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FCS/80/60

MEMBERS OF OD

Iran

1. President Carter's message to the Prime Minister of 13 March points out that the failure of the UN Commission of Inquiry to secure the release of the US hostages creates a serious new situation. For the time being the Americans have not abandoned hope that the Commission may be able to resume its work. But the United States' allies are asked in the meantime to review the voluntary measures which were instituted during the winter to bring pressure on the Iranians, in order to avoid giving the Iranians any indication that there can be business as usual while the hostages are detained.

2. Our measures remain in place, and have been reviewed recently in response to a US request at official level. However, their continuance may pose certain problems, particularly in respect of arms sales. The question of the deadline for the delivery of the Kharg is due to come up shortly for instance. I therefore suggest that officials should prepare a paper covering the various implications of the continued detention of the hostages for consideration by OD at its meeting on 2 April. In the meantime I suggest that a reply should be sent to President Carter's message in the terms of the attached draft. If necessary, we can discuss this at OD on 19 March.

3. I am copying this minute to Sir R Armstrong.

C
(CARRINGTON)

R18/3

Foreign and Commonwealth Office

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DRAFT LETTER FROM THE PRIME MINISTER TO PRESIDENT CARTER

Thank you for your message about the Iranian situation which was delivered by Kingman Brewster on 13 March.

I am sorry that the UN Commission of Enquiry has failed, this time round, to secure the release of the hostages. I know that this must be a great disappointment to you and all those who have been working so hard recently on this subject. I fully understand your point about the Commission possibly having a future role to play and the need, accordingly, not to comment in public about the failure of the procedure which it was hoped would bring about the release of the hostages.

I have every sympathy with your concern that the Iranians should not be given the impression that business as usual can resume while the hostages are still detained. I can assure you that the measures which we instituted are still in place, and we shall be keeping them under review to ensure that they are being maintained.

It was good of you to send me your message setting out your thinking at this early stage about the seriousness of the new situation. My colleagues in the Government and I have much admired the restraint, firmness and skill with which you have been handling this difficult problem. We look forward to remaining in close touch over future developments.

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