

SECRET

# 10 DOWNING STREET

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FILE TITLE:

Anglo/Iraq Relations

SERIES

IRAQ

Closed

PART:

1

PART BEGINS:

July 1979

PART ENDS:

March 1990

CAB ONE:



PART  
CLOSED



PREM 19/3045

SECRET

**PART**

**CLOSED**





10 DOWNING STREET

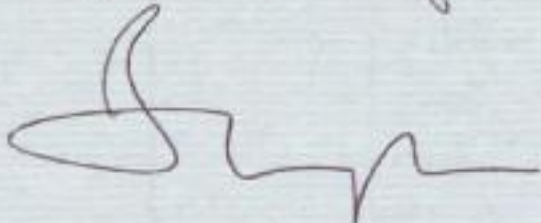
LONDON SW1A 2AA

*From the Press Secretary*

Andrew Turnbull

Brian Unwin rang me from Lisbon  
and Excise today mainly to  
brief me on the trap operation.

At the end, he wondered whether  
the PM could send a letter of  
congratulations on their successful  
operation. I think it would be  
greatly appreciated if she did

 29/5



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FCS/90/069

CHIEF SECRETARY

*CBP*  
*27/3*

Iraq: ECGD Credit

*Shay*

1. Thank you for your letter of 20 March about the ECGD credit for Iraq.
2. When Cabinet met on 15 March we agreed a series of measures we would take in the light of the execution in Iraq of Farzad Bazoft. We considered carefully how to protect most effectively our commercial and other interests in Iraq. One of the measures we decided to exclude was action against trade or credit, and I later made this clear in my statement to Parliament. I have also made it clear to numerous Arab interlocutors, including the Saudi Foreign Minister, that we proposed to draw a line under this affair.
3. I disagree that this is an ideal time to 'cut our losses' in Iraq. In fact it could not be worse. We continue to be treated by the Iraqis as a 'favoured creditor'. Although the flow of Iraq's repayments is unsatisfactory, our position is much better than most of our Western competitors. One way to ensure that the Iraqis do reschedule, or completely stop their repayments, is to halt our own credits. In the atmosphere brought about by our present difficulties, Iraq would see any action against credit as a further political response to Bazoft, and would hit back hard. That would be bad for our wider commercial interests, where our competitors would happily step in to take up our share of the market.

/I would

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I would also be concerned that the Iraqis might try to retaliate against the British community there, or against the two British detainees, Mrs Parish and Mr Richter.

4. I would also question your argument about the Paris Club. We see no prospect of Iraq agreeing to an IMF programme and a multilateral rescheduling in the foreseeable future. Iraq has successfully played off one creditor against another, and will no doubt continue to do so. Our Departments have in the past agreed that since the UK does relatively well out of this, it would not be in our interests to see common terms applied to all Iraq's Paris Club creditors. That remains my view.

5. It is still possible, despite our efforts to contain the dispute with Iraq over the Bazoft affair, that relations with Iraq will get worse and the Iraqis will take further action against us in which case we may need to look at this again. But now is not the moment to provoke them into doing so without good reason.

6. I am copying this minute to the Prime Minister, the Secretary of State for Trade and Industry and the Secretary of State for Defence.

DH.

(DOUGLAS HURD)

Foreign and Commonwealth Office

27 March 1990

CONFIDENTIAL

dti

the department for Enterprise

CONFIDENTIAL

*colle*

The Rt. Hon. Nicholas Ridley MP  
Secretary of State for Trade and Industry

The Rt Hon Norman Lamont MP  
Chief Secretary to the Treasury  
Treasury Chambers  
Parliament Street  
LONDON SW1

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Enquiries  
01-215 5000

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 01 215 5622  
Our ref PB1ABN  
Your ref  
Date 27 March 1990

*COB 27/3*

*Dear Norman*

IRAQ: ECGD CREDIT

Thank you for copying to me your letter of 20 March to Douglas Hurd.

Of course I understand the points you make and have some sympathy with them. However, I feel that if we were to do as you suggest we should bring about various problems we are seeking to avoid. The whole basis of the current policy that we should maintain ECGD supported credits to Iraq is to protect the Department's very large exposure on the market. Withdrawing the cover which has already been offered would simply trigger off the default which we have worked so hard to avoid.

I have asked ECGD to keep the situation under the closest scrutiny and to report urgently to your officials, and if necessary to Ministers, if this deteriorates so that new credits can be reviewed.

I am reluctant to go further both for the reasons above and also since we have seen no evidence that the Iraqis are taking - or are proposing to take - discriminatory action against the UK. It is Government policy, as Douglas Hurd said in the House on 15 March, that we should not interfere with economic (trade) matters between the UK and Iraq.

I am copying this letter to the Prime Minister, Douglas Hurd, Tom King and to Sir Robin Butler.

*Norman Lamont*  
*Am...*



1120: Uabna, July 79.







*me hm*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

26 March 1990

I enclose the Prime Minister's reply to President Mitterrand's message about the execution of Farzad Bazoft. I should be grateful if you could arrange for its delivery as soon as possible.

C. D. POWELL

Richard Gozney, Esq.,  
Foreign and Commonwealth Office.

*GU*

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. J59/90



10 DOWNING STREET  
LONDON SW1A 2AA

Mr LPO  
CFO

SUBJECT re MASTER  
Ops.

THE PRIME MINISTER

26 March 1990

Dear Mr President,

Thank you so much for your letter of 15 March and for your sympathetic words about the execution of Farzad Bazoft in Iraq.

I am most grateful for the efforts made by France both directly with Iraq and through the European Community to secure clemency for Mr. Bazoft. The Iraqis chose to ignore our pleas. As Douglas Hurd said on 15 March, this act has simply served to blacken Iraq's name further in the international community. I greatly appreciate the gesture you have made to bring this home to the Iraqi authorities by postponing senior visits from Paris to Baghdad.

Yours sincerely

Roger Maitland

His Excellency Monsieur le President Mitterrand, G.C.B.

hm

*case*



Foreign and Commonwealth Office

London SW1A 2AH

23 March 1990

*Dear Charles*

Farzad Bazoft

*— Jay*

Thank you for your letter of 16 March enclosing a message to the Prime Minister from President Mitterrand about the execution of Farzad Bazoft.

I enclose a draft reply which takes up the helpful gesture reported in Paris telno 336.

*Tinsere*  
*R N Peirce*

(R N Peirce)  
Private Secretary

C D Powell Esq  
10 Downing Street

DRAFT LETTER FROM THE PRIME MINISTER

TO: President Francois Mitterrand

Thank you so much for your letter of 15 March and for your sympathetic words about the execution of Farzad Bazoft in Iraq.

I am most grateful for the efforts made by France both directly with Iraq and through the European Community to secure clemency for Mr Bazoft. The Iraqis chose to ignore our pleas. As Douglas Hurd said on 15 March, this act has simply served to blacken Iraq's name further in the international community. I greatly appreciate the gesture you have made to bring this home to the Iraqi authorities by postponing senior visits from Paris to Baghdad.

CB

V/S

c: / Mitterrand

(RAQ: Rel's July '79.



Foreign and Commonwealth Office

London SW1A 2AH

SECRET AND PERSONAL

20 March 1990

~~Prime Minister~~  
~~You will want to be~~  
~~aware that action is~~  
~~likely today. It seems~~  
~~that there is agreement to~~

Dear Charles,

Iraqi Procurement Activities

You should be aware of action which may be taken this week, and possibly as early as tomorrow, 21 March, to scotch an illegal operation to divert sensitive material to Iraq. The timing is bad, but cannot be delayed.

I enclose three telegrams which set out the position.

Yours ever,

Richard Gozney

(R H T Gozney)  
Private Secretary

deport  
those  
concerned  
C/D  
21/2

C D Powell Esq  
10 Downing Street

SECRET AND PERSONAL

b

SECRET / *bc dip*

SECRET  
DEDIP  
FM FCO  
TO DESKBY 191600Z CAPE TOWN  
TELNO 131  
OF 191500Z MARCH 90  
AND TO DESKBY 191600Z BAGHDAD

CAPE TOWN (FOR PRIVATE SECRETARY)

IRAQ : PROCUREMENT ACTIVITIES  
SUMMARY

1. HM CUSTOMS TO ARREST LATER THIS WEEK IN A LONG PLANNED OPERATION OMAR LATIF, THE IRAQI AIRWAYS STATION MANAGER AT HEATHROW, AND MR DAGHIR, AN IRAQI BUSINESSMAN BASED IN THE UK, FOR THEIR PART IN ILLEGAL DIVERSION OF SENSITIVE MATERIAL TO IRAQ. DIFFICULT TIMING. OPERATION CANNOT BE DELAYED, BUT WE SHOULD TRY TO ENSURE MINIMUM IRAQI RETALIATION.

DETAIL

2. FOR SOME MONTHS (AND WITH OUR KNOWLEDGE) CUSTOMS AND EXCISE HAVE BEEN RUNNING JOINTLY WITH THE US CUSTOMS' AUTHORITIES AN OPERATION AGAINST EUROMAG (RUN BY A MR DAGHIR), A UK-BASED COMPANY WHICH IS PART OF IRAQ'S PROCUREMENT NETWORK. EUROMAG HAS BEEN ATTEMPTING TO ACQUIRE 45 HIGHLY SOPHISTICATED CAPACITORS FROM A US COMPANY, CSI. THE CAPACITORS ARE DESIGNED TO MILITARY SPECIFICATIONS AND USED IN THE FIRING CIRCUITS OF NUCLEAR WEAPONS. THE OPERATION IS NOW COMING TO A HEAD. HM CUSTOMS BRIEFED US ON 16 MARCH THAT THE CAPACITORS ARE TO BE AIR-FREIGHTED (LEGALLY) TO THE UK TODAY (19 MARCH) WITH THE CONNIVANCE OF US CUSTOMS, FOR ILLEGAL TRANS-SHIPMENT TO BAGHDAD LATER THIS WEEK. LATIF IS CLOSELY INVOLVED WITH DAGHIR IN ORGANISING THE ILLEGAL TRANS-SHIPMENT AT HEATHROW. THE DEAL IS A FURTHER EXAMPLE OF THE IRAQI PROCUREMENT NETWORK'S ACTIVITIES IN THE UK, AND PROVIDES NEW EVIDENCE OF IRAQ'S INTENTIONS TO DEVELOP A NUCLEAR WEAPON. THE CONSIGNMENT MUST CLEARLY BE FRUSTRATED, NOT LEAST BECAUSE OF OUR MTCR OBLIGATIONS.

3. HM CUSTOMS ALSO WISH TO PROCEED AGAINST LATIF FOR HIS INVOLVEMENT IN THE ILLEGAL SHIPMENT TO IRAQ LAST YEAR OF TRANSPONDER EQUIPMENT DESTINED FOR THE IRAQI NAVY.

4. CUSTOMS AND EXCISE WILL NEED TO APPLY FOR ARREST WARRANTS TOMORROW (20 MARCH) AND MOVE AGAINST THE TWO IRAQIS PROBABLY ON THURSDAY 22 MARCH. NEITHER HAS DIPLOMATIC STATUS. THE TWO WILL BE ARRESTED AND COMMITTED FOR TRIAL. THE CASE IS UNLIKELY TO BE HEARD FOR SOME MONTHS. THE MAXIMUM PENALTY FOR THESE OFFENCES IS 7 YEARS. HM CUSTOMS WILL WISH TO OPPOSE BAIL, ON THE ASSUMPTION THAT THE TWO WOULD FLEE THE UK.

5. THE OPERATION COULD NOT COME AT A MORE DIFFICULT TIME. ACTION HAS TO TAKE PLACE IN THE UK SINCE THE CONSIGNMENT HAS BEEN ORGANISED FROM HERE, AND NO ILLEGAL ACTIVITY HAS TAKEN PLACE IN THE US. THERE IS AN OBVIOUS RISK THAT THIS ACTION WILL BE SEEN BY BAGHDAD AS FURTHER EXACERBATION OF THE MEASURES TAKEN IN RETALIATION FOR BAZOFT'S EXECUTION. WE KNOW THAT DAGHIR IS HIGHLY REGARDED IN BAGHDAD. IT IS POSSIBLE THE IRAQIS WILL RETALIATE, AND PERHAPS TAKE ACTION AGAINST BRITISH BUSINESSMEN IN IRAQ.

6. MR WALDEGRAVE HAS SEEN A SUBMISSION BASED ON THE ABOVE

SECRET / *bc dip*

INFORMATION / *—*

SECRET / Sec Sec

INFORMATION, AND AGREES THAT THE OPERATION PROPOSED BY CUSTOMS SHOULD GO AHEAD. BUT HE IS CONCERNED TO LIMIT THE POTENTIAL DAMAGE AS FAR AS POSSIBLE. WE ARE EXPLORING URGENTLY WITH HM CUSTOMS AND THE HOME OFFICE THE POSSIBILITY OF NOT (NOT) OPPOSING BAIL, OR OF IMMEDIATE DEPORTATION. CUSTOMS WILL PROBABLY RESIST THE LATTER, SINCE THIS COULD FRUSTRATE ACTION IN THE COURTS AGAINST A NUMBER OF BRITISH PEOPLE INVOLVED IN THE ILLEGAL OPERATION.

7. GRATEFUL IF YOU WOULD ALERT THE SECRETARY OF STATE TO THIS PROPOSED ACTION.

8. (FOR BAGHDAD). GIVEN THE LIKELIHOOD OF RETALIATION, PLEASE APPROACH DAVID TIMNEY, BA'S REPRESENTATIVE, URGENTLY AND SUGGEST TO HIM THAT HE MIGHT WISH TO ABSENT HIMSELF FROM BAGHDAD BEFORE THURSDAY. YOU SHOULD NOT (NOT) GO INTO DETAIL OF THE REASONS FOR OUR RECOMMENDATION TO HIM. PLEASE LET US KNOW IF YOU WISH US TO TAKE PARALLEL ACTION DISCREETLY WITH BRITISH AIRWAYS HERE. SHOULD TIMNEY FACE PROBLEMS WITH HIS MANAGEMENT IN LEAVING QUICKLY.

HURD

NO DISTRIBUTION

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PS

PS/MR WALDEGRAVE

PS/PUS

MR TOMKYS

MR GORE-BOOTH

MR SLATER

SECRET / Sec Sec

(2)



RIGHT FIRST TIME WELL HERE GOES THEN

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SECRET

D E D # P

FM CAPE TOWN

TO DESKBY 200800Z FCG

TELNO 217

OF 200710Z MARCH 90

#INFO #IMMEDIATE BAGHDAD

FROM PRIVATE SECRETARY

YOUR TELNO 131: #IRAQ

THE SECRETARY OF STATE TAKES THIS VERY SERIOUSLY. HE MADE IT PRETTY CLEAR IN THE HOUSE AND SUBSEQUENTLY THROUGH VARIOUS ARAB INTERMEDIARIES THAT THERE WOULD NOT BE FURTHER MEASURES AGAINST IRAQ. THE IRAQIS WILL NOT BELIEVE THIS STEP IS NOT DELIBERATE AND CONNECTED WITH BAZOFT. THE RISK OF RETALIATION AGAINST BRITISH BUSINESSMEN IS HIGH.

IT IS CLEAR WE SHOULD FRUSTRATE THE TRANSHIPMENT. IT IS NOT SO CLEAR TO THE SECRETARY OF STATE THAT WE NEED ACT AGAINST THE IRAQIS AT THIS TIME. IS IT POSSIBLE TO FRUSTRATE THE SHIPMENT WITHOUT TAKING LEGAL ACTION? IF NOT THE SECRETARY OF STATE HOPES WE CAN GO FOR DEPORTATION. IN ANY CASE THE IRAQIS WILL NEED TO BE TOLD SIMULTANEOUSLY WITH ANY ARRESTS. WE SHALL BE IN TOUCH SEPERATELY ABOUT ACTION WITH OTHER MIDDLE EAST POSTS.

RENWICK

YYYY

NNNN

OUT TELEGRAM

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	Classification SECRET	Caveat DEDIP	Precedence DESKBY
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ZCZC 1 ZCZC  
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 OF 7 OF 201935Z MARCH 90  
 AND TO 8 AND TO IMMEDIATE BAGHDAD

9  
 10  
 11 FOR PS/SECRETARY OF STATE  
 12 FROM TOMKYS  
 13 CAPETOWN TELNO 217: IRAQ

14 1. I held an interdepartmental meeting this afternoon to decide  
 15 our tactics. The PUS also had meetings this morning (before  
 16 receipt of your TUR) with the Chief Customs' Commissioner and Sir  
 17 Clive Whitmore. The earliest point at which police searches and  
 18 arrests are likely to take place is mid- to late-morning on  
 19 21 March.

20 2. Customs and Excise are happy with the deportation of the two  
 21 Iraqis. Papers are being put tonight to the Home Secretary to  
 22 sign the deportation orders. There was no support at my meeting  
 23 for any action short of deportation. If we frustrated the  
 24 trans-shipment without further action it seems virtually certain  
 25 that the US Customs would release the story. Our own Customs and  
 26 Excise would also face awkward problems because of their  
 27 inability to act against the rest of the UK-based Iraqi network.

28 3. The Secretary of State's suggestion that we could warn in  
 29 advance our friends in the Arab world met similar difficulties.



YYY	Catchword: /any		
MAIN	File number JONADA	Dept MIDDLE EAST	Drafted by (Block capitals) R TOMKYS
ADDITIONAL	Telephone no 270-2173		
NNN	Authorised for despatch by:	Initials	Date/time:
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Classification  
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Any forewarning that reached the Iraqis' ears could lead them to abort the whole operation. What we can do is to provide Posts concerned with instructions to take parallel action when we inform the Iraqis here and in Baghdad as close to the time of police intervention as we can manage. We have already impressed on the Americans (Kelly, Assistant Secretary, Near East and Asia) the critical importance for our interests that the affair should be handled without anti-Iraqi fanfare, and we are sending separate instructions for Washington to take parallel action. Our own press briefing will be as limited and low key as possible.

TOMKYS

YYYY

MAIN

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PS/MR WALDEGRAVE

PS/PUS

MR TOMKYS

MR GORE-BOOTH

MR SLATER

NNNN

For distribution of this Telegram, see Telegram Control Card

Signature



Treasury Chambers, Parliament Street SW1P 3AG

The Rt Hon Douglas Hurd CBE MP  
 Secretary of State for Foreign Affairs  
 Foreign & Commonwealth Office  
 King Charles Street  
 London  
 SW1A 2AH

20<sup>th</sup> March 1990

*DL await  
 FCS reply  
 C/O*

*Dear Secretary of State*

IRAQ: ECGD CREDIT

When we discussed at Cabinet on Thursday the execution of Mr Farzad Bazoft there was a general view that a unilateral position by the UK on trade and credit sanctions would not be appropriate since such a move would be ineffective in influencing the attitude of the Iraq Government and could inflict disproportionate damage on British Industry.

2. There remains an important issue however of the wisdom of ECGD building up further exposure in Iraq. You will recall that at the time of the discussions last Autumn on the last protocol Treasury Ministers argued for the imposition of a ceiling on ECGD exposure. We accepted Bank of England advice that at some stage an Iraqi rescheduling is inevitable and given that it seemed a mistake to go on increasing ECGD's exposure towards £1.5 billion in the hope of protecting the UK's preferred creditor position. We would have preferred to have started cutting back by offering new credits to the Iraqis no greater than repayments due in 1990. If the Iraqis were to react to such an offer by rescheduling, it was better they should do so now than in 2, 3 or 4 years time when ECGD's exposure would be much higher. The offer of further new credits only postponed the day of reckoning and increased the extent of the losses which would occur when it arose.

4. In the event we agreed reluctantly that David Trefgarne offer £250 million new credits and the Iraqis settled on that basis. We took that decision primarily to protect ECGD's existing position as preferred creditor and to avoid unilateral rescheduling by the

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Iraqis. There is obviously now a risk that the Iraqis will take discriminatory action against us and stop paying on existing credits. In any event, the next protocol will be negotiated this Autumn and the same arguments still apply.

5. Against this background there is clearly a case for responding to the events of the last few days by stopping the draw down of the remaining £350 million available under the 1989 and 1988 protocols. The argument in favour is that such a step would avoid increasing ECGDs exposure still further. The argument against is that it seems clear the Iraqis will respond by defaulting on all existing ECGD debt. On the other hand it is not clear that they will do anything different when - as surely we must - we call a halt to the extension of new credit sometime in the next few years.

6. Iraq's debts are huge and increasing (substantially in excess of \$60 to \$80 billion) - ECGD share about \$1.6 billion. The Iraqis themselves expect their debt position to continue to deteriorate for a further 5 years reflecting the need to finance both post war reconstruction and military expenditures. Iraq refuses a multilateral rescheduling of debts through the Paris Club (partly because it wishes to avoid going to the IMF first) and relies on bilateral negotiations. By keeping Iraq on cover, the UK has helped to prevent the emergence of a concerted Paris Club approach to Iraq's debts. If the United Kingdom came off cover we should be able to argue in favour of a multilateral approach to rescheduling which is in any case our best hope for recovering some of the existing £1 billion outstanding debt, and avoiding discrimination against the UK.

6. In my view we should cut our loses now and close down the credit line. We are unlikely ever to find a better time. I am of course ready to discuss with you.

7. I am sending a copy of this letter to the Prime Minister, Nicholas Ridley, and Tom King.

*Yours sincerely*

*Kleen Campbell*

NORMAN LAMONT

*Approved by the Chief Secretary  
and signed in his absence*

file 27



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

ACK/ 16 March 1990

HU I enclose a copy of a message to the  
Prime Minister from President Mitterrand  
about the execution of Mr Bazoft. I should  
be grateful for a draft reply.

C. D. POWELL

✓

Richard Gozney, Esq.  
Foreign and Commonwealth Office

CONFIDENTIAL  
FM FCO  
TO IMMEDIATE BAGHDAD  
TELNO 165  
OF 161200Z MARCH 90

TELECON KEALY/LAMPORT: SECURITY OF YOUR EMBASSY  
1. REUTERS ARE TODAY REPORTING THAT IRAQ IS PLANNING TO ORGANISE HUGE ANTI-BRITISH DEMONSTRATIONS THROUGHOUT THE COUNTRY FOR 17 MARCH.  
2. TOMKYS TELEPHONED THE IRAQI EMBASSY THIS MORNING AND DREW THEIR ATTENTION TO THESE REPORTS. HAVING ESTABLISHED THAT THE EMBASSY WERE SATISFIED WITH THEIR OWN POLICE PROTECTION AND CIRCUMSTANCES, TOMKYS REMINDED MINISTER/COUNSELLOR OF HMA BAGHDAD'S EXCHANGE WITH HAMDOUN ON 15 MARCH ON THE SUBJECT OF OUR SECURITY IN BAGHDAD AND THAT OF BRITISH COMMUNITY THERE. ZUHAIR IBRAHIM ACCEPTED HIS GOVERNMENT'S RESPONSIBILITY IN THIS SENSE AND UNDERTOOK IMMEDIATELY TO CONVEY OUR CONCERN TO BAGHDAD.

HURD

YYYY

DISTRIBUTION 134

MAIN 129

BAZOFT/MRS PARISH  
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ECD(E)  
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LEGAL ADVISERS  
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SECURITY D  
PS  
PS/MR WALDEGRAVE  
PS/MR SAINSBURY  
PS/LORD BRABAZON  
PS/PUS  
MR P J WESTON  
MR GORE-BOOTH  
MISS SPENCER  
MR TOMKYS  
MR KERR  
MR FAIRWEATHER  
MR SLATER

PAGE 1  
CONFIDENTIAL

ADDITIONAL 5

PS/NO 10

MR APPELYARD CAB OFFICE

NNNN

AMBASSADE DE FRANCE  
LONDRES

*celg*

L'AMBASSADEUR

15TH MARCH, 1990

N° 665

*Doc. P. M. 10.000*

I have just received the text of a message addressed to you by Monsieur François MITTERRAND, Président de la République française.

I enclose it herewith.

*Luc*

*Luc de La Barre de Nanteuil*

Luc de La Barre de Nanteuil

The Rt. Hon. Margaret Thatcher, MP  
Prime Minister,  
First Lord of the Treasury and  
Minister for the Civil Service  
N° 10 Downing Street  
London SW1A 2AA



PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. 157/90

SUBJECT CC MASTER  
OPS

T

TEXT OF THE MESSAGE ADDRESSED BY  
MONSIEUR FRANCOIS MITTERRAND, PRESIDENT OF THE FRENCH REPUBLIC

TO

THE PRIME MINISTER

Paris, le 15 mars 1990

"Au moment ou j'apprends l'exécution du journaliste Farzad Bazoft, je tiens à vous exprimer ma profonde sympathie et à vous dire que le peuple français partage l'émotion ressentie par le peuple britannique.

François Mitterrand"./.

IRAQ: Relations

CONFIDENTIAL  
FM BAGHDAD  
TO IMMEDIATE FCO  
TELNO 235  
OF 151445Z MARCH 90

ADVANCE COPY

MYTELNO 233 : MRS PARISH - CONSULAR VISIT : FURTHER DETAILS

SUMMARY

1. MRS PARISH NOT INFORMED OF HER SENTENCE UNTIL SHE ARRIVED IN PRISON ON 11 MARCH. HELD IN LONG-TERM WOMEN'S POLITICAL BLOCK IN FAIR CONDITIONS. DISTRESSED AT NEWS OF BAZOFT'S EXECUTION, BUT LOOKING FORWARD TO DAUGHTER'S VISIT. IN BETTER SPIRITS AND HEALTH.

DETAIL

2. AS REPORTED IN TUR KEALY AND BVC (EAGER) SAW MRS PARISH AT THE MFA FOR ONE HOUR ON 15 MARCH. SHE WAS LOOKING FITTER AND WAS IN BETTER SPIRITS. SHE COMMENTED THAT THE MOVE TO ABU GHRAIB MEANT THAT SHE WAS AT LEAST NO LONGER IN SOLITARY CONFINEMENT.

