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PRIME MINISTER

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Iran: OD Meeting on 15th April

BACKGROUND

OD last took stock of the United Kingdom response to the situation in Iran on 2nd April (OD(80)10~~th~~ Meeting, Item 1). Since then, on 7th April, President Carter has announced an intensification of American sanctions against Iran and appealed publicly to the United States' allies to step up their action against Iran. Details of this American request are set out in an aide-memoire which the United States Ambassador gave to the Lord Privy Seal on 8th April. The paper by the official group on Iran (OD(80) 34) includes a general analysis of British interests in the new circumstances and a commentary on the detailed proposals in the American aide-memoire and on some further possibilities. A copy of the aide-memoire is attached to the paper, at Annex I.

2. The paper by officials contains no recommendations. It was envisaged that discussion would focus on a minute by the Foreign and Commonwealth Secretary. It is not yet clear whether he will in fact have time to produce one.

3. Other relevant developments are a highly secret meeting in the Cabinet Office today of senior British, American, German and French officials at which the President's request to his allies was mentioned only in the context of a general American description of their public and Congressional disillusionment over the lack of concrete allied measures to support the United States either over Afghanistan or over Iran; and President Carter's comparatively unpolemical interview with European reporters, which was broadcast by the BBC on Sunday evening.

4. The Americans are now exerting considerable pressure on their friends and allies, in public as well as privately, to achieve a concerted intensification of action against Iran. They have made it fairly clear that, in the absence of the degree of support they are seeking, they may feel obliged themselves to take even stronger action - presumably with a military dimension. The time is

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approaching when we and our European allies may have to suspend our better judgment on what action is likely to speed the release of the hostages, and fall in line with the American request.

5. Much has been made in the Press of the suggestion that President Carter had given the United States allies a 'deadline' for compliance with his request. Mr. Warren Christopher of the State Department has publicly linked this to the European Council Foreign Ministers' meeting on 28th April. But I was told last night by Dr. Aaron of the White House that, when President Carter referred in his televised interview to having given allies a date, this could be taken as the 'by mid-May' timeframe mentioned in the President's letter of 25th March.

6. The Secretaries of State for Industry and for Energy and the Attorney General have been invited to attend.

HANDLING

7. You will wish to invite Lord Carrington to give his assessment of the position in Iran and of the latest American thinking; and to report on his discussions in Lisbon last week with his European colleagues. The Committee's view of the general situation will provide the background to discussion of how the United Kingdom might now act in support of the United States.

8. On the maintenance of existing measures, you will wish to seek confirmation from the Chancellor of the Exchequer that the informal financial measures can be kept in place without damage to United Kingdom interests; and from Mr. Pym that there should be no relaxation of the ban on arms supplies and, in particular, that an export licence for the Kharg should not be issued.

9. You could then invite Mr. Nott and the Attorney General to give their views of the commercial and legal implications of agreeing to the American request that we implement economic sanctions in the absence of a mandatory decision of the United Nations Security Council. You could also ask Mr. Howell to say what would be the consequences if the Iranians implemented their threat to retaliate by cutting off oil supplies.



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10. You could next ask the Minister of State, Home Office, to assess the pros and cons of introducing stringent restrictions on the entry of Iranian citizens to the United Kingdom. This idea is outlined in paragraph 12a of the paper, and dealt with more fully in Annex IV.

11. Finally, you will wish to invite Lord Carrington to assess the case for breaking off diplomatic relations with Iran, or such lesser measures as withdrawing our Embassy staff and boycotting international meetings involving the Iranians.

#### CONCLUSIONS

12. Subject to points made in discussion, you might lead the Committee to the following conclusions:-

- (i) That the United Kingdom should be ready to move as close as is practicable to the position on sanctions against Iran requested by President Carter.
- (ii) That such a move should not yet be made, but may have to be made at very short notice - in which case the decision should be left to you and the Foreign and Commonwealth Secretary.
- (iii) That the Foreign and Commonwealth Secretary should be guided by the discussion when he attends next week's meeting of the Council of ~~Europe~~ Ministers.
- (iv) That an export licence for the Kharg should not for the time being be issued.

RA

(Robert Armstrong)

14th April 1980



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