



Prime Minister.

Foreign and Commonwealth Office

This — and the telegram which I have attached will bring you up-to-date.

London SW1A 2AH
21 May 1984

No further immediate action is necessary.

Dear John, A.F.C. $\frac{21}{5}$

Iran/Iraq: Attacks on Shipping in the Gulf

The Foreign Secretary thought you might find it useful to be brought up to date on developments in the Gulf conflict since the OD(EM) meeting on 18 May. Since then there has been one more attack on a merchant ship in the Gulf: the Panamanian bulk carrier, 'Fidelity', which was sunk south of Kharg Island by the Iraqis early on Saturday morning. The Iraqi claims to have sunk two ships on 18 May, which Sir Geoffrey Howe mentioned at the beginning of OD(EM), have not been substantiated.

We have been engaged in intensive diplomatic activity over the weekend with the general objective of bringing as much international pressure as possible to bear on Iran and Iraq to de-escalate the situation in the Gulf. The results so far are as follows:

The Ten

The Ten, acting on our suggestion, have agreed to make demarches in both Tehran and Baghdad about the requirement to preserve freedom of navigation in the Gulf. The demarche in Baghdad was made today, 21 May, by the troika of past, current and future Presidencies (Greece, France and Italy, representing Ireland). The Iraqis, who appeared to have advance knowledge of the text, said they could not accept the EC statement. Their pretext was that Iraq had taken a responsible attitude to peace-seeking throughout, and should not be placed on the same footing as Iran.

Washington

Although they are not optimistic that further attacks on shipping will not occur, the Americans clearly share our objective of acting by diplomatic means. They have received no requests for assistance from the Gulf States

/and

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and they made no such offers. It is significant that the Americans have now announced that a public request from the Gulf States would be necessary before assistance could be considered. This is exactly the point we have been making to the Americans for some time. The US Ambassador has reported, after speaking to Macfarlane of the NSC, that the Americans intend to concentrate on calming the situation, especially the oil market.

A team of UK FCO and MOD officials flew to Washington today where they will discuss, among other things, action at the UN and contacts with the Russians. They will report by the evening of 23 May, in time for Cabinet on Thursday.

Arab League Meeting in Tunis

An emergency meeting of the Arab League adopted a resolution on 19 May expressing deep concern at Iranian attacks on shipping; calling on Iran to stop such attacks; and calling on the UN Security Council and the international community to act to prevent such aggression.

United Nations

Representatives of the Gulf Cooperation Council (GCC) are going to New York later this week to urge the Security Council to take a firm line to prevent further Iranian attacks. The GCC seem intent on a Security Council resolution which would condemn Iran and, if Iran continued its attacks, call for action under Chapter 7 of the UN Charter. The Americans have already told the Kuwaitis that they could not support an unbalanced resolution or language which might lead to sanctions. We are taking the same line with the Omanis, who have asked for our views.

Attitude of Iranians

Statements by Iranian leaders indicate their determination to continue the conflict and to threaten action against countries which intervene in the Gulf. But they have not yet responded to the attack on the 'Fidelity' (para 1 above).

Attitude of Iraqis

The Iraqi press says that Iraq will continue attacking shipping in an effort to 'force' Iran to peace talks.

/Attitude

Attitude of Gulf States

In general there is a widespread reluctance to press Iraq to stop its attacks on shipping. Saudi Arabia has confirmed it will defend itself against any further attacks on its shipping by Iran in Saudi territorial waters. Oman has urged the Americans not to intervene militarily. Bahrain is concerned at developments but they have given no sign so far of making a request for assistance from the Americans or ourselves. The Bahrainis are unlikely to urge caution on Iraq, but hope that Saudi Arabia or Kuwait might do so instead. Similarly the UAE are worried but look to other Gulf States to take the lead. Kuwait is very worried and fears it is now in the front line.

We have urged Turkey, Pakistan, Algeria, India and Japan, who are well placed to talk to Iran, to use their influence to restrain the Iranians. Algeria and Japan have already responded that they are urging restraint, but neither holds out much hope for success.

The National Union of Seamen have been pressing for HMG to instruct British shipping not to enter the Gulf until freedom of navigation can be guaranteed. While we have no legal power to instruct owners in this way, we are in touch with the Department of Transport to agree a strengthening of our general warning on the heightened risk to shipping in the Gulf.

I am sending a copy of this letter to the Private Secretaries of the other members of OD(EM).

Yours ever,

Len Appleyard

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Private Secretary

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21 MAY 1974