3. MRS PARISH HAD NOT BEEN TOLD OF HER 15-YEAR SENTENCE ON 10 MARCH. INITIALLY ON THE FOLLOWING DAY, THE SECURITY OFFICIALS HAD SAID THAT THEY WERE TAKING HER TO THE BRITISH EMBASSY (SIC) AND SHE HAD ONLY LEARNT OF HER FATE WHEN SHE WAS TAKEN TO ABU GHRAIB PRISON. THERE SHE WAS SHARING A ROOM WITH FOUR OTHER WOMEN IN A BLOCK HOLDING A TOTAL OF 30. ALL OF THESE WERE (SHE SAID) IRAQI, LONG-TERM POLITICAL PRISONERS AND SOME OF THEM HAD THEIR CHILDREN IN GAOL WITH THEM. ALTHOUGH CONDITIONS WERE CROWDED, MRS PARISH SAID THAT HER FELLOW INMATES WERE FOR THE MOST PART PLEASANT, AND SOME OF THEM REASONABLY BRIGHT. ONE SPOKE EXCELLENT ENGLISH AND THREE OTHERS FAIR ENGLISH, SO THAT SHE WAS ABLE TO COMMUNICATE. SHE HAD IT IN MIND, IN ANY CASE, TO IMPROVE HER ARABIC. SANITARY CONDITIONS HOWEVER LEFT MUCH TO BE DESIRED. SHE HAD ALREADY ORGANISED HER CELL-MATES INTO AEROBIC CLASSES (TEN MEMBERS SO FAR) AND WAS HOLDING 'COFFEE MORNINGS'. IN ADDITION TO THE ABOVE SHE WAS TAKING EXERCISE IN THE MODEST EXERCISE AREA AND SHE HOPED THAT IT MIGHT BE POSSIBLE TO PLANT A GARDEN THERE.

4. SHE HAD AN IRON BEDSTEAD AND MATTRESS AND THERE WAS COLD

WATER FOR WASHING. THERE WAS HOWEVER NO AIRCONDITIONING AND CONDITIONS WERE, SHE UNDERSTOOD, VERY HOT IN THE SUMMER.

5. KEALY TOLD MRS PARISH OF BAZOFT'S EXECUTION AND PASSED ON HIS LAST MESSAGE TO HER (MY TELNO 228). SHE WAS VERY DISTRESSED AT THE NEWS AND DESCRIBED HIS SENTENCE AS BARBARIC (ADDING THAT, AS PART OF THE SAME KIND OF CAT-AND-MOUSE GAME, THE SECURITY OFFICIALS HAD ORIGINALLY TOLD HIM TOO, AFTER THE TRIAL, THAT HE WAS NOT TO BE HANGED).

6. KEALY ALSO TOLD MRS PARISH THAT HER DAUGHTER WAS ABOUT TO RECEIVE A VISA TO VISIT HER IN THE NEAR FUTURE AND THAT WE WOULD TRY TO ENSURE THAT SHE WAS ABLE TO SEE HER MOTHER SEVERAL DAYS IN SUCCESSION, IF THIS WERE PERMITTED. IN ADDITION TO THE MESSAGE TO MICHELLE CONVEYED IN TUR, MRS PARISH SAID THAT IN VIEW OF HER LONG SENTENCE MICHELLE SHOULD DEFINITELY MAKE ARRANGEMENTS TO SELL HER FLAT. KEALY SUGGESTED THAT, ASSUMING THAT MISS DE VRIES VISITED IRAQ IN THE NEAR FUTURE, MRS PARISH MIGHT LIKE TO DISCUSS FINAL ARRANGEMENTS DIRECTLY WITH HER DAUGHTER.

7. MRS PARISH ALSO SENT MESSAGES TO COLLEAGUES AT THE PARC HOSPITAL (WE ARE SEEING COLEMAN SHORTLY AND WILL PASS THESE ON TOGETHER WITH DETAILS OF MRS PARISH'S FURTHER REQUIREMENTS) AND TO ALL HER RELATIVES AND FRIENDS: SHE WANTED THEM TO KNOW THAT SHE WAS ALL RIGHT, AND MUCH HAPPIER THAT SHE WAS NOW IN COMPANY RATHER THAN IN SOLITARY CONFINEMENT. SHE WAS KEEPING BUSY AND ACTIVE AND NOT THINKING TOO MUCH ABOUT THE FUTURE. ALL HER FELLOW PRISONERS WERE SERVING LONG SENTENCES AND SEEMED TO BE COPING WELL. SHE INTENDED TO DO THE SAME.

8. KEALY TOLD MRS PARISH ABOUT THE WORLDWIDE ATTEMPTS TO PERSUADE SADDAM TO GRANT CLEMENCY IN HER CASE AS WELL AS THAT OF BAZOFT. SHE SAID THAT SHE WAS GRATEFUL FOR EVERYONE'S EFFORTS AND IN PARTICULAR FOR THOSE OF THE PRIME MINISTER. SHE ALSO THANKED THE EMBASSY FOR ITS ASSISTANCE. KEALY ASSURED HER THAT WE WOULD NOW DO OUR BEST TO HELP HER SETTLE IN AS COMFORTABLY AS POSSIBLE TO PRISON CONDITIONS AND ENSURE THAT SHE RECEIVED REGULAR SUPPLIES OF FOOD AND OTHER COMFORTS. (COMMENT: WE SHALL OBVIOUSLY TRY TO AIM FOR THE SAME CONDITIONS AS IAN RICHTER BUT IT REMAINS TO BE SEEN HOW FAR THIS WILL BE FEASIBLE SINCE MRS PARISH IS IN A 'POLITICAL' BLOCK. WE WILL OF COURSE PURSUE URGENTLY WITH MFA).

9. MRS PARISH SAID THAT THERE WAS A CAPABLE, WESTERN - TRAINED SOCIAL WORKER IN FULL-TIME ATTENDANCE AT HER BLOCK, AND SHE HAD, SINCE HER APPOINTMENT, MANAGED TO IMPROVE CONDITIONS TO A CONSIDERABLE DEGREE. THROUGH HER MRS PARISH WAS FORMALLY REQUESTING TO BE PERMITTED TO UNDERTAKE HOSPITAL WORK OUTSIDE THE PRISON DURING THE DAY (IE COMMUNITY SERVICE) TO FILL HER TIME MORE PRODUCTIVELY. FIRST, HOWEVER, SHE WOULD HAVE TO IMPROVE HER

COLLOQUIAL ARABIC.

10. MRS PARISH ASKED THAT HER DAUGHTER BRING OUT THE FOLLOWING ITEMS WHEN SHE VISITED HERE :

SOME SIMPLE MOISTURISING LOTION  
 SOME CHEAP COTTON PYJAMAS  
 SIX BOTTLES OF RECITAL VIKING SHAMPOO  
 A SKIPPING ROPE  
 A PICTURE-BOOK SUITABLE FOR A 3-YEAR-OLD (MRS PARIS IS HELPING OUT LOOKING AFTER FELLOW INMATE'S CHILDREN)  
 SOME NEEDLES AND WOOL FOR KNITTING, PLUS A SIMPLE PATTERN MAGAZINES  
 SOME SMALL TINS OF PATE  
 SOME FRUIT CAKE (EG DUNDEE)  
 SOME MARKS AND SPENCER BISCUITS  
 SEWING KIT

*Prime Minister*

*Ken might like*

*no had something*

*CDD*

11. AFTER THE MEETING CONCLUDED, KEALY REINFORCED WITH AL-FADHLI (DEPUTY HEAD OF CONSULAR DEPARTMENT) OUR REQUEST THAT MISS DE VIRES SEE HER MOTHER FOR SEVERAL SUCCESSIVE DAYS, ON THE LINES OF MRS RICHTER, AND STRESSED THAT WE WOULD NEED A FIRM ASSURANCE TO THIS EFFECT FROM THE MFA BEFORE MISS DE VRIES LEFT ENGLAND. TO HAVE HER WAITING AROUND FOR DAYS TO SEE HER MOTHER AFTER HER ARRIVAL WOULD NOT ONLY INVOLVE HER IN UNNECESSARY INCONVENIENCE BUT WOULD ALSO CREATE THE WORST POSSIBLE IMPRESSION. AL - FADHLI UNDERTOOK TO PURSUE URGENTLY.

12. KEALY ALSO SAID THAT WE WOULD BE FOLLOWING UP IN WRITING TO REQUEST THE MFA TO SEEK APPROVAL WITH THE PRISON AUTHORITIES FOR COMFORTS TO BE PASSED INTO MRS PARISH (EG, AND IMPORTANTLY, A RADIO).

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MRS PARISH - CONSULAR ACCESS

1. CONSUL-GENERAL AND VICE-CONSUL SAW MRS PARISH FOR APPROXIMATELY ONE HOUR FROM 1430 LOCAL AT MFA. MFA CONSULAR DEPARTMENT AND SECURITY OFFICIALS WERE ALSO PRESENT. SHE WAS IN GOOD HEALTH AND SETTLING IN REASONABLY WELL TO PRISON CONDITIONS (SHE WAS TRANSFERRED TO ABU GHRAIB ON 11 MARCH).
2. SHE SENT HER LOVE TO HER DAUGHTER (COMMENTING THAT THE SITUATION WAS WORSE FOR MICHELLE THAN FOR HERSELF) AND HER FAMILY. SHE GREATLY LOOKS FORWARD TO AN EARLY VISIT BY MICHELLE.
3. FULLER DETAILS FOLLOW IN SEPARATE TELEGRAM.

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MR GORE-BOOTH  
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MR TOMKYS  
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MIPT : BAZOFT

1. FOLLOWING IS FINAL MESSAGE FROM BAZOFT.

BEGINS

I LOVE YOU MOTHER. I LOVE YOU FATHER AND I LOVE YOU FARHAD,  
ANAHITA, AFSHIN. I AM SORRY IF I WENT TO AL-HILLA MR PRESIDENT.  
I ALWAYS LIKED IRAQ AND ITS PEOPLE. EVERYBODY MAKES A MISTAKE  
AND I MADE ONE TOO.

I THANK EVERYBODY IN ENGLAND AND IRAQ WHO TRIED TO HELP ME.  
IF I HAVE DONE ANYTHING WRONG TO ANYBODY PLEASE FORGIVE ME,  
ANYWHERE IN THE WORLD. I LIKE TO THANK IRAQI OFFICIALS FOR  
THEIR HOSPITALITY DURING MY SIX TRIPS TO IRAQ.

I WOULD LIKE TO SAY TO MY MOTHER I LOVE HER AND NOT TO CRY  
FOR ME.

I HAVE TO ASK YOU TO GIVE ME A CHANCE TO TALK IN ORDER TO  
BE HELPED FOR THE LAST TIME IF NOT I WOULD LIKE YOU TO  
SEND MY BODY TO LONDON AND BE BURIED IN THE HIGHGATE CEMETARY.

I LIKE TO BE PARDONED MR PRESIDENT AND MY SENTENCE TO BE  
COMMUNTED.

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MYTELNO 224 : BAZOFT

1. KEALY IS NOW BACK. HE DID NOT ACTUALLY WITNESS BAZOFT'S EXECUTION BUT ASSUMES IT TOOK PLACE IMMEDIATELY AFTER HIS DEPARTURE FROM THE PRISON AT ABOUT 0715Z.

2. KEALY SAW BAZOFT IN THE DIRECTOR'S OFFICE OF THE LONG-TERM PRISONERS BLOCK AT ABU GHRAIB PRISON FOR APPROXIMATELY 30 MINUTES FROM 0940 TO 1010 LOCAL. BAZOFT WAS LOOKING HOLLOW-EYED, THIN AND UNSHAVEN. HE WAS DRESSED IN A DISH-DASHA. HE PASSED A HANDWRITTEN LAST MESSAGE TO FAMILY AND FRIENDS (TEXT IN MIFT). MAIN POINTS MADE BY BAZOFT WERE AS FOLLOWS . HE REPEATEDLY ASKED FOR MORE TIME TO SEE THE PRESIDENT AND TELL HIS WHOLE STORY. HE EVIDENTLY HAD NOT EARLIER BEEN TOLD THAT HE WAS TO BE EXECUTED THAT MORNING (KEALY TOLD HIM THAT HE, KEALY, HAD BEEN TOLD TO COME TO THE PRISON BECAUSE HE WAS TO BE EXECUTED) AND WAS THEREFORE RELUCTANT TO SPEAK FURTHER ABOUT HIS CASE WITHOUT 'A GUARANTEE' THAT THE FULL FACTS WOULD BE PUT BEFORE THE PRESIDENT FOR FINAL CONSIDERATION. NEVERTHELESS, WHEN PROMPTED BY KEALY HE CONFIRMED THAT THE TRUE FACTS WERE, IN ESSENCE, AS HE HAD STATED IN COURT COMBINED WITH HIS REMARKS TO HAMDAN AT THE FINAL PRE-TRIAL MEETING (REPORTED IN MYTELNO 157).

3. HE SAID THAT EVERYONE MADE MISTAKES AND APOLOGISED FOR WHAT HE HAD DONE, EITHER INTENTIONALLY OR UNINTENTIONALLY. IT WAS HOWEVER A 'SHAME TO DIE WITHOUT THE WORLD HAVING HEARD THE WHOLE TRUTH. HE HAD BEEN UNDER PRESSURE WHEN INTERROGATED AND HAD TRIED TO HELP AS MUCH AS HE COULD AND HAD EVEN EXAGGERATED THINGS IN AN ATTEMPT TO SAVE HIS LIFE. HE REMARKED THAT FOR HIM AS AN IRANIAN-BORN JOURNALIST BASED IN THE UK HIS POSITION HERE WAS 'DIABOLICAL'.

4. HE ALSO HAD THE FOLLOWING PERSONAL MESSAGE IN ADDITION TO THOSE IN MIFT:

A. HE SENT HIS LOVE TO HIS FAMILY. HE WAS CONCERNED ABOUT HIS

PARENTS IN IRAN, WHO HAD FOR SOME TIME WANTED TO LEAVE THE COUNTRY. HIS MOTHER WAS NOT IN GOOD HEALTH AND HE HOPED THAT IT WOULD THEREFORE BE POSSIBLE TO HELP THE FAMILY. PERHAPS THE OBSERVER MIGHT SET UP A SPECIAL FUND.

B. HE SENT HIS LOVE TO RUTH AT THE OBSERVER AND ASKED HER 'NOT TO CRY'. HE WAS GRATEFUL FOR ALL THE SUPPORT AND SYMPATHY OF HIS COLLEAGUES, INCLUDING ADRIAN HAMILTON, AT THE OBSERVER (KEALY TOLD HIM OF THE WORLDWIDE PLEASE TO SADDAM TO SHOW CLEMENCY). HE WOULD BE GRATEFUL IF THE OBSERVER COULD TAKE HIS CUTTINGS FOLDER FROM HIS FLAT AT 47 SIMPSON STREET, UPDATE IT AND GIVE IT TO HIS MOTHER IF SHE EVER GOT OUT OF IRAN, AS A PRESENT.

C. HE WAS GRATEFUL TO THE EMBASSY FOR THEIR EFFORTS.

D. HE SENT HIS APOLOGIES TO MRS PARISH FOR HAVING INVOLVED HER.

E. HE SENT HIS 'LOVE' AND APOLOGIES TO HAMDOON.

5. BAZOFT CONCLUDED THAT HE HOPED THE WORLD WOULD DECIDE AFTER HE HAD GONE WHAT KIND OF PERSON HE HAD REALLY BEEN.

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## Mr. Farzad Bazoft (Execution)

3.30 pm

**The Secretary of State for Foreign and Commonwealth Affairs (Mr. Douglas Hurd):** Mr. Speaker, I would like to make a statement about Mr. Bazoft.

The Iraqis executed Mr. Farzad Bazoft this morning. Her Majesty's consul-general visited him early this morning.

I can recall no recent case in which such a strong and unanimous view was expressed across the world in favour of clemency. That view has been ignored. The House will wish to express its total revulsion. [HON. MEMBERS: "Hear, hear."] At a time when the international scene shows many signs of hope and humanity, we have been reminded that there are still regimes capable of a pitiless disregard for human rights.

I have instructed our ambassador to return home. We are suspending all planned ministerial visits.

We are stopping the training of Iraqis on Ministry of Defence courses. Students on these courses will return to Iraq without completing their courses.

We shall seek support from the Twelve and from our friends and allies in condemning Iraq's action.

I am sure that I speak on behalf of the whole House when I extend to Mr. Bazoft's family our deep sympathies on this tragic outcome. We shall continue to work for the release of Mrs. Parish and Mr. Ian Richter from their harsh sentences in Iraq.

We made a strenuous and prolonged effort by many means to save Mr. Bazoft's life. The comments which we have made have throughout been measured and reasonable. By their action, the Iraqi authorities have blackened the name of Iraq across the world.

**Mr. George Robertson (Hamilton):** We on this side of the House join the Foreign Secretary in the sense of shock and anger that he has expressed about the execution of Mr. Farzad Bazoft and we join in his condolences to Mr. Bazoft's family.

The whole House of Commons stands united in condemning this act of unspeakable brutality, an act which displayed a ruthless contempt for justice, for humanity and for united world opinion. This is not only a crime against one man who this morning was so callously put to death, but represents a real threat to every other person who may go to Iraq.

It is also right at this time to remember the indefensible gaol sentences passed on Mrs. Daphne Parish and Mr. Ian Richter, and we must continue all efforts to have them freed.

We offer the Government our full support in the action that they are taking, and we welcome the intention of involving our European partners in seeking further ways of putting pressure on Iraq.

Does the Foreign Secretary not think that here in Britain he should now ask the Iraqi ambassador immediately to go home, as a clear indication of the disgust of the British people at what has happened? Should we not carefully reconsider the extensive trade credits that we offer Iraq, and cancel all trade missions from this country to Iraq? Today's execution was an act of calculated violence by a bloodstained dictatorship which will delay any chance of the Iraqis' return to the civilised world community.

**Mr. Hurd:** I am grateful to the hon. Gentleman for the way in which he has handled the matter. We have considered the three specific extra points that he made. He suggested that we should send home the Iraqi ambassador. I do not want to take steps that might lead to the permanent exclusion of our embassy staff from Baghdad. We have more than 2,000 British subjects there and, like the Opposition, we are thinking in particular of Mr. Richter and Mrs. Parish, to whom the hon. Gentleman referred twice.

We have already considered the matter of credit. We must take into account that economic measures in which we would not be joined by others will not alter the stance of the Iraqi Government, and might do more harm than good. The hon. Member also mentioned trade missions. Such a mission was due to leave today from the Birmingham chamber of commerce. My right hon. Friend the Secretary of State for Trade and Industry has withdrawn support and subsidy from the mission. I understand that the Birmingham chamber of commerce has also withdrawn its support.

**Mr. David Howell (Guildford):** Will my right hon. Friend accept that his measured response to this outrage and the actions of this monstrous regime is exactly right in the circumstances? Will he also accept that, while others may urge that sanctions through trade or a complete break of diplomatic relations might express their justifiable feelings of outrage, such measures would be less effective and might end up doing no harm to Iraq and damaging this country more? Will he work hard with our Community partners to ensure that the combined effort and power of the European community is directed to bringing to bear on the Baghdad regime the lesson that it has offended the civilised rules of humanity and international order?

**Mr. Hurd:** I am grateful to my right hon. Friend and to those Foreign Ministers and others, including the Secretary-General of the United Nations and many others, who have intervened to urge clemency in the past few days. I agree with my right hon. Friend's comments. I shall have an opportunity the day after tomorrow at the meeting of EC and Gulf Ministers in Muscat to drive home the point that he made.

**Sir David Steel (Tweeddale, Ettrick and Lauderdale):** We on this Bench fully endorse the Foreign Secretary's sentiments. Would it not be wise to remind ourselves that Mr. Bazoft was a journalist who was in the process of investigating the apparent deaths of hundreds of Iraqi people in an explosion? This secretive and revolting regime has an appalling human rights record towards its own people. In consultation with European partners, will the Foreign Secretary go beyond seeking their condemnation and ask them collectively to consider whether Iraq is suitable as a normal trading partner to which we give credit facilities?

**Mr. Hurd:** I will certainly discuss the matter with them. In honesty, I do not think that that line of thought is likely to make much progress. The right hon. Gentleman has made an important point. Mr. Bazoft was a journalist. He said in court that he was acting as a journalist and nothing more on the occasion when he was arrested. In the last hours of his life, he repeated that account to the consul-general.

**Mr. Flynn:** Will the Prime Minister join the Life Assurance and Unit Trust Regulatory Organisation and independent consultants in denouncing the wickedly dishonest advertising and overselling of personal pensions? Already, over 1 million people are likely to be worse off because they have been misled, taken the Government bribe and left SERPS. Will the Prime Minister guarantee that when the time is right for those cheated 1 million to return to SERPS, there will be a full-blooded Government advertising campaign to inform them of the truth?

**The Prime Minister:** I totally reject the hon. Gentleman's premise and the language in which he expressed it. People are perfectly free to take out personal pensions. They take a burden off SERPS, which is why they receive a certain amount from it when setting up pensions. Many people have exercised their choice. I recognise that choice is anathema to Socialism, which is why Socialism will be rejected this part of Europe as it has been in eastern Europe.

**Q10. Mrs. Mahon:** To ask the Prime Minister if she will list her official engagements for Thursday 15 March.

**The Prime Minister:** I refer the hon. Lady to the reply that I gave some moments ago.

**Mrs. Mahon:** Is the Prime Minister aware that the privatised British Telecom is charging people £80 in certain areas before it will install a telephone? Does she think that that is a good advertisement for the privatised system, remembering that people do not get the £80 back until they have paid four consecutive bills? That is a disgrace. Does she agree that things were better when BT was public?

**The Prime Minister:** If the hon. Lady looks at the record of British Telecom since it has been privatised she will find that it is giving a much better service. Because of the regulatory regime, it has not been able to increase its prices by anything like the rate of inflation, so in real terms prices have gone down since privatisation. That is good news for all telephone users.

**Mr. Michael Marshall (Arundel):** Will my right hon. Friend accept that it is a duty on each and every hon. Member of the House to express his revulsion at this atrocity? Will he further accept my confident assertion that those from this parliament attending the Inter-Parliamentary Union conference in two weeks' time will wish to express their sentiments in that regard directly to Iraqi parliamentarians?

**Mr. Hurd:** I am grateful to my hon. Friend: I think that that would be an excellent contribution.

**Mr. Jim Sillars (Glasgow, Govan):** May I join in the expressions of revulsion? Having heard the Iraqi ambassador on the radio earlier today, may I ask the right hon. Gentleman to put it clearly on record that any confession extracted by Saddam Hussein's regime will carry no validity anywhere in the world?

Let me also take the right hon. Gentleman up on the question of continued extended credits. Are they not an expression of normal relations between states? Is it not the case that we cannot continue to have normal relations with Iraq under the present circumstances? Should we not withdraw the credits as an expression of this state's particular revulsion?

**Mr. Hurd:** I have expressed our revulsion, in which every hon. Member shares. But in going on to consider economic measures such as the hon. Gentleman proposes—it is perfectly natural that he should make such a proposal this afternoon—it is also right that the whole House should think through their consequences. Would such economic measures remove the regime? Obviously not. Would they in any way affect its policies? I have to tell the House that in my judgment they would not. Would they do more harm than good to Britain? I think it possible that they would. Those are the considerations that the House must carry in its mind before it judges these matters.

**Sir Dennis Walters (Westbury):** Does my right hon. Friend accept the widespread support for the statement that he has made? Will he note that some of us who spend a great deal of time trying to work for better relations between this country and Arab countries share his sense of shock and disappointment? I believe that it is right not to break diplomatic relations, because that would not help British interests or Mrs. Parish, who is in gaol in Iraq. At the same time, we should recognise that Arab countries such as Jordan and Egypt, and the PLO, did their best to prevent this horrid act from taking place.

**Mr. Hurd:** I am grateful to my hon. Friend. His comments coming from a long-standing and sincere friend of the Arab world, will carry particular weight. I am certainly grateful to the three Arab leaders whom he mentioned, who certainly did their best to avert this disaster.

**Mr. Merlyn Rees (Morley and Leeds, South):** The Foreign Secretary said, did he not, that soldiers from Iraq—members of the armed forces training here—would be sent home? I understand that it is also normal for policemen to be training at the various academies of the police forces in this country. Will the Foreign Secretary ask the Home Office to see whether policemen are here as

well and ensure that they, too, are sent home, because it is their job to carry out the law that we in the House so strongly oppose?

**Mr. Hurd:** I shall look into the point that the right hon. Gentleman raises with my right hon. and learned Friend the Home Secretary.

**Mr. Nicholas Bennett (Pembroke):** Is my right hon. Friend the Home Secretary aware that six Conservative Members were in Iraq when Mr. Bazoft was arrested last September and we went to see the deputy Prime Minister of Iraq about the case of Mr. Ian Richter. When the deputy Prime Minister referred during those discussions, to a political prisoner in our own gaols, we pointed out that the man in question was in prison for murder. Will my right hon. Friend confirm that there will be no deals with Iraq to exchange prisoners, and will he ensure that that country does not interfere in our criminal justice system?

**Mr. Hurd:** My hon. Friend is quite right. I have unfortunately had occasion to explain this to Iraq off and on for about eight years of my ministerial career. It is certainly true that the Iraqis hope, from time to time, to make such deals. We have had to explain—in various personal cases of great difficulty, in which the Government and the whole House felt for the people in prison in Iraq—that we are not going to trade our justice in that way.

**Several Hon. Members rose—**

**Mr. Speaker:** Order. We have a very heavy day ahead of us. I will call two more hon. Members from each side; then we must move on to business questions.

**Dr. David Owen (Plymouth, Devonport):** Does the Foreign Secretary agree that this callous and brutal act tramples on the values of a free and international press and reminds us that Iraq has used gas not only against its own citizens but against Iran and that it continues to manufacture gas? Should it not now be on the conscience of the world to take action on that country's dismal record on the whole question of poisonous gas?

**Mr. Hurd:** The right hon. Gentleman knows about poisonous gas and about human rights, and he will know that we have been among the foremost in urging precisely that.

**Mr. Michael Latham (Rutland and Melton):** Although the House will wish to accept the judgment of my right hon. Friend about the action he has taken, will he confirm that the return of our ambassador to this country could be prolonged? If we are not going to take action to remove any Iraqi staff from this country, no normal relations should take place with them until the people concerned are released from their country.

**Mr. Hurd:** We shall judge the length of time that it would be sensible to keep Her Majesty's ambassador here. I entirely agree with my hon. Friend's main point.

**Mr. George Galloway (Glasgow, Hillhead):** The Iraqi regime has besmirched the name of its people by the judicial murder this morning—as any state which commits judicial murder does. Will the Secretary of State accept that the House in general welcomes the cautious approach that he has taken in response—

**Mr. Tony Banks (Newham, North-West):** No.

**Mr. Galloway:** My hon. Friend says no, but the truth is that caution has been absent from much of the rhetoric since last week, and in my view that has been extremely damaging. People who know that part of the world have listened with a sense of increasing gloom to the gunboats being started up and the sabres dusted down in certain quarters. That is entirely counter-productive, and a man has paid for it with his life.

