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Prime Minister.

A.S.C. 26/3

FCS/84/89

SECRETARY OF STATE FOR TRADE AND INDUSTRY

Are we certain that the firm will not export these chemicals by the way the manufacturing is arranged? If so how can one stop the delivery to Iran? no

Iraq/Iran: Chemical Weapons

1. We learned yesterday of the proposed supply by a British firm (Aldrich Chemical Co Ltd) to Iran of two chemicals which can be used in the manufacture of mustard gas. Although the quantities involved are not large enough for immediate operational requirements, they may well be intended for Iranian research into the production of chemical weapons.

2. The two chemicals concerned are thiodiglycol, used extensively in the textile printing and dyeing industry, and chloro-ethanol, a chemical intermediary in the formation of thiodiglycol. Thiodiglycol, combined with hydrochloric acid or similar compound produces mustard gas, in a stable and controlled way.

3. I understand that neither thiodiglycol nor chloro-ethanol are subject to licensing under the Export of Goods Control Order; that there would be difficulties in making them subject to licensing under the Export of Goods Control Order, given that the normal end-use of these chemicals is industrial rather than military; and that any licensing arrangement would need to be extended across the board rather than applied only in the case of Iran (or Iraq).





4. It seems to me we have three options:

(i) to make informal approaches to the British company with the aim of persuading them to delay or cancel this shipment. I know that our officials are in touch direct on this, but any action must be taken very quickly if there is to be any hope of stopping this shipment. I would hope that your officials could take the lead on this with the company;

(ii) to act immediately to bring the two chemicals within the scope of the Export of Goods Control Order;

(iii) to arrange an inter-departmental meeting of officials very early next week to consider all the implications of an extension of the Export of Goods Control Order.

5. There are good grounds for early action. We have condemned the use of chemical weapons throughout the world and we should, as a matter of principle, do all we can to discourage their proliferation. The UK has played a leading role in promoting a ban on chemical weapons at the Conference on Disarmament in Geneva, and public disclosure of this shipment could undermine our position. Of more immediate concern, we have been accused repeatedly by Iran of supplying chemical weapons to Iraq. We have not done so, and have worked hard to put the record straight in public. Publicity in the present case would lead many in the Arab world to suspect that we were acquiescing in the supply of chemical weapons to Iraq instead.

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6. On the other hand, I have some doubts about precipitate action to extend the Export of Goods Control Order. We do not know for sure that Iran has ordered these chemicals in order to make mustard gas. Given that the chemicals concerned may be widely used, there could be considerable administrative problems in including them under the Order. I am also struck by the fact that other major Western countries do not seem to be moving quickly to impose their own ban. I understand that the Americans have set up an inter-agency body to review the list of chemicals which might be made subject to licensing if it was established that they could be used in the Gulf war. This does not suggest that they will be acting overnight. We have drawn the attention of the Dutch authorities to secret reports of supplies by Dutch chemical companies to Iraq. We have not had any reports to suggest that they have acted swiftly to impose controls.

7. In the circumstances, my inclination would be to adopt the approach in para 4(iii) above, as well as pressing ahead urgently with the informal contacts to discourage this particular shipment suggested in para 4(i) above. If informal approaches fail to stop this shipment - and more particularly if the result of our enquiries confirms our fears about the purpose of the order - we might need to move quickly to amend the Export of Goods Control Order, all the more so if we get wind of further shipments). Early inter-departmental consideration of the issues involved would put us in a better position to do so.

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