

Iraq / Iran Relations - Internal Sit

IRAQ

Iraq / Syria Relations

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3003

Threat to oil Supplies from the Gulf

Pt 1 : April '80

Pt 10 : Jan '89

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<p>PREM 19/2746</p>							



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

Prime Minister ms

There has been a
grenade attack on the
British Club in Baghdad.
25 people have been injured,
although only one is British.
There are no deaths.

C.D.? 26/9

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

17 September 1989

Dear Bob,

ITALIAN NAVAL VESSELS FOR IRAQ

Thank you for your letter of 14 September covering a proposed response to the Sultan's message about the delivery of Italian made warships to Iraq. I am sure the Prime Minister would be content with this.

*Yours sincerely,
C. D. Powell*

(C. D. POWELL)

R. N. Peirce, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

14 September 1989

Dear Charles

R. N. Peirce
Consult with
this response?

Italian Naval Vessels for Iraq

Thank you for your letter of 24 August reporting the Omani Ambassador's call to deliver an oral message from the Sultan on this subject.

OOO
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The situation is not as alarming as the Sultan believes. He has been misinformed by the Iranians. None of the Italian-made warships has left the Mediterranean, and only one has left Italy. This is partly - perhaps principally - because no payments have yet been made by Iraq, despite an agreement reached in January.

The Italian Government has made reasonably reassuring noises in response to an approach we made earlier this month, after receipt of the Sultan's message. But we share the Sultan's concern at the possible implications of an Iraqi attempt to introduce these Italian naval vessels into the Gulf. We shall therefore continue to watch the situation carefully.

We agree that it would be right for the Prime Minister to respond orally to the Sultan. We suggest this be done through the Ambassador at Muscat (Mr Hussain bin Ali has now left London). I enclose a draft telegram of instructions to Muscat.

Yours ever

R N Peirce

(R N Peirce)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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TO PRIORITY MUSCAT

TELNO

OF Z SEPTEMBER 89

AND TO PRIORITY ROME

INFO ROUTINE WASHINGTON, UKMIS NEW YORK, BAGHDAD, CAIRO, PARIS,
MUSCAT, SANA'A, MODUK

ROME TELNO 547: ITALIAN WARSHIPS FOR IRAQ

1. Paragraphs 2-6 below constitute the Prime Minister's oral reply to the Sultan's message of 24 August (my telno 276 to Rome). Please arrange to convey it personally to the Sultan.
2. We were naturally concerned to receive the Sultan's message that three of the Iraqi naval vessels bought from Italy were being delivered. We confirm that similar information was conveyed by the Iranians to the UN Secretary-General in late July. We fully share the Sultan's anxiety that delivery of these ships could raise tension in the Gulf at a time when little progress has been made in the Iran/Iraq settlement talks and the ceasefire remains fragile.
3. However, our own sources suggest that matters are less advanced than the Iranians are claiming. Although two helicopter-carrying corvettes and an auxiliary have been handed over by the Italians, the corvettes remain in La Spezia, and the auxiliary is in Alexandria. No ship has therefore passed into

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the Red Sea. According to our information, the earliest date by which the remaining ships (four frigates and four corvettes) could be deployed is late 1990/early 1991.

4. We have talked to the Italian authorities. We asked about their intentions, emphasising the need to avoid any action which might put an already precarious situation at greater risk. The Italian authorities confirmed that no further ships had been handed over (they had no control over the ships already in Iraqi hands). They assured us that they shared our concerns about increasing tension in the Gulf.

5. Our view is that the Italians will do all they can to avoid the issue of the ships causing further difficulties. But we shall continue to monitor the situation carefully and shall talk to the Italians again if the need arises. The US administration are also in contact with the Italian government.

6. We should be interested to know if the matter has been discussed in the GCC and whether any Arab governments have made direct approaches to Iraq on this issue. We think there may be a case for those Arab governments with close links with Baghdad to urge restraint, especially at a time when the UN Secretary-General is trying to breathe new life into the settlement talks.

7. For your background information, Italy contracted in 1980 to build 11 naval vessels for Iraq. The logistics ship was handed over to the Iraqis in 1984, but has never got further than Alexandria. In November 1986, the Italian government decided to freeze all military supplies to Iran and Iraq. The two helicopter-carrying corvettes were already under Iraqi flag when the embargo was imposed. These, and the remaining ships under construction, have since been held in Italian ports.

8. Under the January 1989 agreement, (a) the Italian government agreed to revoke its embargo on the ships, (b) the Iraqis agreed to drop their own embargo on payments owed to Italian companies, imposed in 1987 in response to the Italian freezing of the ships

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contract, and (c) teams were to meet inter alia to discuss compensation to Iraq for lost interest on the dollars 1.25 billion already paid for the ships. Further talks on a financial settlement are due to take place between Iraq and Italy before the end of the year. So far, Iraqi refusal to make any payments under the agreement has effectively blocked delivery of the ships.