**Mr. Hurd:** I hope that the hon. Member will agree that what has been said, not just by Ministers but by hon. Members on both sides of the House, on the subject on several occasions during the past week, has been measured. Anything less would have fallen well below what was required of the subject we were discussing.

**Mr. Tony Banks:** What about the morality?

**Mr. Hurd:** Neither the Government nor the Opposition are responsible for what appears in parts of the media, and I am not in a position to comment on that. I think that our stance, and what hon. Members have said, was the least that could have been expected upon such occasions, and I do not think that we have anything to regret. I have tried to use measured words, which I think express the deep disgust that we all feel.

**Mr. Tim Smith (Beaconsfield):** Is my right hon. Friend aware that his measured and balanced statement this afternoon will be widely welcomed? While it is obviously essential that that barbaric act should be condemned in the strongest possible terms, we also have to think of the interests of Ian Richter, Daphne Parish and the 2,000 Britons who work in Baghdad. Can my right hon. Friend deny the rumours that are apparently being put about that Mr. Bazofi was a member of special branch?

**Mr. Hurd:** I agree with my hon. Friend's first point. I welcome the opportunity to comment on the rumours that are circulating. I understand from my right hon. Friend the Home Secretary that Mr. Bazofi telephoned the Metropolitan police on four occasions—once in 1987, twice in 1988 and once last year—as a member of the public offering information on subjects which were unconnected with Iraq. He had no contact with special branch, and the police did not consider the information he gave was worth pursuing but his calls were logged in accordance with routine procedure. There were no further contacts, and there were no further meetings. None of that seems relevant to this morning's tragedy.

## Business of the House

3.47 pm

**The Parliamentary Secretary to the Treasury (Mr. Tim Renton):** With permission, Mr. Speaker, I should like to make a statement about the business for next week.

**MONDAY 19 MARCH—Second Reading of the War Crimes Bill.**

**Motion on the Rate Support Grant (Scotland) Order.**

**TUESDAY 20 MARCH—My right hon. Friend the Chancellor of the Exchequer will open his Budget statement. European Community documents relevant to the Budget debate will be shown in the *Official Report*.**

The Chairman of Ways and Means has named opposed private business for consideration at seven o'clock.

**WEDNESDAY 21 MARCH AND THURSDAY 22 MARCH—Continuation of the Budget debate.**

**FRIDAY 23 MARCH—Private Members' motions.**

**MONDAY 26 MARCH—Conclusion of the debate on the Budget statement.**

*Tuesday 20 March: Relevant European Community documents*

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| (a) 9487/89    | <i>Annual Economic Report 1989-90</i>                                    |
| (b) Unnumbered | <i>Final version of Annual Economic Report as adopted by the Council</i> |

*Relevant Reports of the European Legislation Committee*

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| (a) | <i>HC 15-xxxviii (1988-89), para 2</i> |
| (b) | <i>HC 11-ix (1989-90), para 2</i>      |

**Dr. John Cunningham (Copeland):** Has the right hon. Gentleman yet had time to reach a conclusion about the requests from all parties in the House for a debate on the Harrods/House of Fraser scandal? Is it not inadequate to leave the matter as it was left—dealt with in a brief statement by the Secretary of State for Trade and Industry, who seemed to dismiss this disgraceful episode in an offhand and inadequate manner.

Is it not in the interests of everyone in Parliament, including the Government, and of the reputation of industry and our financial institutions, that the matter should be properly discussed and debated in Parliament? I emphasise that requests for a debate came from hon. Members in all parts of the House. The Government have had time to consider the matter. I hope that we can have an early and positive response so that the House can hold an essential debate.

Why are the Government delaying debates on important poll tax orders? Has the Patronage Secretary seen the petition on the Order Paper from the impeccably Conservative Berkshire county council drawing attention to the unfair treatment of Tory boroughs such as Wandsworth and Westminster by the Secretary of State for the Environment? Since even Tory Berkshire county council is now calling for the Government's revenue support grant decisions to be reconsidered, and since the Prime Minister remains—almost alone, but nevertheless remains—convinced that the poll tax is a good idea, why are the Government so reluctant to allow time to debate those matters?

**Mr. Renton:** There is no question of my right hon. Friend the Secretary of State for Trade and Industry being, as the hon. Gentleman put it, offhand in his attitude towards the House of Fraser report. He made a statement and answered questions about it last week in the House.

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INFO PRIORITY OTHER EC POSTS

YOUR TELNO 135 TO DUBLIN: EXECUTION OF BAZOFT: FRENCH REACTION

1. AS ALREADY REPORTED TO THE DEPARTMENT IN TELCON QUAYLE/LAMPORT, MINISTER TOOK ACTION THIS MORNING WITH LECLERCQ, QUAI ME DIRECTOR. LECLERCQ WAS CONTENT WITH THE IDEA OF A STATEMENT BY THE TWELVE. HE SAID THAT HE HAD DRAFTED A FRENCH NATIONAL STATEMENT WHICH HE WANTED TO ISSUE AS SOON AS POSSIBLE, AFTER APPROVAL BY DUMAS. IT REFERRED TO THE ACTION OF THE TWELVE AND OF DUMAS, AND EXPRESSED PROFOUND DISAPPOINTMENT THAT THE APPEALS HAD NOT BEEN HEEDED.
2. SINCE THEN, DESPITE SEVERAL REMINDERS TO THE QUAI, THERE HAS BEEN A DELAY IN THE ISSUE OF THE TEXT. WE NOW UNDERSTAND FROM DUMAS'S CABINET THAT THERE IS TO BE NOT ONLY A (STRENGTHENED) FRENCH NATIONAL STATEMENT BUT ALSO A MESSAGE FROM PRESIDENT MITTERRAND TO THE PRIME MINISTER.
3. WE WILL REPORT ONCE THE STATEMENT ISSUES.

FERGUSSON

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SVLNAN 2224

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FFFF CABINET OFFICE FOR PS TO NO.10  
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TELNO 236  
OF 151703Z MARCH 90

YRTELNO 157 : PARISH/BAZOFT

1. I TOOK ACTION WITH UNDER-SECRETARY NIZAR HAMDOON BETWEEN 1545Z AND 1600Z, BEGINNING BY HANDING HIM YOUR STATEMENT, REFERRING TO THE OUTRAGE FELT BY THE BRITISH GOVERNMENT, AND SAYING THAT TOMKYS WOULD PROBABLY ALREADY HAVE ASKED THE IRAQI AMBASSADOR TO ARRANGE FOR IRAQI SERVICEMEN ON COURSES IN THE UK TO RETURN HOME.
2. HAMDOON READ THE STATEMENT BUT DECLINED TO ACCEPT IT AS AN EMBASSY DOCUMENT: I POINTED OUT THAT IT SIMPLY RELATED WORDS THAT HAD ALREADY BEEN SPOKEN.
3. HAMDOON SAID I WOULD BE AWARE OF ALL THE ACTIONS TAKEN BY THE IRAQI AUTHORITIES, NOT JUST THE MFA, TO ENSURE THAT WE HAD HAD FAIR ACCESS TO BAZOFT DURING THE PROCEEDINGS RELATING TO HIM, DESPITE THE FACT THAT HE WAS NOT A BRITISH CITIZEN. HE DID NOT AGREE THAT THE COMMENTS OF BRITISH OFFICIALS THROUGHOUT HAD BEEN RESTRAINED: ON THE CONTRARY, HE THOUGHT THAT OFFICIAL STATEMENTS BY US HAD PRODUCED AN ADVERSE EFFECT BECAUSE OF THEIR TONE OF THREAT.
4. I SAID THAT HIS GOVERNMENT SHOULD ASK THEMSELVES WHY THERE HAD BEEN SUCH AN UNPRECEDENTED NUMBER OF APPEALS FOR CLEMENCY. HAMDOON RESPONDED THAT THIS HAD NOT BEEN WITHOUT INTERVENTION FROM THE BRITISH GOVERNMENT, WHO HAD LAUNCHED A CAMPAIGN TO INVOLVE GOVERNMENTS WHO WERE NEITHER INVOLVED ON THEIR OWN ACCOUNT NOR PROPERLY INFORMED OF THE CASE.
5. IN A SHORT DEBATE ABOUT THE CASE ITSELF I SAID THAT THE EVIDENCE WE HAD HEARD BORE NO RELATION TO THE SEVERITY OF THE SENTENCE. HAMDOON SAID THAT JOURNALISTS COULD NOT EXPECT EXCEPTIONALLY FAVOURABLE TREATMENT JUST BECAUSE THEY WERE JOURNALISTS. HE HAD JUST WRITTEN A LETTER TO THE FINANCIAL TIMES IN WHICH HE HAD POINTED OUT THAT SOME 2,800 OVERSEAS JOURNALISTS HAD COME TO IRAQ IN 1989, OF WHOM 600 HAD BEEN NON-ARAB AND 17 BRITISH. NONE HAD FACED DIFFICULTIES EXCEPT BAZOFT. HE, HOWEVER, HAD ADMITTED THAT HE WAS WORKING FOR MOSSAD. I SAID THAT BAZOFT HAD STATED THAT HIS ADMISSION HAD BEEN MADE UNDER DURESS. HAMDOON CONTINUED THAT ACTS LIKE COLLECTING SOIL FROM A RESTRICTED AREA FOR ANALYSIS, WHETHER COMMITTED BY A JOURNALIST OR ANYBODY ELSE, CONSTITUTED ESPIONAGE ACTIVITY IN IRAQ. IT SHOULD BE REMEMBERED THAT THE IRAQIS, HAVING HAD THEIR NUCLEAR REACTOR BOMBED BY THE ISRAELIS, WERE PARTICULARLY SENSITIVE WHERE SECURITY WAS CONCERNED.
6. HAMDOON CONTINUED THAT IT WAS HIS "PROFOUND BELIEF" THAT IT WAS ONLY BECAUSE OF THE "PRESSURE CAMPAIGN" THAT BAZOFT HAD BEEN EXECUTED. THE CASE OF JOHN SMITH DEMONSTRATED THAT QUIET DIPLOMACY COULD ON OCCASION BE MORE SUCCESSFUL. WE SHOULD REMEMBER THE SENSITIVITY INHERENT IN THE HISTORY OF UK/IRAQI RELATIONS. THE CAMPAIGN OF MEDIA PRESSURE IN THIS CASE COULD ALSO NOT BE IGNORED.
7. I AGAIN ASKED THAT THE IRAQI AUTHORITIES SHOULD REFLECT ON WHY SO MANY GOVERNMENTS AND PERSONS HAD APPEALED FOR CLEMENCY IN THIS CASE. THEY WERE NOT PUPPETS OF WHOM IT COULD SIMPLY BE SAID THAT THEIR APPEALS HAD BEEN ORCHESTRATED BY THE BRITISH GOVERNMENT.
8. HAMDOON REPEATED THAT HISTORY SHOWED THAT OFTEN, IF A CASE ANALOGOUS TO THE PRESENT ONE WAS APPROACHED QUIETLY, THE IRAQIS GAVE A FAVOURABLE RESPONSE. HE HOPED WE WOULD BEAR THIS IN MIND WITH A VIEW TO THE MAINTENANCE OF BETTER RELATIONS IN THE FUTURE.
9. I REITERATED OUR REQUEST FOR ARRANGEMENTS TO BE MADE FOR THE EARLY REPATRIATION OF BAZOFT'S BODY AND FOR THE SETTING OF A DATE FOR A VISIT BY MRS PARISH'S DAUGHTER: HAMDOON INDICATED THAT THE IRAQIS WANTED TO BE HELPFUL OVER THESE THINGS.
10. I AM BOOKED TO ARRIVE IN LONDON BY AIR FRANCE FLIGHT AF806 AROUND 0930 (ETD PARIS 0830) ON 16 MARCH AND SHALL REPORT TO MED AS SOON AS MAY BE.

WALKER

YYYY

BAHPAN 1911

SVLNAN 2227

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From: THE PRIVATE SECRETARY  
**CONFIDENTIAL**

cc pc



HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

14 March 1990

*ED 15/3.*

*Dear Charles*

**FARZAD BAZOFT**

You might wish to know that, from our enquiries on his immigration files, Mr Bazoft, the Observer journalist who has been sentenced to death for spying in Iraq, has a criminal record in this country. Although this has no bearing on his sentence in Iraq it may be raised by the Iraqi s or by the press.

Mr Bazoft, an Iranian, arrived in this country in 1975 as a student. In 1979 he was not pursuing his studies and was in some financial difficulties, and in 1980 his application for an extension of stay was refused. On 18 June 1981 he demanded money from a building society cashier in Brackley by threatening to explode a bomb which he had left outside the building. He obtained £475 and was arrested later the same day. (There was in fact no bomb.) He was sentenced to 18 months' imprisonment and recommended for deportation on 28 August 1981 when the Court also took into consideration three other offences involving stolen cheques. A deportation order was made against Mr Bazoft but was later revoked when he showed evidence that the Iranian regime had issued a warrant for his arrest as an anti-revolutionary. He was then allowed to remain here on an exceptional basis. As he was unable to obtain an Iranian passport, a Home Office Certificate of Identity was issued to him and his current document is valid to 30 June 1992.

We propose that we should not volunteer this information, but should not deny it if raised with us.

I am copying this letter to Stephen Wall in the FCO.

*Yours sincerely  
Sara Dent.*

MS S J DENT

Charles Powell, Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

**CONFIDENTIAL**



SH

afo

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

14 March 1990

*Your Secretary-General*

Thank you so much for your letter of 12 March. I am very grateful for your help in appealing to Iraq on behalf of Mrs. Parish and Mr. Bazoft. We must hope that the many appeals which are being made by governments and international organisations, and Iraq's recognition of the damage which these sentences will do to its standing in the world if they are carried out, will persuade President Saddam Hussein to exercise clemency.

*Yours sincerely*

*Margaret Thatcher*

His Excellency Mr. Shridath S. Ramphal, A.C., Kt., C.M.G., Q.C.

*✓*

CONFIDENTIAL



10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

File  
all  
c-1 for Iraq  
SUBJECT CC MASTER

13 March 1990

**UK/IRAQ: CONTINGENCY MEASURES**

The Prime Minister and the Foreign Secretary had a brief discussion this evening of the submission attached to your letter on the steps we might take if Mr. Bazoft is executed. They thought the recommendations were about right. There was no point in breaking relations: we would need our Ambassador in place to look after the interests of Mrs. Parish and Mr. Richter among other things. There would no doubt be calls to suspend credit or impose trade restrictions. But we would not get any international support for this and it would not actually achieve anything.

C. D. POWELL

J. S. Wall, Esq.,  
Foreign and Commonwealth Office

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*Self*



Foreign and Commonwealth Office

London SW1A 2AH

13 March 1990

*010*  
*Dear Charles,*

UK/Iraq: Parish/Bazoft: Contingency  
Measures

Before their meeting this afternoon, the Foreign Secretary thought that the Prime Minister might wish to see the enclosed departmental submission on steps we might take if Mr Bazoft is executed.

*John*  
*Stephen Wall*

(J S Wall)  
Private Secretary

C D Powell Esq  
10 Downing Street

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Secretary of State  
13/3

FROM: J R Young, MED

DATE: 12 March 1990

CC: PS/PUS

- Mr Tomkys
- Mr Weston
- Mr Hendry, Legal Advisers
- Miss Spencer
- Mr Carrick
- ERD
- Defence Department
- MVD
- ECD(E)
- UND
- PUSD(CN)
- News Department

JUST ABOUT RIGHT I THINK -  
 Just what right I think  
 D&S's note is right  
 D&S's note is right

Wm  
 13-3  
 WILLIAM WALDEGRAVE

Mr Gore-Booth  
 PS/Mr Waldegrave  
 PS

UK/IRAQ: PARISH/BAZOFT: CONTINGENCY MEASURES

PROBLEM

1. What action should we take if, despite appeals for clemency, Mr Bazoft is executed?

RECOMMENDATION

2. I recommend that we:
  - (a) recall HM Ambassador for consultations (as already agreed by Ministers);
  - (b) suspend Ministerial (but not senior official) visits in both directions;

- (c) ban military training for Iraqis;
- (d) seek condemnatory statements from the Twelve, the US, Japan, certain Commonwealth countries, the Commonwealth Secretary-General and the UN Secretary-General;
- (e) urge the Twelve to withdraw Ambassadors for a limited period;
- (f) consider possible UN action.

I further recommend that we should resist pressure to break relations, ban Iraqi Airways, suspend ECGD-backed credits, impose visa restrictions or curtail the flow of Iraqi students to the UK.

3. At FCO request, a meeting of MISC 118 is being held on 14 March to consider possible measures.

4. ERD, Defence Dept, MVD, ECD(E), MAED, UND and News Dept concur.

#### BACKGROUND AND ARGUMENT

5. If the Prime Minister's message and the Secretary of State's proposed visit to Baghdad do not result in the commuting of the death sentence on Mr Bazoft, the Government will face strong pressure to take punitive measures against Iraq. (If Mr Bazoft's life is spared, but Mrs Parish's sentence is not reduced, there may also be less strong calls for the Government to take action.) In deciding what measures would be suitable, Ministers will need to weigh the strength of domestic opinion and our profound humanitarian interest in Mr Bazoft's welfare against the fact that he is not a British national and the longer term damage to British interests in Iraq of wide-ranging measures. The problem of "re-entry" could be acute, given the irreversibility of Mr Bazoft's execution. The stronger the measures taken against Iraq, the poorer the chances of securing Mr Ian Richter's release.

6. The following are some possible measures:

National

(i) Recall HM Ambassador for consultations

This has already been agreed by Ministers. Mr Walker should return immediately after making a formal protest at Mr Bazoft's execution.

(ii) Expel the Iraqi Ambassador

This would start a tit-for-tat series of expulsions. Our Embassy in Baghdad, which is one third the size of the Iraqi Embassy in London, would be the loser. We should let the Iraqis decide whether to withdraw their Ambassador.

(iii) Break diplomatic relations

This would be excessive, and should be firmly resisted. Apart from the fact that Mr Bazoft is not a British national, the nature of the Iraqi action, though repugnant, would not be in the same league as the Syrian Government-backed attempt to down the El Al airliner in April 1986 or the killing of WPC Fletcher from the Libyan People's Bureau in April 1984. Our armoury of diplomatic sanctions may be limited, but breaking diplomatic relations would be disproportionate.

(iv) Suspend Ministerial visits

I see no alternative to our suspending Ministerial visits in both directions as a visible gesture of disapproval. I am inclined to leave open the option of senior official visits, if only for passing messages. Mr Heath should be asked to cancel his visit planned for 23-27 March.

At Mr Waldegrave's request we are also seeking to postpone the Birmingham Chamber of Commerce's trade mission later this week. The DTI are resistant. Whether we should ban other trade missions for the foreseeable future depends partly on a decision on credits.

(v) Suspend ECGD-backed credits

There have already been public calls to suspend credits. There is no legal impediment to the Government's doing so. About £600m are at present available, including the £250 million agreed at last November's Joint Commission. I am, however, doubtful about the wisdom of this move. It would hurt the Iraqis and meet public demand, but (a) the Government would face strong criticism from the business world that we were cutting ourselves out of an increasingly important market, which we have nursed for years, and (b) the Iraqis would almost certainly default on or seek to re-schedule their total outstanding debt of over £825 million, resulting in serious losses.

Other Government Departments are likely to have strong views on the subject.

(vi) Ban Iraqi Airways

Iraqi Airways could be banned from Britain although it would be necessary to cancel the existing Air Services Agreement. British Airways does not presently operate to Iraq, but the Iraqis would probably retaliate by banning British aircraft from Iraqi airspace. This would make international flights by British carriers extremely difficult given the ban which already exists for British carriers on the use of Syrian airspace.



## (vii) Ban military training

Although Ministers were hesitant recently to ban Iraqis from military courses involving NBC training, I believe that Mr Bazoft's execution would change the picture radically. It would in my view be difficult to justify any military training for Iraq. Although Ministers might face some awkward questions about the rationale behind previous training, I think it would be prudent, and widely welcomed, if all training were stopped.

I see no immediate need to alter the guidelines for sales of defence equipment to Iraq. These are tightly drawn and applications for exports licences are dealt with on a case-by-case basis. We shall need to consider applications with even more rigour, erring on the side of refusal.

## (viii) Introduce visa restrictions

This would hurt ordinary Iraqi travellers, particularly businessmen, with little or no effect on the Iraqi Government (except probably to lead them to reciprocate). Other than gesture politics, there would seem no good reason for restricting the issue of visas. It would also have unwelcome resource implications.

## (ix) Limit admission of Iraqi students to the UK

Again, this would harm the average Iraqi, rather than the Government, and would create widespread resentment against the UK which would be against our longer-term interests. In general, I am in favour of trying to preserve cultural ties and individual links as a foundation on which to re-build political relations in more favourable circumstances.

International

## (i) Statements

We should clearly seek statements in the strongest possible terms from the Twelve (whose well publicised démarche has already helped us considerably), the US, Japan, certain Commonwealth countries, the Commonwealth Secretary-General and the UN Secretary-General.

## (ii) Recall of EC Ambassadors

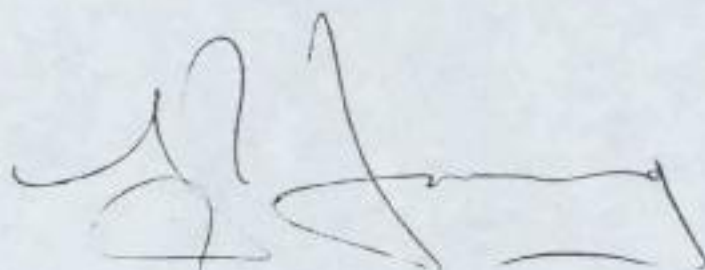
We should try to secure EC action, as well as words, not least because it might help to withstand pressure for more severe national measures. This may not be easy; there are presently sensitivities among the Twelve over joint measures (for example, over Iran, Syria, Libya and China). There has also been the recent furore concerning the unilateral ending of our voluntary ban on investment in South Africa. We do not want to reduce the chances of keeping our EC Partners up to the mark on sanctions towards Libya and Syria, and on the high level visits ban on Iran. But I think it is worth trying for simultaneous recall of Ambassadors. Support is more likely to be forthcoming if we make it clear that we are looking for withdrawal for a limited period only as a rapid and highly visible signal of our dismay. The fallback would be to seek a statement supporting our own recall of Ambassador, but not matching it.

If we succeed in achieving a recall of EC Ambassadors for a limited period, we should also try to persuade the US, Nordics etc to follow suit. The chances of their agreeing are, however, even smaller.

## (iii) Action at the UN

We have traditionally avoided calling a meeting of the UN General Assembly to deal with bilateral issues of this type and have actively discouraged other countries from doing so. It would, therefore, set a precedent for others to follow. At a cost of \$500,000 for such a meeting, this is expensive in UN terms. UND doubt whether such an attempt would be successful. However, we will consult UKMIS New York and UKMIS Geneva for their advice on this option.

7. If Ministers are content for us to pursue contingency planning on this basis, we shall speak accordingly at the meeting of MISC 118 which the Cabinet Office are arranging, at our request, on 14 March.



J R Young  
Middle East Department  
W81a 2702-2981

1. An excellent submission. I hope we can avoid a downward spiral towards a breach of relations. Trade credit is likely to be the answer me.



*ccp*



Foreign and Commonwealth Office

London SW1A 2AH

13 March 1990

*Sen Andrew*

Thank you for your letter of 12 March about the Commonwealth Secretary-General's letter to the Prime Minister about Mrs Parish and Mr Bazoft. I enclose a draft reply.

*Par*

*Yours ever*

(R N Peirce)  
Private Secretary

C D Powell Esq  
10 Downing Street

FROM: Prime Minister

TO: The Commonwealth Secretary-General

Thank you so much for your letter of 12 March. I am <sup>very</sup> grateful for your help in appealing to Iraq on behalf of Mrs Parish and Mr Bazoft. We must hope that the many appeals which are being made by governments and international organisations, and Iraq's recognition of the damage which these sentences will do to its standing in the world if they are carried out, will persuade President Saddam Hussein to exercise clemency.

*CH*



KAR: Kelantan, June 99.



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CEB



Foreign and Commonwealth Office  
London SW1A 2AH

From The Minister of State

13 March 1990

EM 2/17/90

L David,

attached

Thank you for your letter of ~~12~~ March.

My own view, which Douglas Hurd shares, is that the Birmingham Chamber of Commerce mission would do well in present circumstances to postpone its visit to Iraq. However, I see the difficulty about putting a stop order on the mission, if its members are adamant that they wish to proceed, especially given the advice from the Ambassador in Baghdad. Having said that, I think it would be impossible for us to defend to Parliamentary and public opinion Government support for a Chamber of Commerce mission to Iraq while the death sentence on Mr Bazoft remains in force. So I must ask you to withdraw the travel grant. If members of the mission still wish to proceed then that is their affair.

I am sending copies of this letter to the Prime Minister and to Sir Robin Butler.

W

The Rt Hon William Waldegrave

The Rt Hon Lord Trefgarne  
Minister for Trade  
Department of Trade & Industry  
1-19 Victoria Street  
LONDON SW1H 0ET

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FOR PS/S OF S

YOUR TELNO 139 TO BAGHDAD: PARISH/BAZOFT

SUMMARY

1. CROWN PRINCE TELLS SECRETARY OF STATE FOR DEFENCE THAT HE WILL IMMEDIATELY TELEPHONE SADDAM HUSSAIN URGING CLEMENCY, ASKS THAT SAUDI INVOLVEMENT BE KEPT STRICTLY CONFIDENTIAL.

DETAIL

2. MR KING RAISED THE PARISH/BAZOFT CASE WHEN HE CALLED ON CROWN PRINCE ABDULLAH THIS AFTERNOON, AND LEFT A SPEAKING NOTE IN ENGLISH AND ARABIC. HE ASKED THAT THE SAUDI AUTHORITIES INTERCEDE AT THE HIGHEST LEVEL WITH SADDAM HUSSAIN IN SUPPORT OF THE PRIME MINISTER'S MESSAGE URGING CLEMENCY. THE CROWN PRINCE AT FIRST SAID THAT HE WOULD CONVEY THIS REQUEST TO THE KING (WHO IS ABSENT IN THE DESERT), AND THAT HE (ABDULLAH) WOULD HIMSELF RAISE THE ISSUE WHEN AND IF SADDAM VISITED SAUDI ARABIA, AS HE WAS EXPECTED TO DO VERY SHORTLY. WHEN MR KING SAID THAT MIGHT BE TOO LATE, THE CROWN PRINCE PROMPTLY SAID THAT IN RECOGNITION OF OUR EXCELLENT BILATERAL RELATIONS AND THE HUMANITARIAN ASPECT, HE WOULD IMMEDIATELY TELEPHONE SADDAM HIMSELF. HE GAVE INSTRUCTIONS TO AN AIDE TO ARRANGE THE CALL. MR KING THANKED THE CROWN PRINCE, AND SAID HE WOULD INFORM THE PRIME MINISTER IMMEDIATELY.

