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 UKMIS NEW YORK, PARIS, STOCKHOLM, CAIRO, MOSCOW, NEW DELHI.

YOUR TELNO 301 TO TOKYO: ATTACKS ON GULF SHIPPING

1. I SPOKE TODAY TO ATTAFF, DIRECTOR GENERAL FOR POLITICAL AFFAIRS AT MFA. I PRESENTED THE APPROACH AS A FOLLOW-UP TO THE DISCUSSIONS ON IRAN/IRAQ AND THE IMPORTANCE OF FREEDOM OF GULF NAVIGATION WHICH MR LUCE HAD WITH DR IBRAHIMI LAST WEEK.

2. ATTAFF SPOKE VERY OPENLY. FOLLOWING THE ESCALATION OF ATTACKS ON SHIPPING THE ALGERIANS HAD MADE A FRESH ANALYSIS OF THE ATTITUDE OF BOTH PARTIES. THEY HAD CONCLUDED THAT BOTH SIDES' POSITION HAD NOW STIFFENED AND THERE WAS EVEN LESS HOPE OF RATIONAL REFLECTION ON THE CONSEQUENCES OF THIS LATEST DANGEROUS DEVELOPMENT THAN MIGHT HAVE BEEN THE CASE A FEW WEEKS AGO. FOR THEIR PART THE IRANIANS WERE NOW SO COMMITTED TO THE STRUGGLE THAT THEY WERE PREPARED TO RISK BRINGING ALL SHIPPING IN THE GULF TO A STANDSTILL NOT BY PHYSICALLY BLOCKING HORMUZ WHICH WAS IMPRACTICABLE BUT BY COUNTER STIKES AGAINST THIRD COUNTRY SHIPPING WHICH WOULD DETER ALL BUT THE BOLDEST FROM ENTERING THE GULF. THE FACT THAT IT WAS IRAN WHICH PROBABLY STOOD TO LOSE MOST IN ECONOMIC TERMS BY SUCH ACTION DID NOT COUNT WITH THEM. ONLY THE REMOVAL OF SADDAM HUSSAIN WOULD PLACATE KHOMEINI. THE ALGERIANS HAD THOUGHT THAT, WITH THEIR POSITION REINFORCED BY THE RECENT ELECTIONS, THE IRANIAN REGIME MIGHT HAVE CONSIDERED DROPPING THIS CONDITION. BUT THE REVERSE HAD HAPPENED IN THE FACE OF IRAQ'S ATTACKS ON KHARG SHIPPING. THE RISK OF THE SITUATION SLIDING INTO A BROADER CONFLICT INVOLVING GULF STATES AND THE MAJOR POWERS WAS NOW VERY REAL. RASFANJANI'S THREAT BEFORE THE HIGHER DEFENCE COUNCIL TO STRIKE AT ALL THOSE WHO HELPED IRAQ HAD TO BE TAKEN SERIOUSLY.

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3. THE IRAQIS TOO WERE NOW MORE COMMITTED TO AN ALL OUT FIGHT THAN EVER. TAHA RAMADAN'S RECENT STATEMENT THAT IRAQ HAD ACHIEVED A 50% REDUCTION IN IRANIAN OIL EXPORTS ILLUSTRATED IRAQ'S INTENTION TO

