

cc Mante Set

CONVERSATION BETWEEN THE PRIME MINISTER AND THE FOREIGN AND
COMMONWEALTH SECRETARY ON SATURDAY 27 SEPTEMBER 1980 AT 1630

PM: Hello, Peter

FCS: Sorry to bother you. Have you seen the flash telegram from Muscat?

PM: Yes, I have. And I'm very worried about it.

FCS: Well, I think this is very serious.

PM: I think they're going into it without having any idea of the consequences.

FCS: Right.

PM: Both for them and on the rest of the world.

FCS: The consequences for us are really gruesome beyond words. I'll tell you what I've done. I've sent off a flash telegram to Muscat telling the Charge d'Affaires to go in and try and do everything he possibly can to stop them allowing it to happen. We've sent, or are sending - I've been on to the, Acland in the Foreign Office - we're sending telegrams to all Gulf States, plus Saudi Arabia, plus Hussain, the King, pointing out, you know if the Gulf is closed. Because you know if they attack Bandara... Incidentally, the Americans, who have a slightly different interpretation, say that the object of this exercise is to take out Bandarabas and not so much the islands. And of course if they take out Bandarabas, nothing is going to go through those Straits.

PM: At all.

FCS: So we've sent these telegrams trying to point out the problems and the difficulties.

PM: Is Carter sending one too?

/ FCS:

FCS: Well, they're all away. Muskie's playing golf in Maine, I don't know what Carter's doing. But I've just talked to Warren Christopher.

PM: I really think it shouldn't only be us.

FCS: Oh they've got the skids on. I've suggested that we get hold of the French and I will get hold of Francois-Poncet who's in New York who must want the Gulf closed rather less than anyone else and see if they can do anything with the Iraqis.

PM: Iraqis, yes.

FCS: Antony Acland's getting on to the Elysee and I'll get on to Francois-Poncet here. And the last person we think might be useful is Aga Shari, whose been mounting this mediation exercise and won't want to see it collapse around his ears, and therefore might be prepared to take some action. But I would judge that it's very unlikely that we shall bump the Iraqis and Omanis off this. And I think it's going to happen.

PM: Yes, I know.

FCS: Really I do think there ought to be, we ought to be thinking about how to pick up the pieces and localise it.

PM: Yes. The whole strategy, Peter, was to isolate it. And I thought we'd succeeded.

FCS: I mean this is a lunacy. I've asked Douglas Hurd and Michael Palliser at Oxford I gather and I've suggested they all get back to London and have a talk before you see them tomorrow morning. There really is an urgency about it.

PM: Who would be most likely to bring pressure to bear on the Sultan?

/ FCS:

FCS: I think Hussain but there is evidence that Hussain has not been entirely blameless in this.

PM: But I thought that I had read telegrams or something in the paper to the effect that both the Kuawaitis and Saudi Arabia were slightly on the side of Iraq.

FCS: Well I think all the Arabs are.

PM: Yes, but that's different from enlarging the area of conflict.

FCS: Well I think it is, don't you?

PM: Yes, I think so.

FCS: Well because surely they don't want the Straits of Hormuz closed and no tankers coming in to the Gulf.

PM: Well Kuwait certainly would find it extremely difficult because of desalination.

FCS: That's right. They'll be all right for a bit but the food I think will be very difficult for them. I've read a telegram today. But in any event we've sent telegrams hoping they can do something.

PM: Well thank goodness. I was so very alarmed indeed when I read it.

FCS: Well I think this is the worst news so far.

PM: It upsets the entire strategy.

FCS: More than that at the moment we can't do. But I hope that they will be doing some thinking and you will have a chance of talking at Chequers tomorrow. I think I'll hang around here for a bit and see what's happening.

/ PM:

PM: In view of the latest development I think you should. How to stop it starting.

FCS: That's right. And then when it starts it may mean even more necessary to Iran. The last bit of the telegram which is also rather worrying is this business of the loan service personnel.

PM: Indeed yes. Because it involves us.

FCS: I think the position is that the loan service personnel are required to obey the orders of the Sultan under an agreement made in 1971 provided what they're asked to do is legal and not, I've forgotten exactly what the words are, are not contrary to, not putting Her Britannic Majesty in danger or something. But it seems at first brush that the implication is that they have to do what they are told.

PM: Yes. We've done it very badly if that is so. I mean are they actually seconded from us or are they independently employed?

FCS: No there are two sorts. There are the contract officers who are in effect mercenaries and there are the loan service personnel ..

PM: I would have thought that the loan service personnel operated only so long as it was not contrary to the fundamental interests of HMG or if in peace-time operations.

FCS: Well I don't think it's written like that. And you see it would have been difficult to write it like that because they were there originally because they were fighting a war against the PDRY. That was the problem I think. But anyway they're looking up the agreement.

PM: Yes, and they will come with advice? But even so the main thing is to stop the proposed event, isn't it?

/ FCS:

FCS: That's right. But I think it's going to be extremely difficult to do. I really do.

PM: Who else could bring pressure on Iraq?

FCS: The French are the only ones immediately to mind.

Mr. Alexander: Should the Prime Minister speak to Giscard?

FCS: Either that or I'll talk to Francois-Poncet here in New York.

PM: Quicker to talk to Francois-Poncet. But who else ...

FCS: I think on the whole I'd better do that. If I get nowhere perhaps you could go in to Giscard.

PM: Yes. Look, as I told you the Yugoslav PM is in Delhi with Mrs Gandhi. Yugoslavia gets 45% of their oil from there. They're non-aligned, Mrs Gandhi's non-aligned, is there nothing that the non-aligned movement can do in connection with Iraq?

FCS: I should think it's a bit too ponderous to get into action ...

PM: Yes, certainly the Yugoslavs are too ponderous altogether.

FCS: But we might consider, the Yugoslavs and the Indians might, the Indians do have quite a close relationship with Iraq.

PM: They're a very big country too.

FCS: I'll have a think about that, Margaret, OK?

PM: It's just that the more people who bring pressure to bear the better. All right Peter.

FCS: I'll keep in touch. What's the time with you now then?

PM: The time with us now is about a quarter to five. I'm here all the time.