3. THE CROWN PRINCE WENT ON TO DESCRIBE SADDAM AS A MAN WITH A TENDER HEART (SIC), AND SAID THAT PREVIOUSLY, WHILE ON A VISIT TO BAGHDAD, HE HAD INTERVENED WITH SADDAM SUCCESSFULLY ON BEHALF OF TWO IRAQIS (UNDER SENTENCE OF DEATH).

4. THE CROWN PRINCE STRESSED REPEATEDLY THAT WE SHOULD REVEAL NOTHING PUBLICLY OF THE FACT THAT WE HAD ASKED THE SAUDIS FOR ASSISTANCE, OR OF THE HELP HE HAD AGREED TO GIVE.

PAGE 1  
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5. WE HAD EARLIER IN THE DAY MADE APPROACHES AT OFFICIAL LEVEL TO THE ROYAL DIWAN AND THE MINISTRY OF FOREIGN AFFAIRS. MR KING WILL HAVE AN OPPORTUNITY TO RAISE THE MATTER AGAIN TOMORROW WHEN HE SEES THE FOREIGN MINISTER, PRINCE SAUD, AT 0700Z. WE HAVE ALSO BRIEFED THE GCC SECRETARIAT ON OUR CONCERN, SINCE THE AFFAIR IS LIKELY TO FIGURE IN THE INFORMAL DISCUSSIONS AT THE EC/GCC MINISTERIAL MEETING IN MUSCAT.

COMMENT

6. I SHALL REPORT ANY FEEDBACK FROM THE SAUDIS. MR KING HAS PARTICULARLY ASKED THAT WE RESPECT PRINCE ABDULLAH'S REQUEST FOR CONFIDENCE. WHILE WE CAN OF COURSE REFER TO EFFORTS VIA FRIENDLY COUNTRIES WE MUST NOT (NOT) SPECIFY SAUDI ARABIA, STILL LESS THE CROWN PRINCE.

MUNRO

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TELNO 209  
OF 131400Z MARCH 90

*MT*

MYTELNO 205 : BAZOFT/MRS PARISH

1. THE IRAQIS HAVE SKILFULLY MADE THINGS DIFFICULT FOR US. THEY HAVE SAID THAT THEIR POSITION IS THAT "IMPLEMENTATION OF THE SENTENCES REMAINS A MATTER OF THE LAW OF THE IRAQI STATE": IE FOR THE PRESENT THEY HAVE NOT GRANTED CLEMENCY BUT NOR HAVE THEY FINALLY WITHHELD IT. SECONDLY, THEY HAVE SAID THAT THE REASON THEY ARE UNWILLING TO RECEIVE YOU IS THAT THERE IS AN ANTI-IRAQI CAMPAIGN IN THE UK THAT EMBODIES "THREATS" AGAINST IRAQ. IT WOULD BE DIFFICULT TO HOLD THAT THIS STATED REASON IS NOT AT LEAST IN PART THE TRUE ONE: THEREFORE IT SEEMS TO ME THAT FOR THE COMING PERIOD WE MIGHT RISK ENDANGERING THE LIFE OF BAZOFT IF WE WERE TO MAKE FRESH MOVES THAT COULD BE INTERPRETED BY THE IRAQIS AS "THREATS".

2. ON THE OTHER HAND, WE NEED TO KEEP UP THE PRESSURE. THE QUESTION IS WHAT KINDS OF PRESSURE CAN BE EXERTED THAT CANNOT BE INTERPRETED AS THREATS? I HAVE NO COMPLETE ANSWER BUT OFFER THE FOLLOWING THOUGHTS:

A. WITHIN THE REALMS OF THE POLITICALLY POSSIBLE THE ACTIONS THAT WE (AS OPPOSED TO THE MEDIA) TAKE OR PROMOTE SHOULD EITHER BE TAKEN IN PRIVATE OR BE SO CAREFULLY PRESENTED IN PUBLIC THAT THEY CANNOT BE INTERPRETED AS THREATS.

B. THE WIDEST DIPLOMATIC CAMPAIGN SHOULD CONTINUE TO BE MOUNTED SO THAT THE IRAQIS ARE LEFT IN NO DOUBT THAT THE CIRCLE OF STATESMEN WANTING TO SEE CLEMENCY GOES FAR WIDER THAN THE UK/EC CIRCLE.

C. WITHIN THAT CIRCLE WE SHOULD WORK HARDEST WITH THE PEOPLE MOST LIKELY TO BE ABLE TO EXERT INFLUENCE ON SADDAM HUSSEIN, THAT IS TO SAY PERHAPS KING HUSSEIN, PRESIDENT MUBARAK AND ARAFAT IN THE FIRST RANK, AND THE GCC STATES, NORTH YEMEN, FRANCE AND POSSIBLY ALGERIA IN THE SECOND RANK.

D. I AM NEUTRAL ABOUT THE POSSIBILITY OF MY BEING RECALLED FOR CONSULTATIONS. I THINK THAT THE WORK INVOLVED IN PURSUING OUR REQUEST FOR CLEMENCY MEANS THAT IT IS PREFERABLE I SHOULD BE IN BAGHDAD. BUT IF THE SITUATION IN THE UK MADE MY RECALL DESIRABLE I THINK IT COULD BE PRESENTED IN A WAY THAT DID NOT MAKE IT A ''THREAT'' IN IRAQI EARS.

3. NONE OF THE ABOVE INSPIRES, BUT I AM NERVOUS ABOUT THE POSSIBILITY THAT IN THE COMING PERIOD WE COULD DO SOMETHING THAT TIPPED SADDAM HUSSEIN INTO HAVING BAZOFT EXECUTED.

WALKER

YYYY

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OF 131215Z MARCH 90

MIPT:

PARISH/BAZOFT - VISIT BY SECRETARY OF STATE

1. THE FOLLOWING IS OUR UNOFFICIAL TRANSLATION OF THE IRAQI AIDE MEMOIRE OF 13 MARCH.

BEGINS

THE CIRCUMSTANCES SURROUNDING HE MR HURD'S PROPOSED VISIT TO IRAQ PUT IT IN AN INCONVENIENT FRAMEWORK THAT COULD WELL, UNFORTUNATELY, SITUATE IT WITHIN THE FEVERISHED MEDIA CAMPAIGN OF PRESSURE NOW BEING CONDUCTED AGAINST IRAQ, A CAMPAIGN TO WHICH BRITISH OFFICIALS HAVE NOT REFRAINED FROM CONTRIBUTING.

MR HURD WOULD HAVE BEEN MORE THAN WELCOME IN DIFFERENT CIRCUMSTANCES, PARTICULARLY IF HIS VISIT WERE TO COME WITHIN THE NORMAL CONTEXT OF BILATERAL RELATIONS BETWEEN OUR TWO COUNTRIES.

THE SAME GOES FOR ALL BRITISH OFFICIALS. IRAQ WAS PLEASED TO RECEIVE MR DAVID MELLOR IN FEBRUARY 1988, WHO CAME ON AN OFFICIAL VISIT TO DISCUSS AND IMPROVE BILATERAL RELATIONS AND MUTUAL UNDERSTANDING. DURING THAT VISIT HE MET HE PRESIDENT SADDAM HUSSEIN AND REQUESTED CLEMENCY FOR THE PRISONER JOHN SMITH ON HUMANITARIAN GROUNDS. THE PRESIDENT RESPONDED NOT JUST BY GRANTING CLEMENCY, BUT INDEED BY ORDERING THE RELEASE AND REPATRIATION OF MR SMITH.

THE SENTENCES AGAINST MR BAZOFT AND MRS PARISH WERE PASSED ON THE BASIS OF SCRUPULOUS INVESTIGATION AND INVIOLEABLE LEGAL PROCEEDINGS. THE IMPLEMENTATION OF THESE SENTENCES REMAINS A MATTER FOR THE LAW OF THE IRAQI STATE.

ENDS

WALKER

YYYY

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MR FAIRWEATHER  
MR SLATER

ADDITIONAL 5

MR APPLEYARD, CAB OFFICE

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TELNO 205  
OF 131210Z MARCH 90

YRTELNO 139 AND TELECON HMA/HOPE (MED) OF 12 MARCH :

PARISH/BAZOFT - VISIT BY SECRETARY OF STATE

SUMMARY

1. THE IRAQI AUTHORITIES SAY THAT A VISIT BY YOU WOULD NOT BE APPROPRIATE BECAUSE OF THE MEDIA AND OFFICIAL CAMPAIGN AGAINST IRAQ BEING CONDUCTED IN BRITIAN. THIS DECISION NOT REPEAT NOT TO BE TAKEN AS A SIGN THAT IRAQ DOES NOT WANT GOOD RELATIONS WITH THE UK. HMA TELLS IRAQI AUTHORITIES WE SHALL ALMOST CERTAINLY STATE PUBLICLY THAT THE SECRETARY OF STATE PROPOSED A VISIT TO BAGHDAD. REITERATES THAT OUR PLEA FOR CLEMENCY STANDS.

DETAIL

2. UNDER-SECRETARY NAZAR HAMDOON CALLED ME TO THE MFA AT 1100Z TODAY AND HANDED ME AN AIDE MEMOIRE (TRANSLATION IN MIFT) STATING THAT 'THE CIRCUMSTANCES SURROUNDING HE MR HURD'S PROPOSED VISIT TO IRAQ PUT IT IN AN INCONVENIENT FRAMEWORK THAT COULD WELL, UNFORTUNATELY, SITUATE IT WITHIN THE FEVERISH MEDIA CAMPAIGN OF PRESSURE NOW BEING CONDUCTED AGAINS IRAQ, A CAMPAIGN TO WHICH BRITISH OFFICIALS HAVE NOT REFRAINED FROM CONTRIBUTING''.

3. I SAID THIS WAS VERY DISAPPOINTING NEWS. AS I HAD TOLD HAMDOON YESTERDAY EVENING, WE SHOULD ALMOST CERTAINLY HAVE TO MAKE PUBLIC THAT YOU HAD PROPOSED A VISIT TO BAGHDAD AND HAD THE PROPOSAL DECLINED. MEANWHILE OUR APPEAL FOR CLEMENCY IN LINE WITH THE PRIME MINISTER'S PERSONAL MESSAGE TO THE PRESIDENT REMAINED VERY MUCH IN FORCE, AND IF ANYTHING WE WANTED TO ASK ALL THE MORE STRONGLY THAT WE BE GRANTED CONSULAR ACCESS TO BAZOFT AND MRS PARISH (HAMDOON SAID THAT THIS WAS A QUITE SEPARATE MATTER WHICH WAS INDEED BEING PURSUED).

4. IN ANSWER TO QUESTIONS

A. HAMDOON DECLINED TO SAY BY WHAT STATEMENTS BRITISH OFFICIALS WERE HELD TO HAVE CONTRIBUTED TO AN ANTI-IRAQI CAMPAIGN : WE KNEW WHAT STATEMENTS WE HAD MADE. HOWEVER, IN THE SAME BREATH AS MENTIONING MR WALDEGRAVE'S STATEMENTS IN THE HOUSE OF COMMONS HE SAID THAT SOME OF THE STATEMENTS MADE BY BRITISH OFFICIALS HAD BEEN INTERPRETED HERE AS THREATS. THIS WAS ON TOP OF AT LEAST 25 ANTI-IRAQI ARTICLES IN THE BRITISH PRESS, SOME OF WHICH HAD ATTACKED THE PRESIDENT PERSONALLY. NO COUNTRY COULD RESPOND FAVOURABLY IN SUCH CIRCUMSTANCES: INDEED, A VISIT BY YOU MIGHT WELL BE COUNTER-PRODUCTIVE.

B. IRAQ WAS ALWAYS READY FOR BETTER RELATIONS WITH THE UK, BUT THIS HAD TO BE ON THE BASIS OF MUTUAL RESPECT. IRAQ HAD BEEN READY TO FOSTER THESE GOOD RELATIONS AFTER THE COURT CASE BUT THE MEDIA CAMPAIGN IN BRITAIN HAD MADE THIS IMPOSSIBLE. AS EVIDENCE THAT WITHOUT THE ANTI-IRAQ CAMPAIGN IN BRITAIN IRAQ WOULD HAVE BEEN WILLING TO CONTINUE TO FOSTER GOOD RELATIONS, HAMDOON REFERRED TO WHAT HAD HAPPENED IN THE CASE OF JOHN SMITH.

C. HAMDOON SAID THAT THE LAST SENTENCE OF THE AIDE MEMOIRE MEANT WHAT IT SAID: IE THE SENTENCES WOULD NOT NECESSARILY BE CARRIED OUT, BUT WHETHER THEY WERE OR NOT WAS A MATTER FOR THE STATE OF IRAQ.

5. HAMDOON SAID THAT THE IRAQIS FOR THEIR PART WOULD NOT REPEAT NOT BE MAKING A STATEMENT ABOUT YOUR SUGGESTION OF A VISIT. I REPEATED THAT WE SHOULD ALMOST CERTAINLY BE MAKING A STATEMENT TO THE EFFECT THAT YOU HAD PROPOSED A VISIT BUT THAT SATISFACTORY ARRANGEMENTS COULD NOT BE AGREED.

6. I AM DECLINING TO TALK TO THE MEDIA FOR THE PRESENT.

WALKER

YYYY

OFFICE OF THE COMMONWEALTH SECRETARY-GENERAL  
MARLBOROUGH HOUSE · PALL MALL · LONDON SW1Y 5HX

C.D.P.

*etc*  
*Ric Austin*

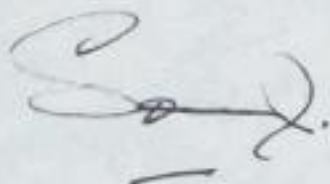
*088/143*

12 March, 1990

*Dear Mrs Thatcher,*

I thought I should send you a copy of the message I have sent to President Saddam Hussein on the sentences passed on Mr. Farzad Bazoft and his co-defendants. I very much hope that the weight of representations from many quarters of the international community will contribute to Mr. Bazoft's reprieve and the reduction of the sentences generally.

With deep respect,



Shridath S. Ramphal

The Rt. Hon. Margaret Thatcher, MP,  
Prime Minister of Great Britain and  
Northern Ireland,  
10 Downing Street,  
London, S.W.1.

encl.



12 March 1990

*Your Excellency,*

I venture to address you on a matter which has aroused widespread international concern, namely the sentences passed on the journalist Farzad Bazoft and his co-defendants. That concern has been felt throughout the Commonwealth, and is the deeper because today is Commonwealth Day, when the 50 member countries reaffirm the fundamental values of the association. Among these values, tolerance and a respect for individual life and liberty, as well as the promotion of international understanding and world peace, have a special place.

I also address you in my capacity as a member of the Independent Commission on International Humanitarian Issues, co-chaired by Crown Prince Hassan of Jordan and Sadruddin Aga Khan. The Commission placed stress on the human values common to all cultures and religions.

I have at my disposal only press reports of the proceedings. But these suggest to me, as I understand to many other friends of Iraq, that the sentences seem disproportionate to any threat to Iraq's well-understood national security concerns which the defendants may have caused.

In the spirit of Commonwealth Day and of the Humanitarian Commission, and in the name of the Commonwealth, I therefore earnestly request you to exercise your prerogative and reprieve Mr Bazoft. I am convinced that such an act of clemency would enhance the standing of your country as a member of the international community of nations.

*With deep respect.*

*Shridath S Ramphal*

Shridath S Ramphal

His Excellency President Saddam Hussein

dti

the department for Enterprise

*uk*

The Rt. Hon. Lord Trefgarne  
Minister for Trade

CONFIDENTIAL

The Rt Hon William Waldegrave MP  
Minister of State  
Foreign and Commonwealth Office  
Downing Street  
London SW1A 2AL

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

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Direct line 01-215 5144  
Our ref W08  
Your ref  
Date

12 March 1990

*CDD  
12/3.*

*Dear Minister*

IRAQ: BIRMINGHAM CHAMBER OF COMMERCE MISSION

I understand you feel that the DTI should withdraw support from this mission which was due to visit Iraq 16-25 March, and that the mission should be advised not to go to Iraq because of our concern about the death sentence passed on Mr Bazoft.

I fully appreciate the strength of feeling about the sentence on Mr Bazoft but I wonder if attempting to stop the mission is altogether necessary. Withdrawal of the DTI travel grant of £295 per member might not in itself be enough to deter mission members from going to Iraq. If the members decided to go to Iraq as an unsponsored group the difference would not be apparent to the Iraqis.

I believe that before any final decision is reached we should seek the advice of our Ambassador in Baghdad as to whether it would be worthwhile for such a mission to visit Iraq at present. If his advice should be that it would not be worthwhile, then, I feel, we should advise the Birmingham Chamber of Commerce accordingly. If individual mission members chose to go to Iraq on their own initiative, there would seem to be no reason to advise them to the contrary in line with the advice which has been agreed inter-departmentally.

*\* and withdraw  
the travel grant.*

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The Rt Hon William Waldegrave MP

March 1990

As you know, Iraq is an important market for the UK with exports of £450 million last year and good prospects for 1990. To discourage British companies from pursuing business there would be a significant step and one not easily reconcilable with our position on trade sanctions generally.

I am aware that officials will be meeting at the Cabinet Office on Wednesday morning to consider a range of possible measures for use against Iraq and I would suggest that no action be taken as regards the mission before then except to obtain advice of our Ambassador in Baghdad.

I am sending copies of this letter to the Prime Minister and to Sir Robin Butler.

Yours Sincerely

David Styles

LORD TREFGARNE

(Approved by Lord Trefgarne and signed in his absence)

CONFIDENTIAL



IRAQ - relations

CONFIDENTIAL

FM FCO

TO FLASH BAGHDAD

TELNO 139

OF 121015Z MARCH 90

AND TO DESKBY 121200Z EC POSTS, CAIRO, AMMAN, RIYADH, TUNIS, SANA'A  
AND TO DESKBY 121200Z MOSCOW, TOKYO, BAHRAIN  
INFO IMMEDIATE WASHINGTON, UKMIS NEW YORK, UKMIS GENEVA

YOUR TELNO 190: PARISH/BAZOFT: VISIT BY THE SECRETARY OF STATE

1. THANK YOU FOR YOUR HELPFUL ADVICE. I HAVE DECIDED THAT IN THE ABSENCE OF A POSITIVE RESPONSE TO THE PRIME MINISTER'S MESSAGE WITHIN THE NEXT FORTY EIGHT HOURS, I SHOULD VISIT BAGHDAD DURING MY SHORT VISIT TO THE AREA TO REINFORCE HER MESSAGE AND TO MAKE A PERSONAL APPEAL TO SADDAM HUSSAIN. PLEASE NOW SPEAK URGENTLY AT THE HIGHEST LEVEL POSSIBLE IN THE MFA TO CONVEY MY INTENTION TO THE IRAQIS IN THESE TERMS. YOU SHOULD ALSO MAKE CLEAR THE TWO CONDITIONS IN PARA 7 OF YOUR TUR, THAT MY VISIT WOULD DEPEND ON MY BEING ABLE TO SEE SADDAM HUSSAIN AND ON NO ACTION BEING TAKEN MEANWHILE TO CARRY OUT THE SENTENCE ON BAZOFT.

2. I WOULD PLAN TO ARRIVE IN BAGHDAD EARLY IN THE MORNING OF THURSDAY 15 MARCH. BUT I WOULD NOT (NOT) BE ABLE TO WAIT IN BAGHDAD FOR A MEETING WITH THE PRESIDENT. I MUST LEAVE FOR MUSCAT ON FRIDAY 16 MARCH TO ATTEND THE EC/GCC SUMMIT AND AM NOT PREPARED TO CHANGE MY SCHEDULE. I AGREE THAT YOU SHOULD TELL THE IRAQIS THAT WE SHALL NOT AT THIS STAGE PUBLICISE MY INTENTION TO VISIT BAGHDAD UNTIL THEY HAVE AGREED THESE CONDITIONS. BUT YOU SHOULD MAKE IT CLEAR THAT IT MAY BECOME NECESSARY SOON, GIVEN THE WIDESPREAD PUBLIC AND PARLIAMENTARY CONCERN, FOR US TO ANNOUNCE MY INTENTION TO SEE SADDAM HUSSAIN DURING MY VISIT TO THE MIDDLE PROVIDED WE ARE ABLE TO AGREE SATISFACTORY ARRANGEMENTS.

3. (FOR EC CAPITALS). I AM GRATEFUL FOR THE PROMPT ACTION TAKEN BY THE TROIKA IN BAGHDAD. IF BAZOFT IS EXECUTED SOME FURTHER ACTION BY THE TWELVE AS AN EXPRESSION OF THEIR REVULSION WILL BE HIGHLY DESIRABLE, FOR EXAMPLE, TEMPORARY RECALL OF AMBASSADORS. I SHALL BE SENDING A MESSAGE SHORTLY TO EC FOREIGN MINISTERS.

4. (FOR CAIRO, SANA'A, BAHRAIN, MOSCOW, TOKYO AND RIYADH). WE ARE COPYING TO YOU RELEVANT TELEGRAMS. PLEASE SPEAK URGENTLY TO YOUR HOST GOVERNMENTS AND ASK THEM TO LEND THEIR FULL SUPPORT TO THE HUMANITARIAN PLEAS WHICH HAVE ALREADY BEEN MADE TO THE IRAQIS. FOR THEIR INTERVENTION TO BE EFFECTIVE A PERSONAL MESSAGE AT

THE HIGHEST LEVEL TO SADDAM HUSSAIN WILL BE NECESSARY. IF INTERVENTION BY OTHER GOVERNMENTS IS TO BE EFFECTIVE IT MUST BE DONE QUICKLY.

5. (FOR TUNIS). PLEASE ASK THE PLO TO USE THEIR GOOD OFFICES WITH THE IRAQIS.

6. (FOR AMMAN). THE PRIME MINISTER YESTERDAY URGED KING HUSSEIN TO INTERVENE. HE UNDERTOOK TO DO SO IMMEDIATELY. WE ARE CHECKING WITH THE JORDANIAN EMBASSY WHAT ACTION HAS BEEN TAKEN. IT WOULD BE HELPFUL IF YOU WOULD DO THE SAME IN AMMAN.

7. WE ARE CONSIDERING SEPARATELY WHAT OTHER MEASURES WE MIGHT TAKE IN THE EVENT THAT APPEALS FOR CLEMENCY ARE IGNORED.

HURD

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MR GORE-BOOTH

MISS SPENCER

MR TOMKYS

MR KERR

MR FAIRWEATHER

MR SLATER

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MR APPLEYARD, CAB OFFICE

PS/ NO 10 DOWNING ST.

NNNN



## OUT TELEGRAM (CONT)

Classification: <b>CONFIDENTIAL</b>	Caveat	Precedence: <b>FLASH</b>
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- publicise my intention to visit Baghdad until they have agreed these conditions. But you should make it clear that it may become necessary soon, given the <sup>WIDE SPREAD</sup> public and Parliamentary concern, for us to announce my intention to see Saddam Hussain provided we are able to agree satisfactory arrangements.
3. (For EC capitals). I am grateful for the prompt action taken by the Troika in Baghdad. If Bazoft is executed some further action by the Twelve as an expression of their revulsion will be highly desirable, for example, temporary recall of Ambassadors. I shall be sending a message shortly to EC Foreign Ministers.
4. (For Cairo, Sana'a, <sup>BAHRAIN,</sup> Moscow, Tokyo and Riyadh). We are copying to you relevant telegrams. Please speak urgently to your host governments and ask them to lend their full support to the humanitarian pleas which have already been made to the Iraqis. For their intervention to be effective a personal message at the highest level to Saddam Hussain will be necessary. If intervention by other governments is to be effective it must be done quickly.
5. (For Tunis). Please ask the PLO to use their good offices with the Iraqis.
6. (For Amman). The Prime Minister yesterday urged King Hussein to intervene. He undertook to do so immediately. We are checking with the Jordanian Embassy what action has been taken. It would be helpful if you would do the same in Amman.
7. We are considering separately what other measures we might take in the event that appeals for clemency are ignored.

HURD

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MAIN

STANDARD



OUT TELEGRAM (CONT)

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TO FLASH FCO  
TELNO 190  
OF 111532Z MARCH 90

FOR RESIDENT CLERK

YRTELNO 136 : PARISH/BAZOFT

1. ONE FACT THAT IS CLEAR IS THAT VISITS AT THE POLITICAL LEVEL HAVE HISTORICALLY MADE (NEXT WORD UNDERLINED) A DIFFERENCE IN THIS AREA. APART FROM THE RELEASE OF SPARKES DURING A VISIT BY KING HUSSEIN AND OF SMITH DURING A VISIT BY MR MELLOR, TWO IRAQI/GERMAN DUAL NATIONALS WHO HAD HAD THEIR DEATH SENTENCES COMMUTED TO LIFE IMPRISONMENT WERE RELEASED IN NOVEMBER 1987 AND JULY 1988, IN THE FIRST CASE ON THE OCCASION OF A VISIT BY THE FRG FOREIGN MINISTER AND IN THE SECOND FOLLOWING AN OFFICIAL VISIT BY THE IRAQI FOREIGN MINISTER TO THE FRG.
2. WHETHER A VISIT BY THE SECRETARY OF STATE WOULD MAKE (NEXT WORD UNDERLINED) THE DIFFERENCE IN THIS CASE CANNOT BE SAID FOR CERTAIN. I WAS NOT EXPECTING THE DEATH SENTENCE ON BAZOFT, GIVEN THAT THE EVIDENCE OF ACTIVITIES REALLY HARMFUL TO THE STATE WAS IN OUR VIEW SO SLIM. ONE CONCLUSION COULD BE THAT IN THE PRESENT SITUATION OF NO PEACE/NO WAR THE IRAQI AUTHORITIES ARE IN A STATE OF MIND IN WHICH THEY FEEL THAT ANY PERSON ENGAGING IN ACTIVITY TOUCHING, ALBEIT marginally, ON THE SECURITY OF THE STATE OUGHT TO BE PUNISHED WITH THE FULLEST RIGOURS OF THE LAW, IF ONLY AS A LESSON TO OTHERS (ONE RECENT ARTICLE HERE ON THE BAZOFT CASE CRITICISED PAST SYRIAN LENIENCY TOWARDS 'ZIONIST SPIES'). IF THAT IS CORRECT, ONE COULD ARGUE THAT NEITHER MESSAGES FROM THE PRIME MINISTER NOR APPEALS FROM THE EC NOR POLITICAL-LEVEL VISITS WILL SUFFICE TO PERSUADE SADDAM HUSSEIN TO EXERCISE CLEMENCY. THERE MUST ACCORDINGLY EXIST THE DANGER, AS RECOGNISED BY THE SECRETARY OF STATE, THAT HE MIGHT VISIT AND COME AWAY EMPTY-HANDED.
3. ON THE OTHER HAND SADDAM HUSSEIN OUGHT TO BE ABLE TO RECOGNISE THAT SUCH AN OUTCOME WOULD INFLICT THE HEAVIEST DAMAGE ON A RELATIONSHIP THAT HAS CONSIDERABLE VALUE, POLITICAL AND COMMERCIAL, FOR IRAQ. I THINK THAT THE PRESIDENT WOULD BE PERSUADED THAT HE NEEDED TO OFFER SOMETHING IN RETURN FOR THE

POLITICAL PRIZE OF A VISIT. ON BALANCE, ACCORDINGLY, I CONSIDER THAT A VISIT WOULD MAKE A SIGNIFICANT DIFFERENCE.

