

Iran / Iraq

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TO IMMEDIATE FCO

TELNO 1926 OF 20 JUN

INFO PRIORITY MOSCOW, UKMIS NEW YORK, TEL AVIV, BEIRUT, DAMASCUS, AMMAN, CAIRO, BAGHDAD, TEHRAN, GULF POSTS, UKDEL NATO, PARIS, INFO SAVING OTHER MIDDLE EAST POSTS.

MIDDLE EAST.

1. MINISTER CALLED ON ASSISTANT SECRETARY MURPHY TODAY TO REVIEW DEVELOPMENTS IN THE MIDDLE EAST IN ADVANCE OF YOUR VISIT TO MOSCOW.

THE GULF.

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2. MURPHY SAID THAT US INTELLIGENCE ANALYSTS WERE NOW PREDICTING THAT THE IRANIAN LAND OFFENSIVE WOULD NOT TAKE PLACE BEFORE THE END OF JUNE OR EARLY JULY, THOUGH THEY COULD GIVE NO EXPLANATION FOR THE DELAY. THE IRAQI STRATEGY OF CUTTING OFF OIL EXPORTS FROM KHARG WAS NOT WORKING: IRANIAN OIL EXPORTS HAD RISEN OVER THE PAST TWO WEEKS PERHAPS TO AS MUCH AS 1.8 MILLION BPD. HE EXPECTED THE IRAQIS TO RESUME THEIR ATTACKS ON TANKERS. IT WAS NOT YET CLEAR WHETHER THE RECENT SAUDI ACTION WOULD DETER THE IRANIANS FROM RETALIATORY ATTACKS ON SHIPPING USING ARAB GULF PORTS. IF IT DID, THE IRANIANS MIGHT TURN TO SABOTAGE, MOBILISING FOR THIS PURPOSE THE HUNDREDS OF PEOPLE WHO HAD BEEN TRAINED IN IRAN AND INFILTRATED INTO THE GULF STATES.

3. KUWAIT WAS A PARTICULARLY SOFT TARGET. THE AMERICANS WERE THEREFORE TRYING IN THEIR PUBLIC STATEMENTS TO AVOID GIVING ANY IMPRESSION THAT KUWAIT HAD BEEN ABANDONED BY ITS FRIENDS IN THE WEST. THE KUWAITIS HAD RECENTLY REACTED MORE CALMLY THAN EARLIER TO THE AMERICAN UNWILLINGNESS TO SUPPLY STINGERS AT THIS TIME, TAKING THE LINE THAT THEY DID NOT WANT THIS TO BECOME A CONTINUING CONTENTIOUS ISSUE BETWEEN THEMSELVES AND THE US. NO FINAL DECISION HAD BEEN TAKEN. BUT IT WAS CLEAR THAT CONGRESS WOULD NOT APPROVE ANY SUPPLY OF STINGERS TO KUWAIT EVEN THOUGH THE AGITATION ON THE HILL ABOUT THE RECENT SALE TO SAUDI ARABIA HAD NOW SUBSIDED.

4. THE AMERICANS HAVE NOT YET PUT TOGETHER THEIR PROPOSED PACKAGE OF MILITARY ASSISTANCE FOR KUWAIT. MURPHY SAID THAT IT WAS LIKELY TO INCLUDE UPGRADING OF KUWAIT'S HAWK MISSILE BATTERIES, WHICH HAD NOT BEEN WELL MAINTAINED, AND ENHANCEMENT OF THEIR RADAR CAPABILITY. THE REPORT OF THE US MILITARY TEAM WHICH RECENTLY VISITED KUWAIT WAS STILL BEING STUDIED IN THE PENTAGON. MAINTENANCE WAS THE MAIN PROBLEM: THE KUWAITIS HAD ALSO EXPRESSED CONCERN TO THE US ABOUT THE POLITICAL RELIABILITY OF THE EXPATRIATES, MAINLY PAKISTANI SHIAS, ENGAGED IN THIS WORK.

5. ON THE SOVIET ANGLE, HANNAY GAVE A GENERAL ACCOUNT OF OUR THINKING DRAWING ON YOUR TELNO 549 TO MOSCOW (NOT TO ALL). MURPHY SAID THAT THIS WAS CLOSELY IN LINE WITH US VIEWS. THOUGH THERE HAD BEEN NO DETAILED DISCUSSION ON THE GULF, THE MESSAGE THEY HAD BEEN TRYING TO GET ACROSS TO THE RUSSIANS WAS THAT WESTERN MILITARY INTERVENTION, IF IT BECAME NECESSARY, WOULD IN NO SENSE BE DIRECTED AGAINST SOVIET INTERESTS. MURPHY THOUGHT THAT THE RUSSIANS MIGHT BE READY TO ACCEPT THIS: THEY HAD NO EASY ANSWERS ON THE GULF AS THEY DID ON ARAB-ISRAEL AND NOR HAD THEY BEEN INDULGING IN QUITE THE SAME KIND OF FACILE ANTI-US RHETORIC AS THE FORMER. THE US ASSESSMENT WAS THAT THE RUSSIANS WANTED CONTAINMENT OR, PREFERABLE, WINDING DOWN OF THE WAR, WHICH WOULD ENABLE THEM MORE EASILY TO KEEP THEIR FOOT IN THE DOOR IN TEHRAN. SHULTZ HAD TAKEN THE LINE PUBLICLY THAT THE GULF WAR HAD NOT BECOME AN EAST-WEST ISSUE AND THAT THE US AND USSR HAD SOME COMMON INTERESTS IN THE REGION. MURPHY HAD LITTLE INFORMATION ABOUT THE RECENT VISIT OF AN IRANIAN MFA OFFICIAL TO MOSCOW. IT SEEMED THAT VELAYATI MIGHT VISIT MOSCOW LATER IN THE YEAR. BUT THERE WAS NO SIGN OF IRANIAN FLEXIBILITY ON THE ISSUES - AFGHANISTAN AND TREATMENT OF THE TUDEH PARTY - OF MOST INTEREST TO THE RUSSIANS.

