking up the necessary command/support ship from trade. Conversion costs of some £20,000 and daily hire costs of some £10-12,000 would be involved, plus any restoration costs on return.
4. There is inevitably a substantial risk that the Omanis will regard the fact of their payment for putting our force at higher readiness as granting them some lien on its deployment. We therefore consider it essential that we should at the outset make it clear to the Omanis in unambiguous terms that the decision over any future deployment would be taken by HMG in the light of the circumstances at the time. But we must also recognise that even this qualification will not prevent them from holding the strong expectation that the force would be deployed if they so request it.

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5. You will want to consider at what stage we should let the Omanis know that any future deployment of the MCM force outside UK waters to meet their needs might be wholly or partly at their expense. Our best estimate at present is that the total charge would be of the order of a little over £4m a quarter calculated on the normal full cost basis for repayment activities. We would also have to consider the need for indemnification to cover the ships and personnel against loss or damage. An alternative would be to put the charge on to an additional cost rather than on to a total cost basis. We estimate that this would bring the charge down to £1.3m a quarter.
6. I must also make it clear that there would also be operational penalties elsewhere if the force were deployed. In particular this would reduce the MCM effort on route surveys (including the Clyde approaches), development trials of new MCM equipment, and participation in NATO and national exercises. The MCM force would also need protection against the threat from the Iranians that would undoubtedly exist if we were to embark on clearing their mines. The operational penalties would, of course, need to be taken into account in considering any proposal to deploy the force to the Gulf.
7. Provided that you and our colleagues are content, I suggest that our response to Oman should therefore be couched in terms which:
- a. Indicate that our MCM force of 4 Mine Counter-Measures Vessels could be brought to a rather higher state of notice of one month, rather than 6 weeks as at present;
  - b. That we would look to them to meet the costs of our doing so;
  - c. That we would have to reserve to ourselves absolutely any decision to deploy the force to the Gulf, and
  - d. That if such a decision was taken to meet their own requirements we may look to them for a contribution to the costs.
8. I am copying this minute to our colleagues in OD(EM).



JOHN STANLEY

Iraq: relations Iran/Iraq pt. 3.

20 JAN 1984