4. I HAVE TO AGREE THAT USING A VISIT ON BEHALF OF BAZOFT/MRS PARISH WOULD OVERALL HAVE AN ADVERSE EFFECT ON OUR HOPES OF USING THE VISIT TECHNIQUE IN THE INTERESTS OF IAN RICHTER. IT WOULD BE UNREALISTIC TO SUPPOSE, HOWEVER MUCH SADDAM HUSSEIN VALUED A VISIT BY THE SECRETARY OF STATE, THAT WE SHOULD BE REWARDED FOR IT BOTH BY CLEMENCY FOR BAZOFT/MRS PARISH AND BY THE RELEASE OF RICHTER. ON THE OTHER HAND, IF THE SECRETARY OF STATE DID NOT VISIT AND THE DEATH SENTENCE WAS CARRIED OUT, IT IS DIFFICULT TO SEE HOW A VISIT BY THE SECRETARY OF STATE COULD BE SET UP FOR A LONG TIME TO COME - AND CERTAINLY NOT AT WHITSUN.

5. WHEN WE SAY, HOWEVER, THAT IF THE SECRETARY OF STATE DID COME NOW WE SHOULD NOT QUICKLY AGAIN BE ABLE TO USE A VISIT FOR RICHTER'S SAKE, IT IS ARGUABLE THAT THE INTERVAL NEED NOT BE INTOLERABLY LONG. IT IS CONCEIVABLE, AFTER ALL, THAT THE CONVERSATIONS THE SECRETARY OF STATE WOULD HAVE DURING A VISIT UNDERTAKEN IN THE BAZOFT/MRS PARISH INTEREST WOULD PERSUADE THE PRESIDENT THAT THE ANGLO/IRAQI RELATIONSHIP WAS SOMETHING WORTH PURSUING MORE CONSISTENTLY THAN HE HAS DONE HITHERTO. IN THAT EVENT IT IS NOT IMPOSSIBLE TO IMAGINE THAT SADDAM HUSSEIN COULD BE PERSUADED TO GRANT EARLY RELEASE TO RICHTER WITHIN MONTHS RATHER THAN YEARS OF THE SECRETARY OF STATE'S VISIT. I AM SURE THAT RICHTER HIMSELF WOULD NOT WANT US TO FOREGO FOR HIS SAKE ANY CHANCE OF SAVING BAZOFT'S LIFE.

6. IF THE SECRETARY OF STATE, CONSCIOUS AS THE TUR SHOWS HE IS OF THE RISKS, IS PREPARED TO OFFER A VISIT IN THE BAZOFT/MRS PARISH INTEREST, I RECOMMEND THAT WE MAKE THE OFFER JUST AS SOON AS IS POSSIBLE. THE INFORMATION AVAILABLE TO THIS EMBASSY DOES NOT RULE OUT THE POSSIBILITY THAT BAZOFT'S EXECUTION MIGHT TAKE PLACE VERY SOON. THE OFFER OF A VISIT SHOULD ITSELF SECURE AT LEAST SOME DELAY - WHICH WOULD MAKE IT ACCEPTABLE TO AIM FOR THE 16 RATHER THAN THE 12 MARCH TARGET.

7. THE OFFER WOULD HAVE TO BE PUT BY ME TO UNDER-SECRETARY HAMDOON (THE FOREIGN MINISTER IS AWAY). I WOULD PUT IT TO HIM THAT YOU WANTED TO COME TO BAGHDAD TO ASK FOR CLEMENCY FOR BAZOFT/MRS PARISH BUT THAT YOU WERE PREPARED TO DO SO ONLY ON TWO CONDITIONS: A GUARANTEE THAT YOU WOULD SEE THE PRESIDENT, AND A GUARANTEE THAT NO IRREMIABLE ACTION WOULD

BE TAKEN IN ADVANCE OF YOUR VISIT. I WOULD GO ON TO REITERATE THE VERY SERIOUS EFFECT THAT THE CARRYING OUT OF THE DEATH SENTENCE ON BAZOFT WOULD HAVE ON OUR BILATERAL RELATIONS, RELATIONS TO WHICH WE FOR OUR PART ATTACHED IMPORTANCE (LEAVING HIM TO INFER THAT IF YOU WERE TO VISIT AND EVEN THEN THERE WERE TO BE NO CLEMENCY FOR BAZOFT, THE OUTCOME WOULD BE VERY SERIOUS INDEED). I WOULD ADD THAT WE WERE NOT INTENDING TO PUBLICISE YOUR WISH TO MAKE A VISIT, BUT WOULD MAKE THE VISIT PUBLIC AS SOON AS A FAVOURABLE RESPONSE HAD BEEN RECEIVED FROM THE AUTHORITIES.

8. I AGREE THAT MR HEATH WOULD NOT HAVE THE SAME IMPACT AS AN EMISSARY.

WALKER

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MR TOMKYS  
MR SLATER

ADDITIONAL 1

MR APPLEYARD, CAB OFFICE

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File to  
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CDP

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

12 March 1990

IRAQ

I enclose a copy of a letter to the Prime Minister from the Commonwealth Secretary-General about the action which he has taken with the Iraqi Government over Farzad Bazoft. I should be grateful for a draft reply.

C.D. POWELL

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

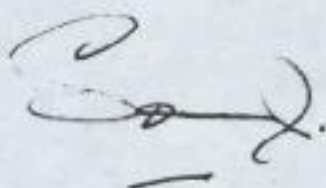
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With deep respect,



Shridath S. Ramphal

The Rt. Hon. Margaret Thatcher, MP,  
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10 Downing Street,  
London, S.W.1.

encl.

12 March 1990

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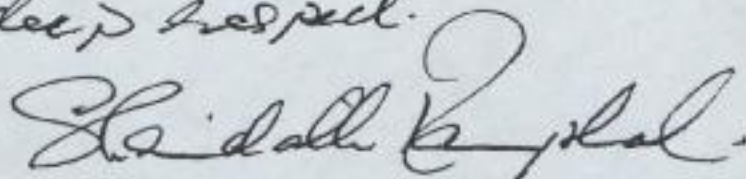
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Shridath S Ramphal

His Excellency President Saddam Hussein

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TELNO 190  
OF 111532Z MARCH 90

FOR RESIDENT CLERK

YRTELNO 136 : PARISH/BAZOFT

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VALUED A VISIT BY THE SECRETARY OF STATE, THAT WE SHOULD BE REWARDED FOR IT BOTH BY CLEMENCY FOR BAZOFT/MRS PARISH AND BY THE RELEASE OF RICHTER. ON THE OTHER HAND, IF THE SECRETARY OF STATE DID NOT VISIT AND THE DEATH SENTENCE WAS CARRIED OUT, IT IS DIFFICULT TO SEE HOW A VISIT BY THE SECRETARY OF STATE COULD BE SET UP FOR A LONG TIME TO COME - AND CERTAINLY NOT AT WHITSUN.

5. WHEN WE SAY, HOWEVER, THAT IF THE SECRETARY OF STATE DID COME NOW WE SHOULD NOT QUICKLY AGAIN BE ABLE TO USE A VISIT FOR RICHTER'S SAKE, IT IS ARGUABLE THAT THE INTERVAL NEED NOT BE INTOLERABLY LONG. IT IS CONCEIVABLE, AFTER ALL, THAT THE CONVERSATIONS THE SECRETARY OF STATE WOULD HAVE DURING A VISIT UNDERTAKEN IN THE BAZOFT/MRS PARISH INTEREST WOULD PERSUADE THE PRESIDENT THAT THE ANGLO/IRAQI RELATIONSHIP WAS SOMETHING WORTH PURSUING MORE CONSISTENTLY THAN HE HAS DONE HITHERTO. IN THAT EVENT IT IS NOT IMPOSSIBLE TO IMAGINE THAT SADDAM HUSSEIN COULD BE PERSUADED TO GRANT EARLY RELEASE TO RICHTER WITHIN MONTHS RATHER THAN YEARS OF THE SECRETARY OF STATE'S VISIT. I AM SURE THAT RICHTER HIMSELF WOULD NOT WANT US TO FOREGO FOR HIS SAKE ANY CHANCE OF SAVING BAZOFT'S LIFE.

6. IF THE SECRETARY OF STATE, CONSCIOUS AS THE TUR SHOWS HE IS OF THE RISKS, IS PREPARED TO OFFER A VISIT IN THE BAZOFT/MRS PARISH INTEREST, I RECOMMEND THAT WE MAKE THE OFFER JUST AS SOON AS IS POSSIBLE. THE INFORMATION AVAILABLE TO THIS EMBASSY DOES NOT RULE OUT THE POSSIBILITY THAT BAZOFT'S EXECUTION MIGHT TAKE PLACE VERY SOON. THE OFFER OF A VISIT SHOULD ITSELF SECURE AT LEAST SOME DELAY - WHICH WOULD MAKE IT ACCEPTABLE TO AIM FOR THE 16 RATHER THAN THE 12 MARCH TARGET.

7. THE OFFER WOULD HAVE TO BE PUT BY ME TO UNDER-SECRETARY HAMDOON (THE FOREIGN MINISTER IS AWAY). I WOULD PUT IT TO HIM THAT YOU WANTED TO COME TO BAGHDAD TO ASK FOR CLEMENCY FOR BAZOFT/MRS PARISH BUT THAT YOU WERE PREPARED TO DO SO ONLY ON TWO CONDITIONS: A GUARANTEE THAT YOU WOULD SEE THE PRESIDENT, AND A GUARANTEE THAT NO IRREMIABLE ACTION WOULD BE TAKEN IN ADVANCE OF YOUR VISIT. I WOULD GO ON TO REITERATE THE VERY SERIOUS EFFECT THAT THE CARRYING OUT OF THE DEATH SENTENCE ON BAZOFT WOULD HAVE ON OUR BILATERAL RELATIONS, RELATIONS TO WHICH WE FOR OUR PART ATTACHED IMPORTANCE (LEAVING HIM TO INFER THAT IF YOU WERE TO VISIT AND EVEN THEN THERE WERE TO BE NO CLEMENCY FOR BAZOFT, THE OUTCOME WOULD BE VERY SERIOUS INDEED). I WOULD ADD THAT WE WERE NOT INTENDING TO PUBLICISE YOUR WISH TO MAKE A VISIT, BUT WOULD MAKE THE VISIT PUBLIC AS SOON AS A FAVOURABLE RESPONSE HAD BEEN RECEIVED FROM THE AUTHORITIES.

8. I AGREE THAT MR HEATH WOULD NOT HAVE THE SAME IMPACT AS AN EMISSARY.

WALKER

YYYY  
ADVANCE 5  
HD/MED 1  
HD/NEWS 1  
HD/CONS 1  
RESIDENT CLERK 1

? [But Mr. Waldgrave already as]

دکتر فاضل سر  
۱۲، دونیو سٹریٹ.



Text of Prime Minister's  
message as agreed.

*With the compliments of*

MIDDLE EAST DEPARTMENT

*Mr. Lauff.*

FOREIGN AND COMMONWEALTH OFFICE  
LONDON, SW1A 2AH

۱۰ دسمبر ۱۹۹۰



*file*

**DRAFT MESSAGE FROM THE PRIME MINISTER TO PRESIDENT SADDAM  
HUSSAIN**

I was grateful for the answer you sent to me recently to my message about the trial of Mrs Parish and Mr Bazoft.

I was very taken aback, indeed horrified to learn of the severity of the sentences which have been passed today on Mrs Parish and Mr Bazoft. These are bound to be regarded as utterly disproportionate to the nature of the offences for which they have been tried. These sentences will not be understood in this country or elsewhere.

In the interests of our bilateral relations and of Iraq's wider reputation I am writing to urge you most earnestly to do all in your power on humanitarian grounds to reduce these unjustifiably harsh sentences, in particular, the sentence of death that has been passed by the court on Mr Bazoft.

*Authorised & despatched  
10/3.*

CONFIDENTIAL  
FM AMMAN  
TO IMMEDIATE FCO  
TELNO 127  
OF 061140Z MARCH 90  
INFO IMMEDIATE BAGHDAD

ADVANCE COPY

MIIPT: AUDIENCE WITH KING HUSSEIN: RICHTER

1. AS SUGGESTED IN HOPE'S (MED) TELELETTER OF 13 FEBRUARY TO MISS LITTLE, I TOOK TO OPPORTUNITY TO REMIND THE KING THAT RICHTER REMAINED A MAJOR OBSTACLE IN THE WAY OF IMPROVING OUR RELATIONS WITH IRAQ. BIN SHAKER RESPONDED THAT HE HAD TAKEN UP THE MATTER, AT THE KING'S REQUEST, WITH THE IRAQI PRIME MINISTER WHOSE ONLY RESPONSE HAD BEEN TO SUGGEST A TRADE-OFF WITH THE IRAQI IMPRISONED IN BRITAIN.

2. THE KING ENQUIRED WHEN RICHTER WOULD BE LIKELY TO QUALIFY FOR PAROLE. I EXPLAINED THAT HE HAD RECEIVED A LIFE SENTENCE, WHICH IN IRAQ PRESUMABLY MEANT WHAT IT SAID, AND BRIEFLY RECAPPED ON THE CIRCUMSTANCES OF THE TRIAL. THE KING PONDERED THIS FOR A WHILE AND THEN SAID THAT WE SHOULD NOT DESPAIR. HE WOULD SEE WHAT COULD BE DONE AT THE RIGHT MOMENT.

3. COMMENT: I RECOMMEND THAT THE PRIME MINISTER SHOULD ONCE AGAIN MENTION THIS MATTER TO THE KING AT THEIR MEETING. HE UNDOUBTEDLY WANTS TO HELP, BUT I DEDUCE FROM THIS EXCHANGE THAT HE HAS NOT PERSONALLY MENTIONED THE MATTER TO SADDAM HUSSAIN. I IMAGINE THAT ONLY A PERSONAL INTERVENTION ON HIS PART WOULD BE LIKELY TO HAVE ANY EFFECT: THE CHANCES OF THIS HAPPENING WILL BE IMPROVED IF THE PRIME MINISTER REMINDS HIM OF OUR CONTINUING CONCERN.

REEVE

YYYY

DISTRIBUTION

15

ADVANCE 15

.ARAB/ISRAEL  
PS  
PS/MR WALDEGRAVE  
PS/PUS  
MR P J WESTON  
MR TOMKYS  
MR GORE-BOOTH  
HD/NENAD

HD/MED  
HD/CONSULAR D  
HD/PUSD  
NEWS D  
~~NO 10 DOWNING ST~~  
CABINET OFFICE DIO  
RESIDENT CLERK

NNNN



Foreign and Commonwealth Office

London SW1A 2AH

1 March 1990

*Handwritten initials and number 2*

*Rich Minister*

*See Charles*

*CDP 2/3*

Message to the Prime Minister from  
President Saddam Hussain of Iraq

The Iraqi Embassy have delivered a reply from President Saddam Hussain to the Prime Minister's message of 21 February, about Mrs Daphne Parish, the British nurse detained in Iraq who is now to face trial on 8 March. I enclose the translation left by the Embassy. So far as it goes in guaranteeing further access to Mrs Parish by her lawyer and Embassy representation at the trial, the message is a helpful one.

There will be no signed original of the message.

*John*  
*Stephen Wall*

(J S Wall)  
Private Secretary

C D Powell Esq  
10 Downing Street

01-5847141-8

SUBJECT  
cc MASTER  
OPS.



EMBASSY OF THE  
REPUBLIC OF IRAQ  
21 QUEEN'S GATE,  
LONDON SW7 5JG

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. 45A/90.

Dear Mrs. Prime Minister,

28th February, 1990

*atfiap*

In response to your letter of 21st February 1990, I would like to give you my personal assurances that the Law in effect will be strictly observed throughout the legal proceedings for the trial of Mrs. Dafni Parish. Mrs. Parish and her legal representative will be provided with all necessary access and information in order to maintain a fair trial aiming at the achievement of justice. Besides, a representative of the British Embassy will also attend the trial.

I seize this opportunity to renew my best wishes for your health and for further development in our bilateral relations.

Saddam Hussein  
President of Republic of Iraq

GRAD: Relations  
July 79

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FILE DAS



bc PC

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

21 February 1990

*Dear Bob,*

MRS. DAPHNE PARISH

Thank you for your letter of 20 February proposing that the Prime Minister send a message to President Saddam Hussain about the forthcoming trial of Mrs Parish. The Prime Minister would be perfectly ready to do so, but thinks that the draft enclosed with your letter would probably lead to Mrs Parish being banged up for several life sentences, because of its rather high and mighty tone. I enclose an alternative version which she has approved and would be grateful if you would despatch it, provided the Foreign Secretary is content.

C. D. POWELL

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

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KK





PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T41/90

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

21 February 1990

SUBJECT CC MASTER  
OPS

Dear Mr. President,

I wonder if I might address you personally on the subject of the forthcoming trial in Iraq of Mrs Daphne Parish, a British nurse. I do not seek in any way to intervene in Iraq's judicial process. But naturally there is great public interest in the case in Britain. There will be particular concern to see that the lawyer representing Mrs Parish has all the information and facilities he needs to put her case properly and fully before the courts of your country.

I am sure that those who preside over the Court will have these factors very much in mind. I most earnestly hope that the matter can be handled in a way which does not harm our bilateral relations.

Yours sincerely  
Margaret Thatcher

His Excellency President Saddam Hussain

010



Prime Minister

Foreign and Commonwealth Office

ccpk (1)

London SW1A 2AH

I see nothing  
against a release in principle.

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But the FCO draft is unbelievably peremptory  
& seems likely to be counter-productive.

20 February 1990

Jan Charles

I have written above our  
alternative version. Agree to  
send it?

Mrs Daphne Parish

Mrs Daphne Parish, a British nurse, and Farzad Bazoft, an Iranian-born journalist with 'The Observer', will face trial in Iraq on 26 February on espionage charges.

It seems inevitable that Bazoft will face a long prison sentence, if not execution. Mrs Parish also faces a long sentence, possibly life. Past experience suggests that the Iraqis will not be open to influence once verdicts have been reached.

There is just a chance that a message from the Prime Minister to President Saddam Hussain himself before the trial might persuade the Iraqis to treat Mrs Parish leniently. Domestically it will be important to show, should the worst happen, that we tried everything to assist Mrs Parish.

The draft message is to the point. We should leave the Iraqis in no doubt that a harsh sentence will damage relations, and we need to get the message to Baghdad as quickly as possible.

Tonnes

R N Peirce

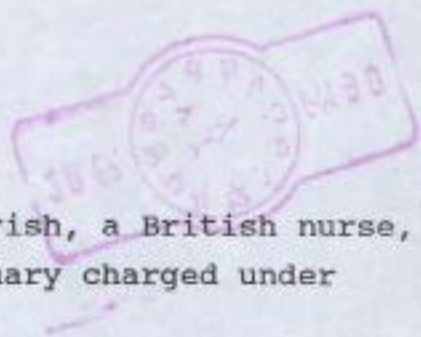
(R N Peirce)  
Private Secretary

C D Powell Esq  
10 Downing Street

I have modified your original letter  
version a little. The FCO. we would

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have had a very adverse  
effect



As you will be aware, Mrs Daphne Parish, a British nurse, and Farzad Bazoft will face trial on 26 February charged under Article 158 of the Iraqi Penal Code.

The case will be followed closely in Britain and an Embassy representative will be present at the trial to report on proceedings. It is important that justice should not only be done but also be seen to be done. It will not be understood here if the trial is not thorough or the evidence not fully presented. Nor should Mrs Parish's lawyer's access to her and to her case file before the trial be limited.

A harsh or disproportionate verdict will inevitably damage our bilateral relationship. I look to you, Mr President, to secure a just outcome to Mrs Parish's case.

[COP version] c: Farzad Hussain. <sup>das</sup>

I wonder if I might address you personally on the subject of the forthcoming trial in Iraq of Mrs. Daphne Parish, a British nurse.

I do not seek in any way to intervene in Iraq's judicial process. <sup>but naturally</sup> ~~It would only point out~~ that there is great public interest in the case in Britain. There will be particular concern to see that Mrs. Parish's defence lawyer has full access to her case file, and every opportunity to the court. <sup>from countries</sup> ~~use judges~~ <sup>who reside over</sup> I am sure that the court will have these factors very much in mind. <sup>most carefully</sup> ~~do not harm~~ <sup>the matter can be</sup> handled in a way which ~~applies~~ <sup>does not harm</sup> ~~our bilateral~~ <sup>relations.</sup>



~~and which all names shall be included~~  
~~in the list of names in the schedule~~

dti

the department for Enterprise

*cc/c.*

The Rt. Hon. Nicholas Ridley MP  
Secretary of State for Trade and Industry

Ms Gina Haskins  
Private Secretary to the  
Economic Secretary to the Treasury  
Treasury Chambers  
Parliament Street  
London SW1P 3AG

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Enquiries  
01-215 5000

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 01 215 5622  
Our ref JW5AEX  
Your ref  
Date 4 December 1989

*Dear Gina*

*CAD  
5/12/89*

IRAQ: FURTHER CREDITS FOR 1990

Your letter of 24 November referred to the agreement reached on that day between the Economic Secretary and the Secretary of State for Trade and Industry on the new medium term credits which could be offered for Iraq in 1990.

For the record, the negotiations proved difficult on a number of issues and the Iraqis were clearly disappointed with the amount of new credits we were putting on the table. As you are fully aware, we would have much to lose if the Iraqis decide to upset the present preferential arrangements we have built up with them. We believe it would have harmed the prospects for the joint commission and would have increased the risks of rescheduling if we had not offered them the full £250m of new credits. The Joint Commission was eventually concluded satisfactorily with the Iraqis undertaking to bring all their payments up to date. We have thus preserved the present relationship with Iraq with a substantially reduced amount of credit compared to last year.

I am copying this letter to Charles Powell (No.10), Bob Peirce and Simon Fraser (Foreign and Commonwealth Office), Colin Walters (Home Office), John Colston (Ministry of Defence), John Neilson (Department of Energy) and Trevor Woolley (Cabinet Office).

*Yours ever*

*B. Slocock*

BEN SLOECK  
Private Secretary



Recycled Paper

LRSA: Relations July 79

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CCPC



Travis, C. 18/11/89 SW1P 3AG

CGM/252M

N Thornton Esq  
PS/Secretary of State for Trade and Industry  
Department of Trade and Industry  
1.19 Victoria Street  
LONDON SW1

24 November 1989

Dear Neil

**IRAQ: FURTHER CREDITS FOR 1990**

The Economic Secretary spoke to the Secretary of State for Trade and Industry about further credits for Iraq in 1990.

They have agreed that we should aim to restrict total new loan values to £225 million in 1990. However, it was agreed that, if it becomes apparent that Iraq will insist upon rescheduling, this limit should be increased to £250 million.

I am copy this letter to Charles Powell (No.10), Bob Peirce and Simon Fraser (Foreign and Commonwealth Office), Colin Walters (Home Office), John Colston (Ministry of Defence, John Neilson (Department of Energy) and Trevor Woolley (Cabinet Office).

Gina Haskins

**GINA HASKINS  
PRIVATE SECRETARY**

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File seen  
ccpc

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

23 November 1989

*Dear Neil,*

**IRAQ: FURTHER CREDITS FOR 1990**

The Prime Minister has considered the Trade and Industry's minute of 20 November about further credits for Iraq in 1990. She has also seen the Economic Secretary to the Treasury's letter to the Minister for Trade of 14 November. She would hope that further direct discussion between the Trade and Industry's Secretary and the Economic Secretary will resolve this issue - as it must be resolved before the meeting of the Joint Commission next week.

I am copying this letter to Gina Haskins (Economic Secretary's Office), Bob Peirce (Foreign and Commonwealth Office), Colin Walters (Home Office), John Colston (Ministry of Defence), John Neilson (Department of Energy) and Trevor Woolley (Cabinet Office).

*Gina Haskins*  
(C. D. POWELL)

Neil Thornton, Esq.,  
Department of Trade and Industry.

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*Neil*





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CCPE

PM/89/056

PRIME MINISTER

Iraq: Further Credits

with CBT

1. I have seen Nicholas Ridley's minute to you of 20 November. I agree with him.
  
2. Iraq's debt position is serious, but that is not a new development: it stems from having to finance an eight-year war. We provided credit support throughout the last five years of that war, despite a huge debt build up. The UK has enjoyed preferred creditor status because we have continued to offer fresh credits. With the second largest oil reserves in the Middle East and increasing production capacity, Iraq is actually and potentially a rich market. This was the conclusion reached by a recent mission to Baghdad by the Energy Industries Council.
  
3. Iraq's capacity to pay and to bring pressure to bear on her trading partners is likely to be considerable a decade or more from now. It would be shortsighted, and damaging to British business, to throw away now the commercial advantage which we have built up over the past few years. Our share of OECD exports to Iraq rose from 8.5% in 1985 to 12% in 1988. We need to preserve and build on that. The EIC mission reported initial prospects of over £70 million worth of contracts in the short term, and up to £1 billion in the long.
  