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CONTINUE THE CAMPAIGN OF SHIPPING STRIKES.~~

4. ATTAFF SAID ALGERIA THUS SAW VERY LITTLE PROSPECT OF ACHIEVING AN EARLY STABILISATION OF THE SITUATION THROUGH DIPLOMATIC INTERVENTION. HE COULD ASSURE US THEY WERE ACTIVELY URGING MODERATION ON BOTH PARTIES THROUGH ALGERIAN EMBASSIES IN BOTH CAPITALS BUT COULD DETECT NO INDICATION THAT A HIGHER LEVEL APPROACH WOULD GET ANY WHERE. I ASKED WHETHER A BROADER BASED FORUM OFFERED ANY PROSPECT OF MEDIATION AT THIS CRITICAL STAGE. ATTAFF DISMISSED THE UN AND PALME'S EFFORTS AS A NON-STARTER SO FAR AS IRAN WENT. NOR WOULD THE GOOD OFFICES COMMISSION OF THE ISLAMIC CONFERENCE FARE ANY BETTER, NOT ONLY BECAUSE SEKOU TOURE WAS NO LONGER AROUND BUT ALSO BECAUSE OF THE HOSTILE IRANIAN REACTION TO THE COMMISSIONS EARLIER REPORT, SEEN AS FAVOURING IRAQ. NOR WAS HE HOPEFUL OF THE NAM. WE AGREED THIS LEFT ALGERIA IN A POTENTIALLY KEY ROLE. BUT HE INSISTED THAT HIS GOVERNMENT COULD NOT ACT WHILE BOTH PARTIES REFUSED TO LISTEN. —

5. I ASKED HOW ALGERIA SAW THE POSITION OF SAUDI ARABIA AND THE GULF STATES. HE SAID THESE WERE ALL PRESSING ALGERIA HARD TO DO SOMETHING. IT WAS ALL VERY WELL FOR THE ARAB LEAGUE TO PASS STERN RESOLUTIONS CONDEMNING IRAN, BUT IRAQ MUST CARRY HER SHARE OF BLAME TOO. HE SAID THAT, SPEAKING VERY FRANKLY, ALGERIA RECOGNISED THAT IF IRANIAN RETALIATION INVOLVING GULF STATES CONTINUED, THE US, PERHAPS WITH OTHER WESTERN STATES, WAS LIKELY TO BECOME MILITARILY INVOLVED IN THE PROTECTION OF SHIPPING. THIS WAS A VERY DISTURBING PROSPECT, AS IT COULD DRAW BOTH SUPER POWERS INTO SOME DEGREE OF CONFRONTATION IN THE GULF. BUT SAUDI ARABIA AND OTHER GULF STATES WERE OBVIOUSLY INCAPABLE OF ENSURING THEIR OWN PROTECTION AND IN PRACTICE MIGHT HAVE NO OPTION BUT TO ASK FOR WESTERN HELP. FOR THEIR PART THE RUSSIANS, EVEN IF THEY WISHED TO DO SO, CARRIED NO SIGNIFICANT INFLUENCE WITH IRAQ, AND CERTAINLY NOT WITH IRAN.

6. COMMENT. A VERY REALISTIC IF SOMBRE APPRAISAL. ATTAFF WAS BEING VERY CANDID WITH US. THE ALGERIANS REALISE THEY PROBABLY CARRY AS MUCH WEIGHT AS ANYONE, AND ARE EVIDENTLY DOING THEIR BEST TO CALM THINGS BUT WITH LITTLE HOPE OF SUCCESS. I HAVE THE IMPRESSION THEY ARE FACING UP TO EVENTUALITY OF WESTERN INTERVENTION TO PROTECT SHIPPING, BUT ARE CLEARLY UNEASY ABOUT WHAT ACTION THE US MAY TAKE AND POSSIBLE RUSSIAN RESPONSES. BEYOND SAYING THAT HE ASSUMED WE WERE IN DISCUSSION WITH THE AMERICANS ABOUT CONTINGENCY ACTION, ATTAFF DID NOT SEEK TO BRACKET US WITH THE AMERICANS IN HIS EXPRESSION OF CONCERN ABOUT SUPER POWER INVOLVEMENT. HE RECOGNISED THAT OUR OWN LINKS WITH THE GULF STATES WERE CLOSE. IF WE WERE TO BECOME DRAWN INTO MILITARY INVOLVEMENT, I HOPE THAT WE CAN GIVE ALGERIANS SOME EXPLANATION OF WHAT WE INTEND.

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