9. For Rome. Thank you for report in TUR which is reassuring as far as it goes. Please continue to monitor Italian intentions.

MAJOR

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NENAD

DEFENCE DEPT

ERD

WED

PUSD

NEWS DEPT

PS

PS/MR WALDEGRAVE

PS/PUS

PS/SIR J PRETWELL

MR TOMKYS

MR BAYNE

MR GORE-BOOTH

MR RATFORD

MR CARRICK

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ADDITIONAL

PS/NO 10

MR APPEYARD, CABINET OFFICE

NNNN



Iraq
Int SF P10



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

24 August 1989

NAVAL VESSELS FOR IRAQ

The Omani Ambassador came to see me this afternoon to deliver an oral message from the Sultan to the Prime Minister about the delivery of Italian warships to Iraq.

The Ambassador said that the Italians had agreed to sell Iraq eight naval vessels, including a helicopter carrier. Three of these were in the course of delivery, but were currently being held in a North Yemeni port because of a dispute over payment. This was being dealt with between the Iraqi Government and the Italian companies. The Iranians had recently informed the Omani Government that they were determined that these vessels should not reach Iraq and they would do whatever was necessary to prevent them passing through the Straits of Hormuz. In their view, the arrival of the ships would be a breach of the ceasefire. The Sultan believed that it would be better to avoid trouble in the Gulf at this juncture. He therefore wanted the Prime Minister to urge the Italian Government to postpone delivery of the ships until there had been much more progress towards implementing Security Council Resolution 598.

I said that I would, of course, report the Sultan's views to the Prime Minister and I was sure she would reply in due course. I was not familiar with the details and did not know to what extent we had already discussed the matter with the Italians. I wondered, however, whether the Italian Government were not quite happy for the dispute over payment to drag on for a while so that they did not have to confront the issue of delivery. I asked whether the Iranians were taking action only through Oman or with other governments as well. The Ambassador believed that the Iranians had informed the United Nations Secretary-General of their views, but he had no information about other possible representations.

My recollection is that this matter has been dragging on for some time and that no moves are imminent. But it would obviously be right for the Prime Minister to return a considered - and probably oral - reply to the Sultan in due course. I should be grateful for advice.

C. D. POWELL

R. N. Pierce, Esq.,
Foreign and Commonwealth Office

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C.D.P.
②

Prime Minister

C.D.P.
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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

30 June 1989

FUTURE OF ROYAL NAVAL DEPLOYMENTS IN THE GULF

The Prime Minister has considered the Defence Secretary's minute of 27 June proposing a reduction in the size of the Armilla Patrol and a change in its pattern of deployment, as well as for reducing the level of readiness of the MCMV group designated for possible return to the Gulf. She is content with what is proposed and for action to be taken on the timescale envisaged in paragraph 6 of the minute.

I am copying this letter to the Private Secretaries to the Foreign and Commonwealth Secretary, the Secretary of State for Transport and to Sir Robin Butler.

C. D. POWELL

Brian Hawtin, Esq.
Ministry of Defence

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PRIME MINISTERFUTURE OF RN DEPLOYMENTS IN THE GULF

There has been no significant change in the military situation in the Gulf region for many months; none seems in prospect. There has been virtually no progress in the Iran/Iraq peace talks, but neither side shows any inclination for an early resumption of hostilities; there have been no incidents at sea to suggest any change in the level of threat to shipping. Indeed, merchant shipping has increasingly made use of the traditional shipping route through the Iranian Advisory Zone (which remains in force) without hindrance. It appears reasonable to expect that the present no-peace, no-war situation will continue for some considerable time. Khomeini's death seems unlikely to alter the military picture in any material way. We should therefore make our plans for future RN activity on that basis, while remaining ready to respond if the situation should deteriorate.

2. So long as there is no permanent settlement of the Iran/Iraq war there will continue to be a risk of a flare up or an isolated incident. Accordingly the RN must be ready to provide reassurance and protection to British shipping - and, indeed, to demonstrate our continuing commitment to the principle of freedom of navigation. But we also need to take account of the considerable pressures on RN resources and to establish a deployment pattern which can be sustained, if necessary, over a long period. The present deployed force level of 3 DD/PF was introduced in 1987 when ARMILLA was accompanying large numbers of merchant vessels at the height of the Iran/Iraq war. It imposes a very heavy burden (the HCDC commented on the fact that the ships engaged in the patrol or

cell
 R. Minister 1a
 Agree to this reduction
 in the Armilla's size,
 Yes \rightarrow a change in its pattern
 of activity?
 CD 29/6



on passage or work-up amounted to some 26% of overall frigate and destroyer sea time) which is not justified now that ARMILLA has reverted to a patrolling task.