4. We should aim to limit our exposure without risking a debt repayment crisis. If we limit our credits offer to the £227 million due to be repaid in 1990, this would, as Nicholas Ridley points out, amount in practice to only £162 million of new credits. The Iraqis would describe this as a refusal of new credit and would almost certainly remove our privileged creditor status, putting us to the

/bottom

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bottom of the list of those who ought to be paid. This would undermine not only the commercial benefits of our policy to date but also our chances of achieving our vital objective of getting paid.

5. Like the DTI, I do not accept that because of the dire Iraqi debt position rescheduling is inevitable and that we should therefore peg or reduce our exposure now. That is a recipe for not getting paid, and would be likely to cost us more than maintaining the present policy. It is hard to pre-judge the level at which an agreement with the Iraqis can be reached, but the band proposed by Nicholas Ridley seems to me to offer the best scope for a successful negotiation.

6. The Iraqi regime is ruthless and disagreeable but its influence is growing following the Iran/Iraq conflict. We cannot afford to downgrade Iraq in our Middle Eastern priorities. Until now, our relations have been twin-track, with trade developing separately from, and helping to underpin, the political. We have been able to point to continued credit as evidence of our wish to improve relations with Iraq. If we were seen now as less willing than during the difficult war years to provide new net credits, our chances of being taken seriously in Baghdad, of influencing Iraqi policy on regional issues of importance to us, of resolving bilateral problems such as the imprisonment of Ian Richter and of securing our long-term interests would be greatly reduced.

7. I am copying this minute to the Chancellor of the Exchequer, the Secretaries of State for Trade and Industry, Defence, and Energy and to Sir Robin Butler.

DH.

(DOUGLAS HURD)



IRAQ  
Rels  
July 79

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*CP.C*



MINISTRY OF DEFENCE

WHITEHALL LONDON SW1A 2HB

Telephone 01-218 6621 (Direct Dialling)  
01-218 9000 (Switchboard)

Minister of State  
for Defence Procurement

D/MIN(DP)/AC/14/42

21<sup>st</sup> November 1989

*John Nansen*

*CP. 2/Ki*  
*with CP?*

IRAQ: FURTHER CREDITS

David Trefgarne copied to me his letter of 8 November about further credits for Iraq. Special considerations currently apply to arms exports in the wake of the recent Iran-Iraq hostilities and we are not immediately likely to do large scale military business despite Iraq's obvious need to re-equip.

There are, I recognise, real risks in a concentration market like this. But despite the current restraints on defence exports and Iraq's war indebtedness, it is nevertheless still a market of considerable potential which I would not wish to see us alienate unnecessarily.

Certainly we would not wish to precipitate re-scheduling and in a difficult situation we should be guided by the result of the financial appraisal to which David refers. On this basis I would favour a measure of further credit, although I accept that, for the present, this should be limited to the levels agreed for last year.

*21*  
*Alan Clark*

ALAN CLARK

Copies to:  
Lord Trefgarne  
Francis Maude  
Peter Morrison  
Charles Powell

The Rt Hon Norman Lamont MP

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PRIME MINISTER

IRAQ: FURTHER CREDITS

A dispute has arisen between the DTI and Treasury over credit for Iraq. The particular problem concerns the amount of new medium-term ECGD credit that should be offered to the Iraqis at the forthcoming meeting of the Joint Commission.

The attached minuting is extensive, but in essence the Treasury want us to freeze the credit for Iraq while the DTI think we must offer a bit more - about £275-300 million - pointing out that the Iraqis grant us preferred creditor status, and have been repaying their debts albeit more slowly than they should be. In the DTI's judgment, a sudden decision to freeze credit would result in a failure of the Joint Commission meeting next week, a breakdown in the financial protocols and re-scheduling of official debts to the UK.

The FCO support the DTI line as do the MoD.

The Treasury are right to be prudent. But if we are too stingy we risk provoking a Iraqi reaction which will actually leave us worse off than offering a relatively modest amount of additional credit. Moreover we need the business.

Agree to support the DTI in this case?

(C. D. POWELL)  
21 November 1989  
a:\foreign\Iraq.srw

*C.D.P.*  
I don't like  
Overruling a Minister's view  
in one evening (I have already taken  
the DTI view on S. Africa) but I do  
think we shall lose preferred creditor  
status etc if we take the Treasury line. And we  
need the business. Could you ask Richard to reconsider  
it - I think DTI have  
needed a good case. Perhaps he would discuss with N.R  
without any intervention

PRIME MINISTER

## IRAQ: FURTHER CREDITS FOR 1990

I must ask for your advice on a difference of opinion with the Treasury over the amount of new Medium Term ECGD credit that should be offered to the Iraqis at the forthcoming Joint Commission in London during week commencing 27 November. I think you will be particularly concerned that we reach the right decision bearing in mind that you yourself were involved in setting up the annual Financial Protocols in 1983.

Your office will have received a copy of the <sup>How</sup> Minister for Trade's letter and attached paper of 8 November to the Chief Secretary on this subject. The Economic Secretary's reply of 14 November, also copied to No. 10, means in effect that our offer of new credits should be restricted to around £162 million (which after estimated interest to be accrued would equal the amount due to be repaid by the Iraqis in 1990 under existing loans), thus freezing ECGD's Medium Term exposure at its existing level of approximately £1bn.

There is little difference between us and Treasury in judging that Iraq's present financial difficulties are very severe as the country copes with the high build up of debt during the Iraq-Iran war and their post-war reconstruction programme. We entirely agree therefore that it is necessary to slow the growth in ECGD's exposure on Iraq and, as opportunity occurs, to reduce it. This must be done carefully however or we shall provoke a default and rescheduling of the ECGD debts - and lose the useful market share we have built up in this oil rich country.

We believe that the strategy to date has been broadly successful. Since 1983 the UK has offered £1.14bn of credits

to Iraq through the Financial Protocols. This has enabled UK firms to obtain some £1.3bn of export contracts. In return the Iraqis have given us preferred creditor status so that, almost alone among Western creditor countries, we have been paid by the Iraqis, albeit with some delays.

Turning to Richard Ryder's letter, we do not accept that it is inevitable that sooner or later the Iraqis will demand the rescheduling of UK official debts, still less that they will go for a multilateral debt agreement. The Iraqis have made it clear that they will accept neither an IMF adjustment programme nor a Paris Club multilateral agreement, and they have accordingly arranged the rescheduling of other countries' debts on a bilateral basis.

Iraqi Ministers have continually assured us that the UK's preferred creditor status will be maintained. The incidence of delayed payments during 1989 has admittedly been more marked but nevertheless the Iraqis have repaid £187 million so far this year.

Whilst I fully accept therefore that we must work towards gradually reducing the UK's overall exposure on Iraq, the abrupt move suggested by the Treasury would surely result in a failure of the Joint Commission, a breakdown in the Protocol arrangements and a rescheduling of official debts to the UK. (Incidentally, rescheduling does not automatically mean 'losses' as Treasury's letter suggests).

Iraqi plans to finance further high priority projects for 1990 would require ECGD support totalling £500 million. They should not reasonably expect to achieve all that in the negotiations and we believe that the make or break point probably lies in the £275 million to £300 million area. We will aim to hold the level as low as possible and if we can



# dti

the department for Enterprise

hold it to £275 million we will certainly do so. But we do not believe that a successful negotiation and the UK's continued preferred creditor status could be sustained below £275 million. In terms of ECGD Medium Term credit exposure this would mean about £1.2bn at the end of 1990 (only some £30 million or so more than was agreed by the Export Guarantees Committee last year for the last Joint Commission discussions).

Richard Ryder's point about the reluctance of UK commercial banks to finance the 15% unguaranteed portions of Medium Term credits seems hardly relevant. We shall only find out if there is such unwillingness when loan syndication times arrive: the Jordan situation is quite different since that involved a country already rescheduling UK debt and in many cases the commercial banks had taken on higher than normal proportions of the lending under special risk sharing arrangements.

To sum up, I thought you would wish to be informed of the problems in reaching an agreed UK mandate for the Joint Commission, particularly in view of your own discussions with Deputy Prime Minister Ramadhan in 1983 which led directly to the successful evolution of the Financial Protocols.

An urgent decision is required since the Iraqi delegation led by their Minister of Trade is due to arrive in the UK on 28 November.

I am copying this letter to John Major, Douglas Hurd, Tom King, John Wakeham and Sir Robin Butler.

  
N R

20 November 1989

Department of Trade and Industry

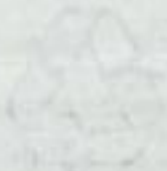




KAQ: Relations, Jul 79



CONSERVATION



THE RT HON PETER MORRISON MP



Department of Energy  
1 Palace Street  
London SW1E 5HE  
Direct Line 01 238 3159

*COPY 17/11*

The Rt Hon Norman Lamont MP  
Chief Secretary  
HM Treasury  
Parliament Street  
LONDON  
SW1

17 November 1989

*Norman Lamont*

**CREDIT FOR IRAQ**

I have been forwarded a copy of David Trefgarne's letter to yourself dated 8 November.

I must say first of all that I entirely agree with the views expressed by David, as does John Wakeham who visited Iraq in October as the leader of a large UK industrial trade delegation. Some 55 companies took part in a combined technical seminar and mission, covering the oil, gas and petrochemical sectors. The objective being to promote UK exports in this substantial market.

The reports back from John Wakeham, the officials who took part including my own Offshore Supplies Office, and the Trade Association co-ordinating the seminar and mission, all confirm that Iraq represents an area of major opportunity for UK exports. An opportunity created for UK industry by the foresight of Government in maintaining credit cover to Iraq during the difficult years during the Iran/Iraq war. It would be tragic if having secured a position for our industry we should now lose our nerve.

The industrial view has been well summarized by the Energy Industries Council, who were the Trade Association involved in the October visit. Those particular companies who went on the mission to Iraq in October reported anticipated orders of over £70 million for the coming year. (£60 million was anticipated by one company).

The consistent message reported from the Iraqi side was that those who stood beside Iraq in her difficult years would benefit when the debt burden eased.

12/17/97  
12/17/97



I raised the matter with industry colleagues at the Offshore Industry Export Advisory Group meeting on Wednesday, and they were firmly of the view that any reduction of credit arrangements for Iraq could be extremely damaging for UK interests.

I appreciate that risks exist in our continuing the provision of export credit to Iraq, but I firmly believe that the long term damage to our trade prospects far outweighs those of delayed repayment of credits.

I very much hope that credit for this important market will be continued at present levels as David Trefgarne suggests.

I am copying this to Francis Maude, Alan Clarke and Charles Powell.



PETER MORRISON

cc/c.



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Lord Trefgarne  
Minister for Trade  
Department of Trade and Industry  
1-19 Victoria Street  
LONDON  
SW1H 0ET

*Answer further  
commitment.*

14 November 1989

*Jean Jard.*

*ADH*

**IRAQ : FURTHER CREDITS**

Thank you for your letter of <sup>*Per*</sup> 8 November to Norman Lamont.

2. The Iraqi economic position which is described in the paper attached to your letter makes extremely gloomy reading. The debt position, in particular, is not only serious but deteriorating, and is likely to continue to do so. In the Bank of England's view, looking even 7 to 10 years ahead, Iraq is still likely to be facing a debt mountain at least as large if not larger than at present. The foreign currency resources left are insufficient to meet obligations and the Iraqis have had to resort to widespread rescheduling of existing debt.

3. I accept Bank of England advice that at some stage the Iraqis will have to reschedule UK debt. Although we have obviously not raised this formally in the Paris Club, so as not to prejudice our continued 'preferred creditor' status, I understand that most Paris Club delegations believe Iraq will be forced to accept a complete multilateral rescheduling in the end. In view of such advice, it seems to me clear it would be a great mistake to increase ECGD's exposure to nearly one and a half billion pounds by the end of 1990 as you propose - with every prospect of further large increases for the next ten years as we struggle to dissuade the Iraqis from rescheduling. My view is that we should start cutting back now by offering new credit to the Iraqis no greater than repayments due in 1990. If the Iraqis react to such an offer by rescheduling it is better they should do so now rather than in 2, 3 or 4 years time when - under your proposals - ECGD's exposure will be much higher. Your proposed offer of further new credits for 1990 only postpones the day of reckoning and increases the extent of the losses which will be incurred when it arrives. If the Iraqis reschedule in, say, 1992, there will then be around £950 million repayments falling due over the next three years compared with £600 million now.

5. We also need to take into account the position of the commercial banks. The Bank of England have advised that the commercial banks are likely to become increasingly reluctant to

finance the unguaranteed portion of credits in light of the higher levels of provisions they are now making for Iraqi risk. This could lead to a Jordan-type situation in which ECGD comes under pressure to cover a greater proportion of contracts. The greater provisioning levels now being adopted by British banks will make it increasingly difficult for Iraq to finance the unguaranteed portion of new credits.

6. In my view we should adopt option (iii) set out in your paper. We should offer to recycle payments due in 1990 (about £227 million) so that ECGDs medium term exposure of £1035 million is frozen at its current level (after taking account of credits still undrawn from last year's protocol). There is a possibility that the Iraqis might accept this offer without rescheduling in view of the monies still to be drawn down from the 1988 protocol. If however the Iraqis respond by rescheduling then I think we need seriously to consider stopping all further business in the pipeline, and I think it would be valuable to set in hand work to identify projects which could be stopped.

7. I am copying this letter to the recipients of yours.

*Jan.*  
*Ryder.*  
RICHARD RYDER

IRAQ: Karwan, June 79

dti

the department for Enterprise

ECPC

The Rt. Hon. Lord Trefgarne  
Minister for Trade

CONFIDENTIAL

The Rt Hon Norman Lamont MP  
Chief Secretary  
HM Treasury  
Parliament Street  
London SW1

Department of  
Trade and Industry

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Our ref WO4  
Your ref  
Date 8 November 1989

Award FC  
refy.  
an

Minister of State (FCO)  
Minister of State for  
Defence Procurement (MoD)  
Minister of State for Energy  
Mr C Powell (No. 10)

Dear Norman,

IRAQ: FURTHER CREDITS

You will I am sure be fully aware that we need to take a decision very soon on the further credits we should offer the Iraqis at the forthcoming UK-Iraq Joint Commission during the week commencing 27 November, when I will be acting as the UK Co-Chairman. I attach a note prepared by ECGD officials setting out the main facts and arguments after discussion and correspondence in the Export Guarantees Committee.

In my view, it is crucial for our future relationship with Iraq that we should continue to offer Medium Term export credits to cover contracts to be placed next year. This has been the policy we have adopted since 1983 with some success in giving the UK an edge over Iraq's other creditors in obtaining regular payment and in securing business for UK suppliers. If the Joint Commission talks fail not only would it damage our relationship with Iraq but ECGD would face the probability of heavy claims (up to £600 million in the next few years) which would be an additional burden on public expenditure.

You will recall that since 1983 when the Prime Minister agreed with the Iraqi Deputy Prime Minister (Mr Ramadhan) that ECGD would support such credits we have had the satisfaction of being Iraq's preferred Western creditor. Despite Iraq's problems, we have received something in the region of £1bn of payments from them and in addition some £1.3bn worth of contracts has been won by UK companies with ECGD support.



Recycled Paper

The Rt Hon Norman Lamont MP

November 1989

As the EGC paper makes clear this has been a high risk policy and in my view remains so. However, any change in policy now is even more risky. New Medium Term credits of £350 million will, of course, increase ECGD's exposure significantly and I do accept that we cannot go on indefinitely increasing our liabilities on this market. We would, therefore, aim to find ways of progressively reducing our yearly offers of new credits as and when we could, provided that we did not thereby encourage the Iraqis to reschedule their UK debts.

Iraq is the sort of market that it is necessary to cultivate with a view to keeping market share when the country's present economic difficulties are out of the way. The underlying wealth of Iraq is demonstrated by the fact that it has the second largest oil reserves in the Middle East. In other words, taking a long term view, Iraq's problems are not structural and it is a country with which, if at all possible, it would pay us to develop our trading relationship.

The amount of new credit has to be carefully calculated. Obviously we do not want to pitch the offer unnecessarily high because of the risks involved. But nothing is likely to precipitate the rescheduling of existing UK debts more quickly than offering a derisory amount of new credit. The Iraqis are due to repay to us in 1990 about £230m in respect of existing ECGD Medium Term obligations and they will remember the £340 million of new credits available for this year. If we judge it practicable without endangering the negotiations, we might be able to secure agreement to phase the introduction of the new credits for 1990. However, whilst we will negotiate the lowest figure with the Iraqis consistent with achieving our objectives, if we were to offer significantly less in total than last year's figure, the Iraqis would obviously weigh up whether it was still in their interests to continue to give us preferred creditor status.

ECGD has circulated forecasts of the possible costs of facing debt rescheduling now as compared with the net present value of possibly having to pay claims at some future date. These calculations indicate that in almost any conceivable scenario it is better from the point of view of public expenditure considerations to do what we can to avoid debt rescheduling.

These calculations were not contested by your officials.





the department for Enterprise

3

The Rt Hon Norman Lamont MP

November 1989

Apart from the financial consequences of inducing an Iraqi debt rescheduling, the impact on our trade and political relationship is obvious. The Iraqi Trade Minister, Dr Saleh, who is also temporarily carrying the Finance portfolio as well, would be humiliated in Iraqi eyes if he were offered an unsatisfactory deal at the Joint Commission.

Consequently, whilst I accept that Departments should try to work out ways of reducing the level of new credits in future, I hope that you can agree to my offering new credits at roughly the same level as was agreed last year.

I should be most grateful for your views and those of other colleagues by 13 November at the latest so that we can if necessary refer this matter to the Prime Minister.

Copies of this letter go to Francis Maude, Alan Clark and to Peter Morrison, and Charles Powell at No.10.

LORD TREFGARNE

IRAQ - CREDITS FOR 1990

ISSUE FOR CONSIDERATION

1. To decide whether at the UK/Iraq Joint Commission meeting to be held during week commencing 27 November, a level of new credits comparable to that offered for this year should again be offered to Iraq for use in 1990; or whether instead we should reduce our exposure by offering a lower level or no new credits at all next year. Also, to consider what steps might be taken to encourage the Iraqis to reduce delays in payment whilst still treating the UK as a preferred creditor.

1989 PROTOCOL

2. The Joint Commission last met in Baghdad in November 1988 when the Chancellor of the Duchy of Lancaster (Mr Newton) offered ECGD-guaranteed credits totalling £340 million for use this year as follows:

- i a £64 million 5 year loan for the NEI/Al Shemal power station project;
- ii £216 million general purpose lines of credit on 5 year terms for the purchase of UK capital goods and machinery; together with
- iii a £60 million 18 month credit for pharmaceuticals.

Although the Iraqis are slow in allocating the credit to individual contracts and some £380m of Medium Term credit still has to be drawn down under the present Protocol, it is expected that these credits will be fully utilised in the next few months.

OPTIONS FOR 1990 PROTOCOL

3 EGC officials have discussed ECGD's proposals for the mandate for this year's negotiations and have agreed in principle that Short Term credits may be offered within a ceiling of £150 million, subject to improved control over payment delays in this sector. It is intended that the short term credits would include those for pharmaceuticals which in contrast to the position this year would be on normal terms for short term credit. It is also agreed that the UK is most unlikely to retain its position as a preferred creditor unless substantial new ECGD supported Medium Term credits are offered. The main options on which Departments are divided, are as follows:

- i £350m (loan value) of Medium Term credits - as recommended by ECGD and DTI; or

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- ii £230m (loan value) - so that the new credits approximately match expected repayments in 1990.
- iii £162m (loan value) - so that ECGD's end-1989 Medium Term exposure of £1035m is not thereafter exceeded; and
- iv No new credits at all - which would almost certainly lead the Iraqis to default on the existing UK debt or reschedule on unfavourable terms.

TIMING

4 It is necessary for final agreement to be reached on the credit package to be offered before the UK - Iraq Joint Commission which will now be held in London in the last week of November. Lord Trefgarne will be the UK Chairman and Dr Saleh (Minister of Trade and acting Minister of Finance) will lead the Iraqi delegation.

BACKGROUND

Current UK Strategy

5 Trade is the most positive aspect of our bilateral relationship with Iraq and the continued provision of credit with ECGD support is of crucial importance to the maintenance of that relationship. Following the agreement reached between the Prime Minister and Iraq's Deputy Prime Minister in 1983, ECGD support for UK trade with Iraq has been subject to a series of inter-governmental Financial Protocols negotiated annually at the UK/Iraq Joint Commission on Economic and Technical Co-operation. By extending new Medium Term credits to Iraq throughout the Iraq-Iran war and subsequently the UK has - almost uniquely but at the cost of a sizeable increase in ECGD exposure - continued to be paid when most other major creditor countries have been forced to reschedule their debts. It is worth noting that Germany, Japan, France and Italy all still have greater exposure on Iraq than has the UK.

Payments Experience

6 Since 1983, the UK has offered some £1,140 million of credits to Iraq (including some £280 million in respect of pharmaceuticals). If interest is included the total value of credits is £1600m. This has enabled UK firms to win some £1.3 billion of export contracts in this period. In return the Iraqis have, albeit often with short delays, honoured their commitment to repay ECGD-guaranteed debt, and approximately £1 billion in principal and interest has been repaid. (These figures exclude Short Term trade conducted on an irrevocable letter of credit basis). ECGD's total exposure on the market including Short Term business is currently £850m.

7 Whilst the UK has been treated favourably (most other creditor countries having had their debts rescheduled over periods of six years or so) payment delays have been frequent and have increased over the past year. Bureaucratic problems in the Iraqi banking system are partly to blame, but the delays are also symptomatic of Iraq's severe debt service and cash flow problems. The level of delayed payments fluctuate considerably, but total overdue payments currently amount to about £75 million (about £40m of which relates to Short Term letter of credit business). To maintain pressure on the Iraqi side the present protocol arrangements provide for a control mechanism whereby ECGD suspends the processing of protocol facilities if substantial payment delays exceed 2 months. (It is proposed to seek to negotiate a similar arrangement to cover Short Term debt at this year's Joint Commission in view of the deteriorating payment experience in that sector.)

#### Iraqi Economic Position

8 With the second highest oil reserves in the Middle East and a developing agricultural sector, Iraq had long run economic potential. The precise amount of Iraq's foreign debt is not known, but the Bank of England consider it to be in excess of US\$60-80 billion, and increasing. The Bank also believes that the Iraqi authorities themselves expect their debt position to continue to deteriorate for a further five years (reflecting the need to finance both post-war reconstruction and military expenditures) and it may be many years after that before it is able to repay all of its debt. Even though official Arab debts (around US\$30-40 billion) are not being repaid, Iraq is unable to service the remainder at due date. Iraq refuses to go the IMF, thus precluding a multilateral rescheduling through the Paris Club. It is, therefore, rescheduling its debts with banks and other Governments (with the notable exception of the UK) on a bilateral (and sometimes unilateral) basis. Although revenue from oil has increased over the past year and export capacity is likely to grow, much depends on the future level of oil prices, the size of Iraq's OPEC quota and its willingness to abide by it. If prices remain flat over the next decade the debt burden will be pushed further into the future, and it may take 7-10 years before Iraq begins to fully address the reduction of its debts.

#### Iraqi Expectations

9 It is clear that the UK's preferred creditor position will not be retained unless further Medium Term credits are made available for 1990. In considering the acceptable level the Iraqi side will have in mind:

- i the approximately £270 million due to be repaid by them in 1990 (ie £227 million in respect of capital

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goods and pharmaceuticals, plus an estimated £40 million in respect of Short Term letters of credit);

- ii the £340 million credits offered in 1989; and
- iii their request for about £200 million to finance UK participation in two major projects (the Al Anbar power station and a petrochemical complex), in addition they will be seeking a further general purpose line of credit to finance smaller contracts.

MAIN ARGUMENTS

10 The Iraqi market is potentially a very rich one, however all Departments agree that our present credit strategy carries a high degree of risk, and no improvement in Iraq's debt position can be expected for some years. There is agreement among Departments that we will need to try to cap ECGD's exposure on Iraq at an appropriate stage. However it is also accepted that if new credit is to be offered for 1990 but at a level unacceptable to the Iraqis, the UK will lose its privileged position. ECGD believes that any reduction of exposure which proves possible will have to be gradual if a break is not to be precipitated.

11 The arguments in favour of offering new Medium Term loans in 1990 roughly equivalent to this year (ie approaching £350 million as recommended in Option 2i) are briefly:

a The current HMG policy has been successful so far and ECGD have avoided any significant claims since 1983;

b UK industry has been able to improve its share of an important long term market untouched by our periodic political difficulties with the regime;

c to abandon the policy now - with repayments of some £600 million falling due in the next three years - would be risky. This would not be understood by the Iraqis (or UK exporters) after our consistent policy of offering credit in the difficult years of the Iran - Iraq conflict. It might also antagonise and provoke a vindictive response from the two key Iraqi Ministers currently in charge of debt policy, Dr Hammadi and Dr Saleh, whose goodwill we need in order to maintain our privileged position;

d ECGD have calculated that on a discounted basis, even if Iraq eventually seeks to reschedule UK debts, the cost of provoking a debt rescheduling now would be much more expensive in public expenditure terms than maintaining our preferred creditor position for as long as

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possible by continuing to give a reasonable level of new credits;

e by keeping to its side of the bargain, the UK would be better placed to secure more favourable terms if Iraq does eventually have to ask for a bilateral debt rescheduling;

f the high degree of risk involved is reflected in ECGD's premium charges and sovereign debt provisions under the present conventions agreed for the Department;

g ECGD are already proposing to reduce exposure on the more vulnerable Short Term side; and

h project business in Iraq is important to UK power plant and other manufacturers. In particular, if credit is not forthcoming for the Al Anbar power station there are likely to be 250-300 redundancies at Babcock's in Renfrew.

