

CONFIDENTIAL
FM WASHINGTON
TO IMMEDIATE FCO
TELNO 2218
OF 122237Z SEPTEMBER 90
INFO IMMEDIATE ROME, ACTOR
INFO PRIORITY OTHER EC POSTS, BAGHDAD, RIYADH, GULF POSTS

ADVANCE COPY

YOUR TELNO 500 TO ROME: IRAQ/KUWAIT: IRANIAN STATEMENT

SUMMARY

1. STATE SCEPTICAL ABOUT AN IRAN/IRAQ OIL DEAL, AND INCLINED TO BLAY DOWN THE KHAMENEI STATEMENT.

DETAIL

2. STATE DEPARTMENT SPOKESMAN WAS ASKED ABOUT THE KHAMENEI STATEMENT AND REPORTS OF IRAN/IRAQ OIL-FOR-FOOD DEAL. HE REPLIED: QUOTE IRAN HAS REPEATEDLY SAID THAT IT'S A RESPONSIBLE MEMBER OF THE INTERNATIONAL COMMUNITY. IT IS A MEMBER OF THE UNITED NATIONS AND IS OBLIGATED TO CARRY OUT THE UN SANCTIONS. IT HAS SAID IT WOULD DO SO. AND, IN THE ABSENSE OF EVIDENCE TO THE CONTRARY, BELIEVE THAT THEY WILL DO SO. UNQUOTE

3. STATE DEPARTMENT HAVE TOLD US THEY HAVE YET TO SEE THE FULL TEXT OF KHAMENEI'S STATEMENT, AND ARE RESERVING FINAL JUDGEMENT. BUT THEY ARE AT PRESENT NOT PARTICULARLY CONCERNED. THEY NOTE THAT IT IS CONSISTENT WITH LONGSTANDING IRANIAN OPPOSITION TO A MAJOR US MILITARY PRESENCE IN THE AREA. THEIR IMPRESSION IS THAT, WHILE EXPRESSED IN HARSH TERMS, KHAMENEI'S MESSAGE FALLS SHORT OF A DIRECT CALL FOR ATTACKS ON US FORCES IN THE GULF. THEY HAVE NO PLANS AT PRESENT TO SEEK CLARIFICATION.

4. ON THE TEHRAN TIMES ARTICLE, STATE COMMENTED THAT THEY HAD ONE REPORT THAT IRANIAN AND IRAQI OIL MINISTERS HAD MET ON 9 SEPTEMBER (DURING TARIQ AZIZ'S VISIT TO TEHRAN) AND HAD DISCUSSED POSSIBLE IRANIAN ASSISTANCE TO IRAQ IN MARKETING THEIR CRUDE. BUT STATE DOUBT WHETHER IRAN IS SERIOUSLY CONTEMPLATING SUCH A FLAGRANT BREACH OF THE EMBARGO. THEY THINK THAT IT COULD BE JUST TALK DESIGNED TO STRING THE IRAQIS ALONG. ALTERNATIVELY, IT COULD HAVE BEEN PITCHED TOWARDS THE WEST, IN THE HOPE OF SOME WESTERN CONCESSIONS. THE FACT THAT THE STORY

APPEARED IN THE TEHRAN TIMES LENDS CREDENCE TO THIS EXPLANATION.

5. STATE CONFIRMED THAT THEY HAD NO EVIDENCE THAT ANY TRANSHIPMENT OF IRAQI OIL TO IRAN HAD OCCURRED TO DATE.

ACLAND

YYYY

DISTRIBUTION

38

ADVANCE 38

IRAQ/KUWAIT
PS
PS/MR WALDEGRAVE
PS/S OF S FOR DEFENCE
PS/PUS
MR TOMKYS
MR GORE-BOOTH
MR FAIRWEATHER
MR GOULDEN
MR JAY
MR SLATER
MR BERMAN (LEGAL ADVISERS)
HD/MED
HD/NENAD
HD/NAD
HD/SED
HD/UND
HD/CONSULAR D
HD/NEWS D
HD/NPDD
HD/SECPOL D
HD/AMD

HD/ECD(E)
MR PRIDDLE, DEPT OF ENERGY
MR APPLEYARD CABINET OFFICE
(BY TUBE H29)
MR W D REEVES CABINET OFFICE
(BY TUBE H29)
MR D J GOWAN CABINET OFFICE
(BY TUBE H29)
MR BARRASS, CABINET OFFICE
(BY TUBE H29)
~~PS/NUMBER 10 DOWNING ST~~
SIR P CRADOCK,
(NO 10 DOWNING ST)
CABINET OFFICE DIO
(BY TUBE H29)
SIR ROBIN BUTLER, CAB OFFICE
AUS (C) MODUK
HD/SEC (O) (C) MODUK
MR LS SMITH BANK ENGLAND
EMERGENCY UNIT
RESIDENT CLERK

NNNN