GPS 4004

SECRET PRIME MINISTER'S

SECRET

FM FCO 251910Z SEP 80 TO FLASH UKMIS NEW YORK (FOR PR SEC) TELEGRAM NUMBER 780 OF 25 SEPTEMBER INFO IMMEDIATE WASHINGTON

MY TELNO 212 TO BELGRADE

Subject file Irag - situation - April D

PERSONAL MESSAGE

SERIAL No. T184 8.

1. FOLLOWING IS TEXT OF PRESIDENT CARTER'S LETTER TO PRIME MINISTER

BEGINS.

I KNOW YOU ARE AS PREOCCUPIED AS I AM ABOUT THE IMPLICATIONS OF THE CONTINUING CONFLICT BETWEEN IRAO AND IRAN. SECRETARY MUSKIE AND LORD CARRINGTON ARE INVOLVED IN CLOSE CONSULTATIONS AT THE UN. OUR OVERRIDING CONCERN, OF COURSE, IS TO SEE THE CONFLICT EROUGHT TO A PROMPT END SO THAT ISSUES BETWEEN IRAO AND IRAN CAN BE NEGOTIATED. HOWEVER, I WANTED TO COMMUNICATE DIRECTLY WITH YOU ON ASPECTS OF THE CRISIS FOR WHICH I BELIEVE PRECAUTIONARY STEPS BY OUR RESPECTIVE GOVERNMENTS APPEAR NECESSARY.

I AM CONCERNED ABOUT THE SECURITY OF SHIPPING IN THE PERSIAN GULF TO AND FROM SAUDI ARABIA AND THE OTHER GULF STATES. THE IRANIAN INTERROGATION OF VESSELS ENTERING THE GULF AND THE SHARP CONSTRAINTS AND INCREASED PRICES FOR INSURANCE THREATEN TO REDUCE DRASTICALLY OIL SHIPMENTS FROM THE PERSIAN GULF STATES. WHILE THE WORLD CAN, IN ALL LIKELIHOOD, ADJUST TO THE STOPPAGE OF IRAQI AND IRANIAN OIL SHIPMENTS FOR A TIME, THE EXTENDED HALT IN ALL OIL EXPORTS FROM THE GULF COULD BE AN ECONOMIC CATASTROPHE.

AS A FIRST STEP IN PREPARING TO DEAL WITH THIS POTENTIAL THREAT, I WOULD URGE THAT YOU MOVE ANY NAVAL FORCES YOU MAY HAVE IN THE INDIAN OCEAN AREA CLOSER TO THE GULF. SUCH A PRESENCE ITSELF WOULD BE A REASSURING FACTOR. ADDITIONALLY, I WOULD RECOMMEND THAT OUR TWO GOVERNMENTS -- WITH OTHER INTERESTED GOVERNMENTS --COMMENCE URGENT CONTINGENCY CONSULTATIONS ON HOW BEST TO ASSURE NAVAL PROTECTION FOR OIL TANKERS ENTERING AND DEPARTING THE PERSIAN GULF FOR PORTS OTHER THAN THOSE OF IRAQ AND IRAN.

SECONDLY, I AM CONCERNED ABOUT REPORTS THAT MANY NATIONS AND SHIPPING COMPANIES ARE RESTRAINING THEIR TANKERS FROM OPERATING IN THE PERSIAN GULF, BOTH BECAUSE OF THE RISK AND THE PROBLEM OF IN SURANCE. I WOULD SUGGEST THAT OUR APPROPRIATE OFFICIALS BE IN CONTACT, TOGETHER WITH THOSE OF FRANCE, THE FEDERAL REPUBLIC OF GERMANY, ITALY AND JAPAN, TO ASSESS THE MAGNITUDE OF THIS PROB-LEM AND CONSIDER POSSIBLE SOLUTIONS. IF NECESSARY, WE WOULD BE PREPARED TO HOST AN APPROPRIATE 'MEETING IMMEDIATELY.

SECKEL

I HOPE

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I HOPE THAT HOSTILITIES CAN BE BROUGHT TO AN END SOON, EUT I SUSPECT THAT, EVEN IF THEY ARE, WE WILL FE FACED WITH DEEP CONCERNS ABOUT A CONTINUING THREAT TO SHIPPING IN THE PERSIAN GULF AND INSURANCE REQUIREMENTS THAT COULD HAVE THE EFFECT OF CURTAILING OIL EXPORTS IN THAT REGION.

I LOOK FORWARD TO AN EARLY RESPONSE.

ENDS.

CARRINGTON

LIMITED

HD | MED HD | MED HD | DEF.D HD | DEF.D HD | PLANNING STAFF PS PS | LPS PS | LPS PS | MR HURD PS | PUS SIR.J.GRAHAM MR.J.C.MOBERLY MR BULLARD MR.P.H.MOBERLY MR BRAITHWAITE

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