12 The arguments for a more conservative offer of new credits, or stopping altogether, are briefly as follows:

a Iraq's debt position is extremely adverse and the forecast increases in oil revenues will not allow the country to refrain from seeking to increase its level of indebtedness for some years, since civil and military expenditures and the cost of debt service are still increasing. In the Bank of England's view it will be 10 years before Iraq's debt position is likely to improve. There is therefore a high risk that before then the Iraqis will seek to reschedule UK debt, and it can be argued that no increase in ECGD's exposure should take place against this economic background;

b the delays in payment this year have been more persistent; Iraq's capacity to service UK debt at due date certainly appears to be getting more strained;

c If the Iraqis are forced to reschedule Medium Term debt in, say, 1992, there will then be a higher level of repayments falling due compared with now;

d there is a possibility, though probably not a strong one, that the Iraqis might accept option 2ii. in view of the £380m still to be drawn down from the 1988 Protocol without rescheduling;

e moreover, under the worst foreseeable circumstances existing debt would not be written off completely. The probability seems to be that the Iraqis would go for a six year rescheduling, perhaps including a three year grace period, and

f a further consideration for putting a ceiling on exposure is the need to avoid a disproportionate impact upon ECGD's overall portfolio which would result from a catastrophic collapse in a single market. Markets where ECGD's exposure exceeds £750m can be regarded as having reached a level of concentration at which risks, if they result in claims and losses, cannot be covered by ECGD's projected reserves and income. If £350m of new credits are offered maximum exposure would rise to £1,448 million (taking into account both principal and interest).

13 In the official discussions, ECGD, DTI, FCO and MoD broadly supported the arguments for continuing with the strategy initiated in 1983 as at paragraph 10 above, whilst the Treasury and Bank of England favoured a more cautious line for the reasons at paragraph 11.

#### Future Monitoring of Repayments

14 If authority is given for the provision of new Medium Term credits as proposed in options 2i or 2ii, it is proposed that the UK should seek to renegotiate the arrangements for regulating the provision of the new credits in the light of Iraqi payment performance. Particularly now that arrears on Short Term business amount to more than £40m it is essential that such business be more tightly monitored and controlled. Departments are agreed that:

a ECGD cover for Short Term credits (including pharmaceuticals) should be provided within a ceiling of £150 million (a reduction of £70 million) and such cover should be suspended if at any time arrears of Iraqi repayments for such credits outstanding for more than 3 months exceed £10 million; and

b However, so far as Medium Term business is concerned, ECGD and other Departments support a relaxation of current arrangements so that credits would be suspended if Iraqi repayments more than 2 months overdue exceed £10 million (rather than £5 million as at present). The reason being that the Iraqis are by custom not prompt payers and too low a threshold results in ECGD's processing of business being switched on and off too frequently. The Treasury, on the other hand wish to retain the existing trigger point of £5 million, and wish to impose an additional condition that credits be suspended if Medium Term credits overdue at any one time exceed £20 million in total.

ECGD  
November 1989

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## CONFIDENTIAL

IRAQ - CREDITS FOR 1990

ANNEX

## OPTIONS

Option i New credits to loan value of £350m = DML of £490m

	£m
Existing exposure	700
1989 facilities	+380
1990 new facilities	+490
Repayments due 1989	- 45
Repayments due 1990	-227
End 1990 MT exposure	1298
Add Short Term exposure (agreed)	150
TOTAL	<u>1448</u>

Option ii New credits to loan value of £230 = DML of £322

	£m
Existing exposure	700
1989 facilities	+380
1990 facilities	+322
Repayments due 1989	- 45
Repayments due 1990	-227
End 1990 MT exposure	1130
Add Short Term exposure (agreed)	150
TOTAL	<u>1280</u>



Option iii    New credits to loan value of £162m = DML of £227m

	£m
Existing exposure	700
1989 facilities	+380
1990 facilities	+227
Repayments due 1989	- 45
Repayments due 1990	-227
End 1990 MT exposure	1035
Add Short Term exposure (agreed)	150
TOTAL	<u>1175</u>

Option iv    No new credits in 1990

	£m
Existing exposure	700
Repayments 1989 (maximum of)	-45
TOTAL	<u>655</u>
Add Short Term exposure (agreed)	150
	<u>805</u>

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T.20189



*file SLH*

*bc: PC  
FCO*

*'T'*

*SUBJECT cc Mather  
OPS*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

27 January 1989

*Dear Mr President,*

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.

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

I also welcome the economic co-operation which continues to develop between our countries. I hope that this present visit to Iraq by Mr. Waldegrave will enable us to work for no less constructive political ties in the wake of the ceasefire, and to set behind us the problems of recent months.

One continuing problem to which I attach great personal importance, is the imprisonment of Mr. Ian Richter who was arrested in June 1986. I was very grateful for your decision

*W*

to release Mr. John Smith during Mr. David Mellor's visit to Iraq last February. Mr. Mellor also sought at that time your clemency for Mr. Richter, whose continuing detention causes us much concern. His early release would earn my further personal gratitude and that of the British people. It would also be an important step forward in the relationship between our countries.

Yours sincerely  
Margaret Thatcher

His Excellency President Saddam Hussain



*file etc*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

26 January 1989


IRAQ: MR WALDEGRAVE'S VISIT

The Prime Minister has signed the enclosed message to President Saddam Hussain, for delivery by Mr Waldegrave during his visit.

C. D. POWELL

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

# A The National Archives

DEPARTMENT/SERIES ..... <i>PRM 19</i> ..... PIECE/ITEM ..... <i>3045</i> ..... (one piece/item number)	Date and sign
Extract details: <i>Letter dated 21 November 1988          to Patrick Wright</i>	
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## 10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

2 November 1988

Dear Bob,

## IRAQI EMBASSY IN LONDON

Thank you for your letter of 1 November about the Iraqi response to our decision to expel three members of their Embassy in London and exclude a fourth. You subsequently told me on the telephone that the Iraqis had decided after all not to retaliate against our Third Secretary Commercial (and his wife).

The Prime Minister agrees rather reluctantly, that we should now draw the line under this episode. But she also feels that if there is further trouble with the conduct of members of the Iraqi Embassy in London, we shall have to react very forcefully indeed, possibly by moving straightaway to impose a ceiling on their staff in London.

I am sending copies of this letter to Neil Thornton (Department of Trade and Industry), Peter Smith (Office of the Chancellor of the Duchy of Lancaster), Philip Mawer (Home Office), Alex Allan (Treasury), Brian Hawtin (Ministry of Defence) and Trevor Woolley and John Weston (Cabinet Office).

Yours sincerely,

(C. D. POWELL)

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

SW2AMU

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①

PRIME MINISTER

IRAQI EMBASSY IN LONDON

We told the Iraqis to withdraw three members of their Embassy in London and served a exclusion order on a fourth.

The Iraqis have now ordered the withdrawal of four members of our Embassy in Baghdad (five if you include the wife of one of them, who works in the Embassy). They do not allege any misconduct: it's pure retaliation.

We have told them this is unjustified and disproportionate, and we cannot draw a line under the affair.

The options are:

- see if the Iraqis now have second thoughts and reduce the number of Brits. to be expelled to three; if they do, draw a line;
- if they don't, expel further Iraqis and warn them that we will impose a ceiling on them in London at the level of our Embassy in Baghdad. At present they enjoy a 3:1 advantage.

The Foreign Secretary wants to try the first option before going to the second. The Security Service would prefer to go straight to the second, however many of ours the Iraqis expel.

I know you don't like these tit-for-tat expulsions. But we certainly cannot just accept what the Iraqis are doing.

Agree the Foreign Secretary's recommendation?

CDP

Yes not

(C. D. POWELL)

1 November 1988



SECRET

Foreign and Commonwealth Office

London SW1A 2AH

1 November 1988

*Don Charles*

Iraqi Embassy in London

Following your letter of 16 October, we told the Iraqis on 18 October to withdraw three members of their Embassy in London, including the Head of the DGI office, and served an exclusion order on a fourth.

The Iraqis summoned our Chargé on 30 October. They said they required the withdrawal of four members of the Embassy (the Second Secretary Chancery, Third Secretary Commercial, a Visa Officer and a Security Guard). The MFA made clear that these expulsions were purely in retaliation and that no improper behaviour was being alleged against those concerned.

Alan Munro summoned the Iraqi Ambassador yesterday. He pointed out that the Iraqi action was unjustified and disproportionate. The Iraqis were retaliating against four, rather than three, in situ staff. (In practice, the figure is five, if the wife of the Third Secretary Commercial, who is also working at the Embassy, is included.) We could not therefore draw a line under the affair. If the Iraqis did not reconsider their action we should be obliged to take further action over this.

If the Iraqis now have second thoughts and effectively reduce the number expelled from Baghdad to three (as opposed to our three expulsions and one exclusion), the Foreign Secretary believes we can draw the line.

If, however, the Iraqis maintain the current list (of five, including the Third Secretary Commercial's wife) we may need to consider further expulsions. If it came to that, we might need to warn the Iraqis that, in the event of further retaliation on their part, we might impose a ceiling on their staff in London, if necessary cutting it to the size of our own in Baghdad (the Iraqis at present enjoy a 3 to 1 numerical advantage). But we do not wish to do this unless the Iraqis drive us to it, since the repercussions could spill over to the disadvantage of our broader interests in Iraq, especially trade.

/We

SECRET





SECRET

We are trying to keep the current Embassy problems separate from our wider interests, in particular trade. Mr Newton is visiting Baghdad at the end of this week (for the UK/Iraq Joint Commission meeting (officials are travelling on 3 November). He is due to offer the Iraqis new credits of £340 million (nearly double this year's figure).

We would aim to take any necessary further action after Mr Newton's return from Baghdad (on 8 November). The Iraqis have said that they do not intend to publicise their retaliation. There is therefore a chance that the news will not surface before our expellees leave Baghdad. If, however, there is a leak before Mr Newton's departure, we shall need to review the situation urgently.

This proposed course of action has been discussed with officials in the DTI, MOD, ECGD, Home Office and Security Service.

I am sending copies of this letter to Neil Thorton (Department of Trade and Industry), Peter Smith (Chancellor of the Duchy of Lancaster), Philip Mawer (Home Office), Alex Allan (Treasury), Brian Hawtin (Ministry of Defence) and Trevor Woolley and John Weston (Cabinet Office).

*Yours ever*

*R N Peirce*  
(R N Peirce)  
Private Secretary

C D Powell Esq  
10 Downing Street

SECRET

IRAQ: Relations

July 79



SECRET



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

16 October 1988

*Dear Mr.*

IRAQI EMBASSY IN LONDON

You wrote to me on 12 October about the activities of members of the Iraqi Embassy in London. I am afraid that, because of the Party Conference, I have only been able to discuss it with the Prime Minister this weekend.

The Prime Minister takes the view that, in the light of the activities of those mentioned in your letter, we have no option but to require the removal of all of them as proposed by the Home Secretary. She feels that anything less would leave us with no defence if there was an incident on the lines of the shooting at the Libyan People's Bureau. I think she would be content for us to act without publicity and explain our action carefully to the Iraqis on the lines proposed in your letter. But she is in no doubt that it must be option (c).

I am copying this letter to Philip Mawer (Home Office), Neil Thornton (Department of Trade and Industry), Alex Allan (HM Treasury), Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

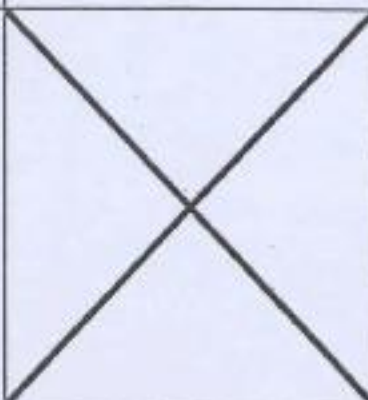
*Yours sincerely,*


(C.D. POWELL)

Lyn Parker, Esq.,  
Foreign and Commonwealth Office.

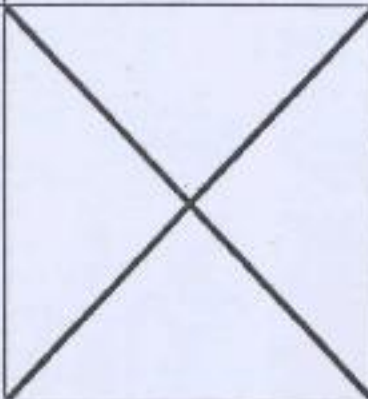
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Extract details: <i>PJC Maiver to Charles Powell</i> <i>Dated 13 October 1988.</i>	
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DEPARTMENT/SERIES <i>..... Prem 19 .....</i> PIECE/ITEM <i>..... 3045 .....</i> (one piece/item number)	Date and sign
Extract details: <i>L Parker to CD Powell</i> <i>Dated 12 October 1988</i>	
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4 cecp

From: THE PRIVATE SECRETARY



SECRET

HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

C100 26/7

26 July 1988



Dear Bob,

IRAQI EMBASSY

*at Harp*

Thank you for your letter of 20 July.

We were glad to know of the outcome of Mr Munro's interview with the Iraqis and share your hope that they will now heed our warnings. We agree with you that the activities of the Iraqis will need to be monitored closely.

I am copying this letter to Charles Powell (No 10).

*Yours sincerely,*

P J C MAWER

R N Pierce, Esq.

SECRET

LRAD: Relations

July 79







SECRET

Foreign and Commonwealth Office

London SW1A 2AH

20 July 1988

*Don Philip*

*CCAC*  
*3(A-B)*  
*2077*

Iraqi Embassy

When the Foreign Secretary and the Home Secretary discussed this subject on 1 July, they agreed that we should send an emissary to Baghdad to make clear our concern at the activities of Iraqi Embassy staff in London, and that we should take action to exclude Zuhair Khazal, the locally-engaged Security Guard at the Iraqi Embassy with a record of violent behaviour.

Alan Munro, the Deputy Under Secretary responsible for the Middle East, travelled to Baghdad on 15 July with a message from the Foreign Secretary to the Iraqi Foreign Minister, Tariq Aziz, about the behaviour of members of the Iraqi Embassy. Munro delivered this message in person to Tariq Aziz on 16 July. He described the series of incidents with which the Iraqi Embassy had been connected this year, including violent behaviour, suspected bearing of fire arms and activities against members of the Iraqi opposition, and said that the Iraqi Ambassador would be asked to withdraw Khazal. He also informed the Iraqis that HMG could not accept the candidate for the post of Minister at the London Embassy, al Naimi, who had been PNGd by the Canadians in 1978 for activities incompatible with his status. Munro urged Tariq Aziz to draw the appropriate conclusions and get his people under control. Any further misdemeanour would lead to action against those involved.

Tariq Aziz's response was stiff but not intemperate. He alleged police harassment of the Iraqi Embassy, which Munro firmly rebutted. But he then said that his staff would observe the norms of diplomatic conduct. He would have our points looked into. He professed a wish for continued improvement in our bilateral relationship.

On his return Munro summoned the Iraqi Ambassador to the FCO on 19 July, and told him formally that Khazal must be withdrawn within 14 days. The Iraqi Ambassador agreed to comply. He claimed that Khazal was the victim of injustice, but did not press the point. He did not dispute our refusal of a visa for al Naimi.

/We have

SECRET



SECRET

B.

We have thus made it clear to the Iraqis both in Baghdad and in London that further misconduct by embassy staff will not be tolerated. Munro stressed that the UK would not initiate publicity over our action. We should be grateful if this could be borne in mind.

There is no sign yet of any Iraqi retaliation but it would be no surprise if they did take some kind of "reciprocal" action.

We shall also need to watch carefully to see if our message has the desired effect on the behaviour of Iraqis here. We must continue to keep a close eye on their activities. At the same time, we must recognise that Iraqi dissidents here are more than likely to continue to try to provoke trouble with the Embassy. The police will need to watch them carefully too, and control their demonstrations against the Embassy as tightly as possible. The Iraqi government may persist in claiming that the police are biased against their side. But the fact is that there is thuggery on both sides and we should deal robustly with both.

I am copying this letter to Charles Powell.

*Townsend*

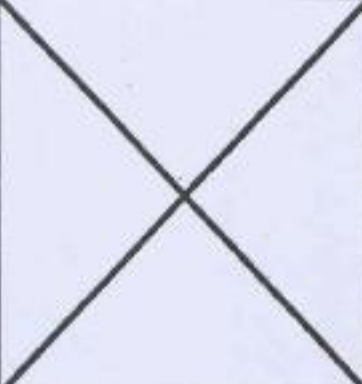
*Bob Peirce*

(R N Peirce)  
Private Secretary

P Mawer Esq  
PS/Home Secretary

SECRET

# A The National Archives

DEPARTMENT/SERIES <i>Prém 19</i> ..... PIECE/ITEM ..... <i>3045</i> ..... (one piece/item number)	Date and sign
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VC

cc: fco

SUBJECT  
CC MASTER  
OPS

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

18 May 1987

*Dear Mr. President,*

**PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. TA6187**

Thank you for your message of 28 April delivered by your Ambassador here in London.

I was very pleased to learn of your decision to release the elderly British prisoner, Mr. Donald Hagger, who is now reunited with his family.

I thank you for this magnanimous gesture which, I know, brought joy to his family and friends. You will be glad to know that Mr. Hagger's return to England on 1 May enabled him to see his sick wife just before she died on 3 May.

I hope that our two countries can continue to explore through diplomatic channels how best to pursue the development of improved bilateral relations which both you and I wish to achieve.

*Yours sincerely  
Margaret Thatcher*

His Excellency Mr. Saddam Hussein

*MS*

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

15 May 1987

*Dear Charles,*

*top enc*

Thank you for your letter of 30 April with the message from the President of Iraq. As you know Mr Hagger returned to this country on 1 May, and his wife died on 3 May.

I enclose a draft reply for the Prime Minister's approval. It deliberately avoids all reference to the political assassin, Salim Hassan. As you know, we take the view that while Hassan received his just desserts after a fair trial, the British prisoners in Iraq, who are held for financial misdemeanours, received excessive sentences in relation to the nature of the offences after defective judicial hearings.

The Foreign Secretary has also considered how we should react to the Iraqi hint that a high-level visit to Baghdad might enable their Foreign Minister to recommend the release of the other prisoners. He has concluded that the right course is first to explore this approach further with the Iraqi Ambassador in order to see whether the Iraqis are thinking of decoupling our prisoners from Salim Hassan. If so, we can take matters forward cautiously, perhaps through some intermediary with good access to the Iraqi regime or if and when a Minister visits Baghdad, perhaps in November to attend the Trade Fair. If the Iraqis are still looking for an exchange with Salim Hassan, which we suspect, they will of course continue to get a negative response from us.

The draft reply to the President of Iraq is designed to leave the door open while we clarify Iraqi intentions.

*Yours ever*

*Robert (R N) Culshaw*

(R N Culshaw)  
Private Secretary

C D Powell Esq  
PS/No 10 Downing Street

CONFIDENTIAL

DSR 11 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despatch/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: Copies to:

His Excellency Mr Saddam Hussein  
President of the Republic of Iraq

PRIVACY MARKING

..... In Confidence

SUBJECT:

Thank you for your message of 28 April  
delivered by your Ambassador here in London.

CAVEAT .....

I was very pleased to learn of your decision  
to release the elderly British prisoner,  
Mr Donald Hagger, who is now reunited with his  
family.

I thank you for this magnanimous gesture  
which, I know, brought joy to his family and  
friends. <sup>Yon</sup> Your Excellency will be glad to  
know that Mr Hagger's return to England on  
1 May enabled him to see his sick wife just before  
she died on 3 May.

Enclosures flag(s) .....

I hope that our two countries can continue  
to explore through diplomatic channels how best  
to pursue the development of improved bilateral  
relations which both <sup>you</sup> Your Excellency and I wish  
to achieve.

*eb.*

VRAD: Relations July 79





calc

SKWAV

'T'

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

30 April 1987

The Iraqi Ambassador called on me this morning to deliver a reply to the Prime Minister's recent message to President Saddam Hussein in which she asked for clemency for British prisoners in Iraq. I enclose a copy of the reply. As you will see it says that Mr. Hagger will be released immediately.

I said that I was certain the Prime Minister would be grateful for this act of clemency. Naturally she remained concerned about the other British prisoners. She had regular contacts with the family of Mr. Smith and took a particular interest in his case. The Ambassador said that he was anxious to remove the problem of the prisoners from relations between Britain and Iraq. He knew that his Foreign Minister shared this wish. Release of Smith and Richter needed an occasion. For instance if a senior British Minister, preferably the Foreign Secretary, were to pay a visit to Baghdad, his Foreign Minister would be in a very strong position to urge on the President that he should use the occasion to release the other British prisoners. I said that I would report this suggestion which I regarded as a positive one.

I asked the Ambassador if he had any details of arrangements being made for Hagger. He did not.

The Ambassador did not raise with me the case of Salim Hassan, although you will see President Saddam Hussein's reply does refer to it.

You should consider urgently what we should say to the press about Hagger's release and the timing of any announcement.

I am copying this letter to Stephen Boys Smith (Home Office). I have already mentioned it to the Home Secretary who happened to be in No.10 at the time.

(C. D. POWELL)

Robert Culshaw, Esq., M.V.O.,  
Foreign and Commonwealth Office.



subject cc master  
OPS

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. 177A/87

Prime Minister (2)  
is in to message  
from Saddam Hussein.

Baghdad, 28 April, 1987

CDP  
35/6

Her Excellency  
Mrs. Margret Thatcher  
Prime Minister  
London

ms

Excellency,

I received with great appreciation your cordial letter, and would like to express my profound gratitude for your felicitations and good wishes on the occasion of my fiftieth birthday.

Officials of the Iraqi government have already explained to Your Excellency and to British officials our position vis-a-vis the question of British prisoners in Iraq. These prisoners were sentenced to jail on legally justifiable grounds and in compliance with Iraqi legislation. Notwithstanding this fact, and in response to your request and having in mind the old age of the British prisoner Mr. Donald Hagger, I have pardoned him for the rest of his sentence. He will be released immediately.

On this occasion, I would like to remind you of the case of the Iraqi citizen Mr. Salim Ahmed Hassan who is serving a jail sentence in Britain. It is my fervent hope that his case will be considered with sympathy and compassionat sush time as Your Excellency may deem appropriate.

Please accept, Excellency, the assurances of my highest consideration.

( Signed )

Saddam Hussein

President of the Republic  
of Iraq



فخامة السيدة مارغريت تاتشر  
رئيسة الوزراء - لندن

تسلمت بهالغ التقدير رسالتك الودية واود ان اعبر عن  
بالغ الشكر لتسهنتك بمناسبة ذكرى ميلادى الخمسين . ولما  
عبرت عنه من تمنيات طيبة .

لقد سبق للمسؤولين في الحكومة العراقية ان شرحوا  
لفخامتكم وللمسؤولين البريطانيين موقفنا من موضوع السجناء  
البريطانيين في العراق . فهؤلاء قد سحنوا لاسباب لها  
سيراتها القانونية الثابتة وفق التشريع العراقي . وبرغم  
ذلك . . . واستجابة لطلبك ونظرا لكبر سن السجن البريطانيين  
دونالد هاكر فقد اصدرت العفو عنه لما تبقى من مدة  
محكوميته . . . وسيتم الافراج عنه على الفور .

وبهذه المناسبة اود ان اذكر بحالة السجن العراقي  
في بريطانيا السيد سالم احمد حسن الذى اجوا ايضا  
ان ينال العطف والاهتمام من لدنك في الوقت الذى تزينه  
مناسبا .

وتقبلي ، فخامة رئيسة الوزراء ، خالص تمنياتي  
بالصحة . . . والنجاح .

( موقع )

صدام حسين

رئيس الجمهورية العراقية

٢٨ / نيسان / ١٩٨٧

GRS 700  
CONFIDENTIAL

**Confidential**

FM BAGHDAD

TO IMMEDIATE FCO

TELNO 250

OF 230921Z APRIL 87

INFO PRIORITY TEHRAN, WASHINGTON, GULF POSTS, UKMIS NEW YORK  
INFO PRIORITY MOSCOW, PARIS, PEKING, MODUK

**IRAQ: PRESIDENTIAL CRITICISM OF US AND BRITAIN**

**SUMMARY**

1. PRESIDENT ACCUSES THE UNITED STATES OF "EXPLICIT SUPPORT" FOR THE IRANIANS AND BRITAIN OF USING ITS EXPERIENCE TO HELP THEM. EXPLANATION SOUGHT. SIGNS NOT ENCOURAGING FOR AN AMNESTY FOR BRITISH PRISONERS.

**DETAIL**

2. AT AN INVESTITURE ON 22 APRIL PRESIDENT SADDAM HUSSAIN MADE IRAQ'S SHARPEST ATTACK TO DATE ON AMERICA'S ROLE IN SUPPLYING ARMS TO IRAN. HE SAID THAT THE AMERICAN/ISRAELI/IRANIAN "CONSPIRACY" WAS NOT MERELY ARMS CO-OPERATION AIMED AT INFLUENCING THE BALANCE BETWEEN IRAN AND IRAQ BUT WAS A "STAND ON THE SIDE OF THE AGGRESSOR AGAINST IRAQ WITH THE AIM OF ACHIEVING ITS EVIL AMBITIONS AT THE EXPENSE OF THE SOVEREIGNTY, SECURITY AND LAND OF IRAQ .... AND ALL ARABS".

3. THE PRESIDENT THEN REFERRED TO 'ANOTHER ARAB COUNTRY ( UNNAMED BUT PRESUMABLY SAUDI ARABIA), WHICH HAD NO EXPANSIONIST AMBITIONS BUT WHICH HAD BEEN REFUSED EVEN THE MOST SIMPLE FORMS OF DEFENCE EQUIPMENT, STINGER MISSILES, BY THE UNITED STATES. THESE WERE THE SAME AS THE SOVIET "STRELLA" (SAM 7 "GRAIL) MISSILES WHICH IRAQ HAD IN ABUNDANCE AND WHICH "EVEN CHILDREN PLAY WITH IN IRAQ". THE EXPLANATION FOR THE US REFUSAL WAS THAT THEY WANTED TO KEEP THAT COUNTRY IN FEAR IN ORDER TO IMPLEMENT THEIR PLANS IN THE REGION. THEY DID NOT WISH IT TO FEEL SECURE OR ALLOW IT TO POSSESS WEAPONS CAPABLE OF DEFENDING ITSELF FROM AGGRESSION FROM ANOTHER COUNTRY, PARTICULARLY IRAN.

4. THE PRESIDENT SAID THE CONSPIRACY HAD BECOME KNOWN BEFORE THE IRANIANS HAD CROSSED THE BORDER BUT IT WAS ONLY AFTERWARDS THAT IT WAS DISCOVERED WHO THE CONSPIRATORS WERE. AT FIRST IRAQ KNEW THERE WERE THREE BUT NOW KNEW THERE WAS A FOURTH "ABU NAJI", AS THE IRAQIS NICKNAME US. HE ACCUSED BRITAIN OF USING ITS WELL-KNOWN EXPERIENCE IN "DIRTY BROKERAGE" TO HELP IRAN.