ARAB/ISRAEL.

6. MURPHY THOUGHT THERE WAS LITTLE TO BE DONE ON THIS ISSUE BEFORE THE ISRAELI ELECTIONS. A LABOUR-LED GOVERNMENT WOULD NOT INSTITUTE ANY DRAMATIC CHANGE IN POLICY. BUT THERE MIGHT BE A SENSE OF MOMENTUM AND CERTAIN DOORS MIGHT BECOME EASIER TO OPEN. LABOUR HAD ALWAYS BEEN WILLING, FOR EXAMPLE, TO NEGOTIATE A REDIVISION OF THE TERRITORY OF THE WEST BANK. UNDER LABOUR, ISRAELI/EGYPTIAN RELATIONS WERE LIKELY TO IMPROVE AND THIS MIGHT OFFER A FOUNDATION ON WHICH TO BUILD.

7. MURPHY NOTED THAT LABOUR MIGHT HAVE TROUBLE LIVING UP TO THEIR INTENTION TO WITHDRAW THE IDF FROM LEBANON WITHIN 6 MONTHS. THEY WOULD HAVE TO FACE THE SAME PROBLEMS AS LIKUD - WEAKNESS OF THE LAF, LACK OF A DIALOGUE WITH BEIRUT AND THE SYRIANS. SYRIAN OBJECTIVES VIS-A-VIS THE PLO AND LEBANON REMAINED UNCLEAR: THE SYRIANS HELD THE LEBANESE IN CONTEMPT AND HAD NO UNDERSTANDING OF THE COMPLEXITIES OF THE LEBANON POLITICAL AND SECTARIAN SCENE.

8. THE SITUATION IN SOUTHERN LEBANON WAS NOT IMPROVING. THE BRIDGES REMAINED CLOSED AND AGRICULTURE WAS PARALYSED. LAHAD'S FORCE WOULD NOT BE ABLE TO TAKE CHARGE OF SECURITY FOR AT LEAST TWO YEARS. DESPITE THIS AND THE DECREASE IN THE NUMBER OF ATTACKS ON ISRAELI FORCES MURPHY BELIEVED THAT THE ISRAELIS STILL WANTED TO WITHDRAW. HIS HOPE WAS THAT A RECONSTITUTED LAF, LAHAD'S FORCES AND UNIFIL COULD SOMEHOW BE BROUGHT TOGETHER TO ENSURE SECURITY.

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9. MURPHY SAID THAT THE U.N. SECRETARY-GENERAL HAD MADE CLEAR TO SHULTZ, FOLLOWING HIS VISIT TO THE MIDDLE EAST, THAT HE HAD NO TIME FOR THE PROPOSED INTERNATIONAL CONFERENCE BUT THAT HE WAS INTERESTED IN FINDING A WAY TO ENGAGE THE SECURITY COUNCIL. HE HAD NOT, HOWEVER, THOUGHT THROUGH WHAT THE COUNCIL MIGHT DO. KING HUSSEIN WAS IN FAVOUR OF THIS COURSE AND THE ISRAELIS PREDICTABLY OPPOSED, THOUGH THEY HAD BEEN MUCH FRIENDLIER TO PEREZ DE CUELLAR IN PRIVATE THAN IN PUBLIC. HANNAY SUGGESTED THAT THE SECURITY COUNCIL MIGHT OFFER LESS SCOPE FOR THE RUSSIANS THAN THE INTERNATIONAL CONFERENCE. MURPHY THOUGHT THAT THEY WOULD INEVITABLY PLAY AN UNHELPFUL ROLE.

FCO PSE PASS SAVING TO ADEN, ALGIERS, JERUSALEM, KHARTOUM, RABAT
SAWAA, TRIPOLI, TUNIS.

WRIGHT

MIDDLE EAST
STANDARD(PALACE)

NENAD	SEC D
MED	MAED
NAD	ES & SD
SAD	ERD
UND	ESID
EED	CONS D
SOV D	CONS EM UNIT
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WED	
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