3. In current circumstances, the key requirement is to maintain a visible presence in the Gulf able to respond to an incident with a manifest ability to reinforce if required. To do this we need one ship on duty and another in the general area to provide relief for the duty ship and rapid reinforcement, as necessary. We do not, however, now need to maintain a third ship actually deployed in the theatre; although it would be prudent to retain a third ship equipped and ready to return to the Gulf within a maximum of 21 days. This degree of notice would allow the third ship sufficient flexibility to participate in general fleet tasks and when added to the time which would otherwise have been spent in passage to and from the Gulf would represent a significant easing of the burden on the Navy.

4. I have reviewed the operating patterns of the ships in theatre against the current background. Now that the patrol is no longer accompanying merchant ships, the duty ship is rather less visible than it was; it would be sensible therefore for it to make the occasional port visit within the Gulf (during which it would be at a maximum of 8 hours notice to sail) as an effective way of demonstrating our continuing presence to the regional states. There would also be considerable advantage in extending the notice of the second ship to allow it to perform a useful role in support of other foreign and defence policy objectives in the region, as well as making a more varied deployment for the ships' crew. We have done this recently for the third ship with considerable success; that ship would normally need to be within a maximum of seven days of the Straits of Hormuz although it would be particularly useful if this could occasionally be relaxed by a



further couple of days, assuming no change in threat, to permit participation in FPDA exercises.

5. Finally, I have reviewed the arrangements for maintaining an MCMV group designated for possible return to the Gulf. There appears to be no likelihood of a genuine mine clearance task emerging for the foreseeable future; we should continue to keep a group on notice and suitably equipped return but, in these circumstances and given the pressure on of these vessels for other tasks, I see little point in continuing indefinitely to make each group spend time on work up training which is only too likely to prove nugatory. I would propose therefore to dispense with this automatic requirement if there has been no change in the situation by the end of the year. This will provide welcome additional flexibility for other tasks although it would extend the maximum period before they could again be operational in the Gulf from 35 to 42 days. (This represents the very worst case of absolutely no prior warning and assuming the group was in home waters rather than, say, the Mediterranean.)

6. I have consulted Geoffrey Howe about international reaction to these proposals. He believes, as do I, that none of the proposed changes would cause difficulty with our friends in the region or with our other allies, including the US. There would in fact be very little change in our profile in the region - indeed, as I have said, our duty ship should be slightly more visible in the Gulf. This, and the proposed role of the second ship in support of wider objectives in the region, including the FPDA, would be particularly welcome to the Foreign and Commonwealth Secretary. We should nonetheless take care to inform our friends and allies privately of the planned adjustments in deployed force levels well in advance. The only public statement that I envisage would be necessary would be an inspired PQ at the appropriate time to indicate that we would



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in future normally expect to deploy only two of the three ARMILLA ships to the region, although the third would be ready to return if there was an increase in threat. So far as timing is concerned, I believe it would be sensible to make the changes in deployed force levels at the beginning of October by not replacing a ship which is to be detached to carry out Royal escort duties at CHOGM. This would give us plenty of time to inform our friends and to assess the impact of the succession to Khomeini on Iranian attitudes to the Gulf.

7. I would be grateful to know that you are content to proceed as proposed. I am sending a copy of this minute to the Foreign and Commonwealth Secretary, the Secretary of State for Transport, and to Sir Robin Butler.

C.Y.

Ministry of Defence

27 June 1989



Foreign and Commonwealth Office

London SW1A 2AH

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25 January 1989

cc:PE
Dear Charles,

Mr Waldegrave's Visit to Iraq: 15/16 February 1989:
Mr Ian Richter

The Foreign Secretary has agreed that Mr Waldegrave should visit Iraq on 15/16 February, in the course of a Gulf tour including Bahrain and Kuwait.

The purpose of the visit to Iraq is to build on that made by the Chancellor of the Duchy of Lancaster in November 1988, during which he announced an increase to £340 million in the guaranteed credit to be made available for British companies winning contracts in Iraq in 1989. The Foreign Secretary hopes that these economic ties can now be matched by development of a more constructive political relationship in the wake of the Iran/Iraq ceasefire. Bilateral relations have been complicated in recent months by the firm stance we have taken against Iraqi use of chemical weapons, and by the misdemeanours of members of the Iraqi Embassy in London which led to the expulsion of four Iraqi diplomats last November, and reciprocal action against our Embassy in Baghdad. When Mr Waldegrave met the Iraqi Foreign Minister in Paris on 9 January Tariq Aziz said he wanted to draw a line under these problems and to build closer political ties. The behaviour of the Iraqi Embassy in London seems at present to have improved, while at the Paris Conference on Chemical Weapons Tariq Aziz pledged that Iraq would not use chemical weapons in the future, and would not assist others in developing a CW capability. Although our relations with Iraq are notoriously unpredictable, there is for the present some prospect of improvement.

