

CONFIDENTIAL

PRIME MINISTER

Iran

BACKGROUND

The Foreign and Commonwealth Secretary circulated a minute to members of OD on 18th March proposing a reply to President Carter's message to you of 13th March. He suggested that if necessary the matter could be discussed at OD. It has therefore been put on the agenda for 19th March.

2. You will recall that OD had a general discussion on the problem of the United States hostages in Iran on 22nd January, and on 29th January and 12th February on the particular difficulty over the Kharg. The Secretary of State for Defence will be sending OD colleagues a minute on the latter issue shortly.

HANDLING

3. You may care to invite the Foreign and Commonwealth Secretary to introduce his minute and report if he had had any reactions to it. It seems likely that OD will agree to the proposed anodyne reply to President Carter. His message to you was almost certainly one that was being sent to a number of allies, and it was not intended to invite a substantive debate. But you may care to take up the point in the Foreign and Commonwealth Secretary's minute about a further paper for OD on 2nd April.

CONCLUSION

4. Officials produced a report for consideration on 22nd January on the United Kingdom response to pressure for voluntary measures against Iran. You may now care to guide the Committee to agree that the Secretary of the Cabinet should be instructed to up-date this report for the consideration of OD on 2nd April, covering the various implications for the United Kingdom of the continued detention of the hostages.

RA

(Robert Armstrong)

18th March 1980

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