



Foreign and Commonwealth Office

London SW1A 2AH

7 June 1984

Dear John,

London Economic Summit: Political Questions

// Further to your exchange of minutes with Sir Robert Armstrong yesterday, I enclose two drafts for statements to the press on: East/West and Arms Control; and Regional issues. They take account of what we know of the views of participants, including those of Mr Trudeau as set out in his recent letter to the Prime Minister. They also include points put to us by various participants for inclusion in the draft Declaration on Democratic Values but thought to be more appropriate for separate treatment.

I am sending copies of this letter to David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office).

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

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REGIONAL CONFLICTS, INCLUDING THE GULF WAR - POINTS FOR INCLUSION
IN POSSIBLE PRESS STATEMENT OR BRIEFING

(General Points)

1. Grave concern at regional conflicts in various parts of the world, and at the threat they could pose to world peace.
2. Hope that all states, whether developed or developing, aligned or non-aligned, will join us in working for peaceful solutions through dialogue and cooperation.

(Specific Points on Gulf War)

3. Concern at mounting toll in human suffering, physical damage and political bitterness.
4. Concern at breaches of international humanitarian law during the conflict.
5. Call on both sides to cease attacks on each other and on the shipping of other states.
6. Reaffirm commitment to freedom of navigation.
7. Reemphasise need to take mutually reinforcing actions to make best use of the substantial oil supplies available and of other means to help limit the effects of a possible disruption in supplies from this region.
8. Believe peaceful and honourable settlement is within reach of the parties if political will exists.
9. Support any activities that might help to bring this about, particularly the efforts of the United Nations Secretary-General.

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EAST WEST RELATIONS AND ARMS CONTROL - POINTS FOR INCLUSION
IN POSSIBLE PRESS STATEMENT OR BRIEFING

1. Desire for more stable and constructive relationship with the Soviet Union and other Warsaw Pact states in spirit of reciprocity, restraint and respect for everyone's legitimate security interests.
2. Ready for extended political dialogue and long-term cooperation with the Soviet Union and all Warsaw Pact states.
3. Believe East and West have important common interests:
 - in preserving peace: a nuclear war cannot be won and must never be fought;
 - in enhancing confidence and security: work to reduce risks of surprise attack or war by accident, and to improve crisis management techniques;
 - in security at the lowest possible level of forces: this requires balanced, equitable and verifiable arms control agreements;
 - in preventing the spread of nuclear weapons to other countries: strengthen Non-Proliferation Treaty.
4. Seek early and positive results in existing arms control negotiations: look to the Soviet Union to respond to proposals made to it, and to return to negotiating tables which it has quitted.
5. Peace and stability require a united effort: each of us ready to make our contribution.

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07 JUN 1964



ECONOMIC SUMMIT : DISCUSSION AT DINNER : 7 JUNE

IRAN/IRAQ

BACKGROUND

Land War

1. No sign yet of major Iranian offensive which may be launched during this holy month of Ramadhan. Iraq should be able to withstand an offensive as long as morale holds.

Attacks on Shipping in the Gulf

2. No reports of air attacks damaging shipping since 3 June when Turkish vessel was hit by Iraqis south of Kharg Island. However, reports are coming in that a Liberian-registered bulk carrier, damaged by a explosion on 7 June, may have hit a mine. The incident occurred on the Iranian side of the Gulf, about 200 miles south of any previous air attacks. A number of mines laid by Iraq in the northern Gulf some time ago are known to have been washed down the Gulf.

Saudi Attack on Iranian Aircraft

3. There is little further information from Saudi Arabia to add to their statement that a 'target' was shot down on 5 June in Saudi air space, having ignored warnings. Iran has now admitted that one F4 Phantom was shot down and has protested to Saudi Arabia. Iran claims that the aircraft was flying over international waters when it was shot down. They say the Saudis should refrain from any measures that might set the Gulf ablaze and that they will react severely in the event of further incidents. This response is relatively moderate and implies that Iran will be taking no overt action in retaliation for the incident.

Attacks on Civilian Targets

4. Iraq bombed the north-western Iranian town of Baneh on 5 June and the Iraqis claim that there were several hundred casualties. In retaliation, the Iranians shelled Basra and other Iraqi border towns on 6 June. The Iranians claim that 21 were killed in Basra and said they in turn had attacked Iranian towns in reply. Iran confirmed

this, saying that Iraqi bomb and missile attacks had caused casualties in three of their towns. A large number of towns have been named in threat and counter-threat by both sides.

Iraqi Appeal to Economic Summit

5. The Iraqi Foreign Minister has sent a message to the Foreign Ministers of Summit participants, asking for effective efforts to end the conflict. This includes a call for a commercial embargo and a ban on arms supplies to Iran. Iraq says it is willing to co-operate with the international community to reach a peaceful solution.

Oil Market

6. Spot rates normal. No response to Saudi attack on Iranian aircraft.

The Prime Minister may wish to draw on the general Points to Make at Annex A.