In Iraq Mr Waldegrave hopes to meet Tariq Aziz and the First Deputy Prime Minister Taha Ramadhan, who called on the Prime Minister in 1983. But in the autocratic political atmosphere of Baghdad it would be most desirable to secure a meeting with President Saddam Hussein. He is the only effective decision maker, and our views can be put more effectively to him than to any other senior political figure

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in Iraq. But access to him is difficult, and the precedents show that a meeting is unlikely unless Mr Waldegrave is carrying a personal message to President Saddam from the Prime Minister. Mr Mellor took such a message on his visit last February, which resulted in the release of the British prisoner John Smith. The Foreign Secretary recommends that the Prime Minister should take this opportunity to write again. I enclose a draft.

There are two important issues which merit such a message: the need for progress in the settlement talks between Iran and Iraq; and the case of the sole remaining long-term British prisoner in Iraq, Mr Ian Richter, who has now served some 2½ years of a life sentence for alleged bribery and forgery.

The first issue dealt with in self-explanatory terms in the draft message. In her message to President Saddam last February the Prime Minister appealed for the release of Mr Richter as well as Mr Smith. President Saddam implied to Mr Mellor that it was too early for him to be able to justify release in domestic terms, but left open the door for the exercise of clemency in due course.

Mr Waldegrave will raise Mr Richter's case with Tariq Aziz and other Iraqi Ministers. The Foreign Secretary is keen that if possible Mr Waldegrave should be able to raise the case again with President Saddam. He is not unduly optimistic about the likely result. President Saddam may still consider it too early to release Mr Richter (Mr Smith was in prison for eight years). But the ceasefire with Iran has brought the release of a number of other foreign prisoners in Iraq, and Mrs Richter is concerned that her husband's case should not go by default. In a letter to Mr Richter on 15 December last year the Prime Minister promised to do all she could to try to bring about his release.

Even if we do not obtain Mr Richter's, immediate release, an audience with the President will keep up pressure on the Iraqis and enable Mr Waldegrave to explain personally that early release of Mr Richter would greatly enhance the prospects for a better bilateral relationship. Mr Waldegrave's meeting with President Saddam could thus be at the least a vital step towards obtaining Mr Richter's release in the context of possible later visit to Iraq by the Foreign

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Secretary. Our Ambassador in Baghdad believes that a dual approach of this sort offers the best prospect for success in the Richter case.

Jaws,
Stephen Wall
(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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DSR (revised Sept 85)

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1 +

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO: Saddam Hussein

Copies to:

SUBJECT:

Handwritten: H E J slsbgw To you on

PRIVACY MARKING

..... In Confidence

CAVEAT

I send my greetings to you and to the people of Iraq on the occasion of the visit to your country by Mr William Waldegrave, Minister of State at the Foreign and Commonwealth Office.

~~I am delighted that~~ Since I wrote to you on 26 February last year ~~an effective~~ *we have seen the achievement of a* ceasefire has been achieved in the ~~terrible~~ conflict between your country and Iran. We greatly welcomed your personal decision on 6 August to accept this ceasefire. *The British* My Government will continue to work with the other Permanent Members of the Security Council, in support of the Secretary General, to achieve *to obtain the* full implementation of Security Council Resolution 598. I am ~~confident~~ *sure* that you will exercise *the* statesmanship *needed* to achieve a just settlement, restoring prosperity and security to the region.

Enclosures flag(s)

also I welcome the economic cooperation which continues to develop between our countries. I hope that this present visit to Iraq by Mr Waldegrave will
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enable us to work for ^{no less} ~~similarly~~ constructive political ties in the wake of the ceasefire, and to set behind us the problems ~~which have divided us over~~ recent months.

(to add I attach great personal importance,)

One continuing problem is the imprisonment of Mr Ian Richter who was arrested in June 1986. ~~As I said in my last letter,~~ ^{very grateful} I was ~~delighted~~ by your decision to release ~~another prisoner,~~ Mr John Smith, during Mr David Mellor's visit to Iraq last February. Mr Mellor also sought ^{at the time} your clemency for Mr Richter, whose continuing detention causes the ~~US~~ ^{us} British Government much concern. His early release would earn my further personal gratitude and that of the British people. It would also ^{be} ~~mark~~ ^{an important} a major step forward in the relationship between our countries.

PART Part 9 **ends:-**

CSP to MGD 21/12/88

PART Part 10 **begins:-**

FCO to CSP 25-1-89



IT8.7/2-1993
2009.02

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Access

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