5. HE THEN SPOKE OF IRAQ'S HIGH RESPECT AND DEEP FRIENDSHIP FOR FRANCE AND THE SOVIET UNION BECAUSE OF THEIR ATTITUDE AND OF CHINA AS A FRIEND. HE ADDED THAT SUCH A RELATIONSHIP WAS ALSO POSSIBLE WITH THE UNITED STATES BUT ONLY "ON THE SAME BASIS".

**Confidential**

CONFIDENTIAL

COMMENT

6. THIS IS THE FIRST TIME THE PRESIDENT HAS COMMENTED ON THE "IRANGATE" ARMS DEAL AND REFERRED TO AMERICA BY NAME. THE TONE IS EXTREMELY BITTER AND SHOWS THAT, WHATEVER FENCES THE AMERICANS HAVE BEEN TRYING TO REBUILD, THE IRAQIS REMAIN DEEPLY RESENTFUL AND SUSPICIOUS OF AMERICAN MOTIVES. CERTAINLY THE US'S LATEST EFFORTS IN THE SECURITY COUNCIL ARE SEEN BY THE IRAQIS AS INSINCERE ATTEMPTS TO CURRY FAVOUR WITH THE GULF STATES. THE CONTRAST WITH HIS REFERENCES TO FRANCE, THE SOVIET UNION AND EVEN CHINA (NO MENTION OF SILKWORM MISSILES) IS STRIKING.

7. THE REFERENCES TO BRITAIN'S ROLE IN THIS CONSPIRACY ARE CHARACTERISTICALLY VAGUE. I DECIDED TO SEEK AN EXPLANATION FROM GAILANI AT THE MFA. I GAVE HIM ADVANCE WARNING OF THE SUBJECT IN THE HOPE THAT HE MIGHT INFORM HIMSELF. UNFORTUNATELY HE PROFESSED IGNORANCE OF THE REASON FOR THE PRESIDENT'S CRITICISM. I SAID THAT ALTHOUGH I HAD NOT HAD TIME TO CONSULT YOU I THOUGHT THAT YOU WOULD BE CONCERNED THAT THE PRESIDENT OF IRAQ SHOULD BELIEVE THAT BRITAIN HAD PLAYED A HOSTILE ROLE IN THE RECENT IRANIAN OFFENSIVE. I COULD SAY CATEGORICALLY THAT THERE WAS NO FOUNDATION FOR SUCH AN ALLEGATION. I ASKED, THEREFORE, IF GAILANI WOULD SEEK AN EXPLANATION OF WHAT THE PRESIDENT INTENDED SO THAT IF THERE WAS ANY MISUNDERSTANDING WE COULD CLARIFY THE SITUATION. GAILANI SAID THAT AS THE PRESIDENT HAD SPOKEN THUS THERE HAD TO BE A REASON. HIS PERSONAL ASSUMPTION WAS THAT THE PRESIDENT WAS REFERRING NOT TO THE RECENT OFFENSIVE BUT TO THE OCCUPATION OF FAO. I REFUTED THIS OLD CANARD AND POINTED OUT THAT THE PRESIDENT HAD BEEN SPEAKING IN THE CONTEXT OF "IRANGATE". GAILANI UNDERTOOK TO TRY AND OBTAIN AN EXPLANATION FOR ME NEXT WEEK.

8. THE TIMING OF THE PRESIDENT'S REMARKS IS PARTICULARLY UNFORTUNATE IN VIEW OF THE PRIME MINISTER'S RECENT MESSAGE TO HIM APPEALING FOR CLEMENCY FOR THE FOUR BRITISH PRISONERS. WHATEVER LIES BEHIND HIS CRITICISM THE GENERAL TONE OF THESE AND OTHER REMARKS HE MADE ABOUT BRITAIN IS NOT ENCOURAGING.

CLARK

BAMFAN 5245

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ADDITIONAL DISTRIBUTION  
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SIR D MIERS  
MR SLATER  
MR RATFORD  
MR LONG  
MR MACINTOSH  
MR BARRINGTON  
CHIEF CLERK

- 2 -  
**Confidential**

SUBJECT  
α MASTER  
OPS

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T70187

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GRS 256

RESTRICTED  
PM PCD  
TO FLASH BAGHDAD  
TELNO 144  
OF 131030Z APRIL 87  
AND TO ROUTINE INFORMATION TEHRAN

MY TELNO 141: RICHTER

1. FOLLOWING IS TEXT OF MESSAGE FROM PRIME MINISTER TO SADDAM  
HUSSAIN.

BEGINS

DEAR MR PRESIDENT

I SEND YOU CONGRATULATIONS ON THE OCCASION OF YOUR FIFTIETH  
BIRTHDAY. I AM SURE IT WILL BE A DAY OF REJOICING FOR YOU AND  
THE IRAQI PEOPLE. I SHARE WITH YOU AN EARNEST WISH FOR A RETURN  
OF PEACE AND PROSPERITY TO YOUR OWN COUNTRY AND THE REGION. MY  
GOVERNMENT WILL CONTINUE TO WORK IN THE FORUM OF THE UNITED  
NATIONS TOWARDS A JUST SETTLEMENT.

RELATIONS BETWEEN OUR TWO COUNTRIES CONTINUE TO DEVELOP. I  
LOOK FORWARD TO EARLY, FURTHER STRENGTHENING OF OUR BILATERAL  
TIES. IT DISTRESSES ME, HOWEVER, THAT OUR PEOPLE'S VIEW OF YOUR  
COUNTRY IS CLOUDED BY THE CONTINUING IMPRISONMENT IN IRAQ OF FOUR  
BRITISH CITIZENS. I THEREFORE URGE YOU TO MARK YOUR FIFTIETH  
ANNIVERSARY WITH A MAGNANIMOUS ACT OF CLEMENCY ON THEIR BEHALF.  
TO REUNITE THEM WITH THEIR FAMILIES AND LOVED ONES WOULD BE A  
HUMANITARIAN GESTURE WHICH WOULD COMMAND WIDESPREAD RESPECT AND  
APPRECIATION.

1

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48090 - 1

I TAKE THIS OPPORTUNITY TO SEND GOOD WISHES TO YOUR FAMILY  
AND TO YOUR COLLEAGUES IN THE GOVERNMENT.

YOURS SINCERELY  
MARGARET THATCHER  
ENDS

2. SIGNED TEXT FOLLOWS BY BAG OF TUESDAY 14 APRIL.

HOWE

OCMIAN 8090

NNNN

YYYY

MAIN

LIMITED

MED

CONSULAR DEPT

PROTOCOL DEPT

PS

PS/MR HENTON

PS/MR EGGAR

PS/PUS

MR MUNRO

MR BARRINGTON

SIR D MIERS

COPIES TO:  
MR ANDERSON, LEGAL  
ADVS



FILE  
DA

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

10 April 1987

**CLEMENCY FOR BRITAINS DETAINED IN IRAQ**

You wrote on 9 April with a draft of a message to President Saddam Hussein seeking clemency for Britains detained in Iraq. The Prime Minister has agreed to send a message and I enclose a version which she has signed.

(Charles Powell)

Robert Culshaw, Esq.,  
Foreign and Commonwealth Office.



SUBJECT:

cc OPS  
MASTER



FILE  
PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T67/87 Ho

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

10 April 1987

Dear Mr. President:

I send you congratulations on the occasion of your fiftieth birthday. I am sure it will be a day of rejoicing for you and the Iraqi people. I share with you an earnest wish for a return of peace and prosperity to your own country and the region. My Government will continue to work in the forum of the United Nations towards a just settlement.

Relations between our two countries continue to develop. I look forward to early, further strengthening of our bilateral ties. It distresses me, however, that our people's view of your country is clouded by the continuing imprisonment in Iraq of four British citizens. I therefore urge you to mark your fiftieth anniversary with a magnanimous act of clemency on their behalf. To reunite them with their families and loved ones would be a humanitarian gesture which would command widespread respect and appreciation.

I take this opportunity to send good wishes to your family and to your colleagues in the Government.

Yours sincerely

Margaret Thatcher

His Excellency Mr. Saddam Hussein

DA

Charles,  
As requested



Sue  
10.4.87

10 DOWNING STREET

Prime Minister

You discussed

this with the

Foreign Secretary.

Agree to sign?

CDP



Foreign and Commonwealth Office

London SW1A 2AH

9 April 1987

*Dear Clive,*

Clemency for Britons detained in Iraq

*top enc*

Thank you for your letter of 6 April about a message from the Prime Minister to Saddam Hussain.

The Foreign Secretary has explained the background to the Prime Minister, and believes that she agrees in principle to send a message.

I enclose a draft, which has been cleared with HM Ambassador in Baghdad. It takes care to avoid the problem of selection of individuals (mentioned in the first paragraph of your letter).

*Yours ever*

(R. Culshaw)  
Private Secretary

C. D. Powell Esq  
10 Downing Street

*DJW*

DRAFT MESSAGE TO PRESIDENT SADDAM HUSSAIN OF IRAQ

~~Your Excellency~~

I send you congratulations on the occasion of your fiftieth birthday. I am sure it will be a day of rejoicing for you and the Iraqi people. I share with you an earnest wish for a return of peace and prosperity to your own country and the region. My Government will continue to work in the forum of the United Nations towards a just settlement.

Relations between our two countries continue to develop. I look forward to early, further strengthening of our bilateral ties. It distresses me, however, that <sup>our people's view</sup> ~~British perceptions~~ of your country <sup>is</sup> ~~are~~ clouded by the continuing imprisonment in Iraq of ~~four~~ <sup>three</sup> British citizens. I therefore <sup>write</sup> ~~entreat~~ you to mark your fiftieth anniversary with a magnanimous act of clemency on their behalf. To reunite them with their families and loved ones would be a humanitarian gesture which would command widespread respect and appreciation.

I take this opportunity to send good wishes to your family and to your colleagues in the Government.

~~Margaret Thatcher~~

URAD : Anglo / Iraqi Relations

July '79



CONFIDENTIAL



FILE  
DAS  
4/8

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

6 April 1987

*Dear Tony,*

CLEMENCY FOR BRITONS DETAINED IN IRAQ

The Foreign Secretary raised with the Prime Minister, in the course of their bilateral this afternoon, the possibility that she might address to President Saddam Hussein on his 50th birthday later this month an appeal for clemency on humanitarian grounds for the four Britons imprisoned in Iraq. The Prime Minister wondered whether seeking clemency for all four might not be counterproductive and only encourage the Iraqis to lodge a counter-appeal for the Iraqi imprisoned in the United Kingdom for murder. It might be better to limit the appeal to those who had already served long sentences or where there were particularly humanitarian reasons, as in the case of Mrs Hagger. On the other hand, she recognised that it would be difficult to single out only some while ignoring others.

*CP/1*  
I think the best course is for you now to let me have the draft of an appeal covering all four, cast in the most convincing terms possible.

*Yours sincerely,  
Chris Powell*

C D POWELL

A. C. Galsworthy, Esq., C.M.G.  
Foreign and Commonwealth Office

CONFIDENTIAL

*dg*



Treasury Chambers, Parliament Street, SW1P 3AG

Matthew Cocks Esq  
 Private Secretary to  
 The Hon Alan Clarke MP  
 Minister for Trade  
 Department of Trade and Industry  
 1-19 Victoria Street  
 LONDON  
 SW1A 0AA

CDP  
 290.

23 February 1987

Dear Matthew

IRAQ

*WILL REQUEST IF REQUESTED*

The Economic Secretary has seen the Minister for Trades letter to Mr Renton of 13 February.

In the light of the last paragraph of that letter, the Economic Secretary has asked me to draw attention to his attached minute to the Prime Minister of 1 December 1986, explaining the legal position on the responsibility for banking supervision.

I am copying this letter to the private secretaries to the Prime Minister, the Foreign Secretary, the Secretary of State for Energy, Mr Renton, and Sir Robert Armstrong.

*Yours sincerely,*

*Peter Barnes*

P D P BARNES  
 Private Secretary



FROM: IAN STEWART  
DATE: 1 December 1986

PRIME MINISTER

IRAQ

I should clarify one point raised in Alan Clark's minute of 24 November to prevent any misunderstanding. The supervision of Rafidain Bank by the Bank of England is not, as a matter of law, within the responsibility of Ministers or available as an ingredient in a negotiating package. However I understand that, as a loss minimisation exercise to protect its own position, ECGD is exploring whether it can contribute to a refinancing package which would help Rafidain out of its mess. The Iraqis owe substantial sums on guaranteed credit - some £75m this year and a further £150m next. Financial help for Rafidain may, perhaps, be a negotiating card if it can be brought into play very quickly indeed; but no definite financial case, or indeed any other case, has yet been made out.

2. The Bank of England has briefed ECGD as fully as possible within the statutory constraints of confidentiality under the Banking Act 1979 and within the terms of a special consent from Rafidain.

3. I am copying this minute to Geoffrey Howe, Peter Walker, Tim Renton, Alan Clark and Sir Robert Armstrong. I am sure that colleagues will treat papers discussing named banks with appropriate care.

IS

IAN STEWART



CONFIDENTIAL



FROM: IAN STEWART  
DATE: 1 December 1986

PRIME MINISTER

IRAQ

*at Raf* *mi* *Prime Minister CDP*

I should clarify one point raised in Alan Clark's minute of 24 November to prevent any misunderstanding. The supervision of Rafidain Bank by the Bank of England is not, as a matter of law, within the responsibility of Ministers or available as an ingredient in a negotiating package. However I understand that, as a loss minimisation exercise to protect its own position, ECGD is exploring whether it can contribute to a refinancing package which would help Rafidain out of its mess. The Iraqis owe substantial sums on guaranteed credit - some £75m this year and a further £150m next. Financial help for Rafidain may, perhaps, be a negotiating card if it can be brought into play very quickly indeed; but no definite financial case, or indeed any other case, has yet been made out.

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IS

IAN STEWART

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Iraq: Relations . July 1979



WASHINGTON



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Prime Minister

CDP

24/xi

2

To:

PRIME MINISTER

From:

MINISTER FOR TRADE

24 November 1986

MB

VISIT TO IRAQ: 9-12 NOVEMBER 1986

I visited Iraq from 9 to 12 November in order to chair the 5th UK/Iraq Joint Commission, to meet senior Ministers and to support British exhibitors at the Baghdad Fair.

My impressions are as follows:

1. The Joint Commission and the Fair were widely seen as successes but Iraq is effectively, at present, broke. All our competitors have withdrawn their credit provision and none of them are getting paid (with the exception, I suspect, of Matra and Dassault who get oil at spot for arms deliveries). Our own 'rolling over' of the £220m credits at least means that British firms are getting some payments, or partial payments.

In addition the Minister of Finance raised with me the problem of the Rafidain Bank in London, which has failed to honour irrevocable letters of credit (ILCs) and has been put on notice by the Bank of England that it will lose its licence if the situation is not remedied. I made clear to him that a bank's inability to meet ILCs was unacceptable in the City. I

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nevertheless promised to take the matter up on my return and have since written to the Governor.

2. There is little sign of war in Baghdad itself, although after I left a bomb exploded outside the British Pavilion and a missile landed in another part of the town killing 17 people. At present there is stalemate. Although much presaged, a great Iranian offensive, a breakthrough or an internal coup in Baghdad are, in my view, unlikely.

3. The question of British detainees in Iraqi gaols appears intractable. I laid particular emphasis on the continued detention without trial of Mr Ian Richter. I stressed that the case was bound to colour our bilateral relations. Some Ministers I spoke to hinted at a possible deal, presumably involving the Iraqi assassin Salem Hassan (although they were not specific). Naturally I gave no hint whatsoever that we would be willing to make concessions of this kind.

4. Although the Foreign Minister asked me to apply stricter measures to stop any arms sales from the UK to Iran, my own view is that it could be time to re-examine the guidelines on supplying defence equipment to Iran and Iraq. Iraq accuses us of laxity in applying them, and I am told that Iran does likewise. We therefore do not even enjoy one of the main intended benefits of the guidelines, namely a position of neutrality that is apparent to both combatants.

5. The Foreign Minister also asked that the London offices of the National Iranian Oil Corporation should be closed down. He described them as the centre of Iranian arms-dealing in the West. I agreed to look into these matters although I know they are already familiar to HMG. The possibility of doing this and of treading lightly in our pursuit of the Rafidain

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Bank are possible ingredients in a package that could be offered in a deal for the release of British detainees, if colleagues should think this appropriate.

I should like to thank our Ambassador and his staff most warmly for all their help and hospitality during my visit. They are doing an excellent job in very trying conditions.

I am copying this minute to Geoffrey Howe, Peter Walker, Tim Renton and Ian Stewart, and to Sir Robert Armstrong and our Ambassador in Baghdad.

A handwritten signature in dark ink, appearing to be 'A. Clark', written over a large, faint watermark of the word 'CONFIDENTIAL'.

ALAN CLARK

M01BGI

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CCPC

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DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

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(Switchboard) 01-215 7877

From the Minister for Trade

20 November 1986

Peter Westmacott Esq  
Private Secretary to  
Tim Renton Esq MP  
Minister of State  
Foreign and Commonwealth Office  
Downing Street  
LONDON  
SW1A 2AH

*EAD*  
*20/11*

Dear Peter

MINISTER FOR TRADE'S VISIT TO IRAQ: 9-12 NOVEMBER 1986

I attach a complete set of notes of Mr Clark's meetings with Ministers in Iraq.

I am copying this letter and attachments to our Embassy in Baghdad, and to Mr Ayres (MED, FCO), and (with selected notes only) to Mr Powell (No 10), Robert Culshaw (FCO), Peter Barnes (Treasury) and Steve Whiting (D/Energy).

Yours ever

*Matthew*

MATTHEW COCKS  
Private Secretary to the  
Minister for Trade (Alan Clark)

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MEETING BETWEEN THE HON ALAN CLARK MP, MINISTER FOR TRADE, AND  
HE MR HASSAN ALI, IRAQI MINISTER OF TRADE, IN BAGHDAD ON  
10 NOVEMBER 1986

Present

Hon Alan Clark MP,  
Minister for Trade  
Mr T J Clark CMG CVO,  
HM Ambassador, Baghdad  
Mr A Titchener, OT4, DTI  
Mr D Twyford, ECGD  
Mr D A Wright OBE,  
First Secretary (Commercial),  
BE Baghdad  
Mr M Cocks, PS/MFT

HE Mr Hassan Ali, Member of  
the Revolutionary Command  
Council and Minister of Trade  
Mr Faisal S Ghali, Under  
Secretary, Ministry of  
Industry and Minerals  
Mr Farouk D S Al Obaidi,  
Director-General, Foreign  
Economic Relations Dept,  
Ministry of Trade

SUMMARY

Mr Hassan Ali expressed satisfaction at the outcome of the Joint Commission. He described Iraq's present economic situation and future prospects. Mr Clark raised the question of British detainees and suggested obliquely that it could affect our relations with Iraq in other fields. In reply, Mr Hassan Ali promised to take the matter up with the Iraqi Foreign Minister but indicated that any linkage with other issues would be unwise.

DETAIL

Joint Commission

2 After opening courtesies, Mr Clark understood that good progress had been made at the Joint Commission preparatory meetings. Whilst we realised that times were difficult, we were continuing to make credit available. However, there were some payments problems especially for small firms.

3 Mr Hassan Ali expressed satisfaction at the level at which the financial protocol with the UK had been maintained. He said we should now seek to make maximum use of the medium term credit facilities that the UK had extended.

Economic Situation and Future Prospects

4 The Minister asked Mr Hassan Ali about Iraq's general economic position. Mr Hassan Ali replied that Iraq had been subjected to six years of aggressive war. Economic difficulties existed but these had nothing to do with the structure of the Iraqi economy per se. Those difficulties affected the speed of development as well as repayments to foreign companies on due date, and were made worse by the fall in the oil price. But Iraq would do all she could to live up to her commitments. The last five year development plan had ended in 1985. Iraq was now working to cement the national economy through undertaking a significant number of development projects, raising the efficiency of production and waging war on corruption.

5 Mr Hassan Ali continued that economic prospects were bright. Iraq was a rich country and once the war ended she would certainly be

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able to restructure. Iraq was not exporting her ceiling of oil. The problem was one of outlets rather than production, which was why new pipelines through Saudi Arabia and Turkey had been constructed. The war was very expensive and when it ended, Iraq would be liberated from those economic strains.

6 Mr Hassan Ali said that Iraq's economic trade relations with other countries were going well. Iraq was not short of any products she needed. Certain agricultural items were being imported from the US and others, and Iraq was currently negotiating credit for 1987 from the US. Iraq had also done some import substitution because of the war.

7 Mr Clark said that Iraq had honoured her obligations. He noted with interest what Mr Hassan Ali had said about oil production and wondered what the Minister's view was of the likely price per barrel over the next 12 months. Mr Hassan Ali replied that the Ministers for oil were more competent on this question but that all things considered there might be some reasonable enhancement of prices.

Iraq-Iran Conflict

8 Mr Clark enquired about the progress of the war itself. Mr Hassan Ali said Iraq was always calling for peace. The terms and conditions for such peace had already been communicated to Iran. The matter could be settled at an international level. Iraq believed that the war was subjected to some multinational interests - he was sure that the Ambassador had seen the Press reports in this respect. The war had to come to an end in the interests not only of Iraq and Iran themselves but the international community as well.

British Detainees

9 Mr Clark said he would like to raise another point in the broad context of good relations between the UK and Iraq and the mutual hope that trade would expand, and that was the question of British subjects in jail in Iraq, namely Mr Richter; Mr Conway and Mr Taylor; and Mr Smith and Mr Hagger. Mr Hassan Ali would understand that it put a Minister in a difficult position when, as a member of the Government, he did not find a happy situation with some of his fellow countrymen in jail. It was usual for friendly states to treat exchanges on this subject to be treated with some understanding. He invited Mr Hassan Ali's opinion on how justified he was in holding this view.

10 Mr Hassan Ali replied that this matter had been deliberated on several occasions during Ministerial visits in both directions. The Prime Minister had raised it with him and with the Iraqi Foreign Minister when they visited London in 1985. It was always on the agenda. To be frank, he had nothing more to say than in the past except that it was related to Iraqi laws governing the security of the country. Those concerned had not been taken to prison in an arbitrary way: the matters involved had been proved by the confession of those people. He would nevertheless take the matter up with the Foreign Minister.

11 Mr Clark said he was extremely grateful for this. He felt it a mistake to break up the different elements of good relations, that is, trade, credit, diplomatic relations and the mutual respect of citizens. Mr Hassan Ali said that Iraq had tried to isolate this matter from other elements. She was refraining from adopting procedures which



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might have had an effect on bilateral relations, especially as there were Iraqi prisoners in the UK.

12 Mr Clark said that, for example, his Government had been approached by Iran for certain items - not arms - and he had refused to sell those items on the grounds that he did not wish to disturb good relations with Iraq. He gave this as an example of how decisions in this field were closely interrelated. Mr Hassan Ali said that if states took these matters in an interrelated manner there would be so many controversies that either one intervened in internal matters or ruptured relations. For example, if Iraq did not repay her debts, the UK would be reluctant to trade with her. He therefore believed that a country would not adopt a policy which would adversely effect its interests.

13 He continued that he had suggested certain proposals to the Prime Minister in London and his Foreign Minister had done so too. The matter should be dealt with in a careful and quiet manner. The action was not directed at the UK - Iraq treated all countries the same. For example, if hypothetically a group of foreigners were trying to steal antiquities, the law would take its course irrespective of nationality.

14 Mr Clark said he was of course aware of the proposals made to the Prime Minister in 1985. But the UK wanted to see trade expand and in that context she would like to find opportunities for Iraq to increase her exports to the UK. The UK enjoyed a substantial surplus at the moment and would be glad to co-operate in finding ways to improve the balance.

15 The meeting then ended with some closing courtesies but without further substantive comment from Mr Hassan Ali.

*Matthew Cocks*

MATTHEW COCKS  
PS/MFT  
Room 835  
1 Victoria Street  
215 5144  
20 November 1986

cc	PS/Secretary of State	
	PS/Lord Lucas	
	PS/Chairman	BOTB
	PS/Sir Brian Hayes	
	PS/Chief Executive	ECGD
	Mr C W Roberts	
	Mr Titchener	OT4
	Mr Twyford	ECGD
	Mr Petter	OT4/1
	Mr Ranson	ECGD
	Mr Gallaher	OT4/1
	Mr Jaffray	ECGD
	<i>Mr Wheeler</i>	PEP 1
	<u>External</u>	
	Mr Powell	No 10
	Mr Culshaw	PS/SoS,FCO
	PS/Mr Renton	FCO
	PS/Mr Buchanan-Smith	D/Energy
	Chancery	BE Baghdad
	Mr Ayres	MED,FCO

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MEETING BETWEEN THE HON ALAN CLARK MP, MINISTER FOR TRADE, AND  
HE TAHA YASSIN RAMADHAN, FIRST DEPUTY PRIME MINISTER OF IRAQ, IN  
BAGHDAD ON 11 NOVEMBER 1986

Present

Hon Alan Clark MP,  
Minister for Trade  
Mr T J Clark CMG CVO,  
HM Ambassador, Baghdad  
Mr A Titchener, OT4, DTI  
Mr M Cocks, PS/MfT

HE Taha Tassin Ramadhan,  
First Deputy Prime Minister  
and two officials (an interpreter  
and a note taker)

SUMMARY

The main points discussed were Iraq's economic prospects and the  
problem of British detainees.

DETAIL

2 The discussion took place through an interpreter.  
Mr Ramadhan, who wore a gun, thanked the Minister for his  
contribution to the Joint Commission and the success of the  
Baghdad Fair. He said that UK participation had been a great  
success and an example of the co-operation between the UK and  
Iraq.

Iraq's Economic Prospects

3 Mr Ramadhan said there was a very important demarcation  
line between the present state of Iraq's economy and its  
prospective state. There were some temporary bottlenecks caused  
by prolonged war and other variables in the international  
situation. He would like to stress to UK firms that Iraq's  
future was a flourishing one. Short-term sacrifices might  
therefore be necessary for the longer term. Iraq appreciated  
those companies who remained in the market during difficult  
times. He implied that such companies would enjoy their proper  
rewards once the economy improved.

4 Mr Clark replied that he fully understood and appreciated  
Mr Ramadhan's point about the demarcation line. Both HMG and a  
majority of UK firms shared that view.

British Detainees

5 The Minister continued that there was nevertheless one  
point where, as a member of the Government visiting a friendly  
nation, he was in difficulty, namely the question of British  
subjects in prison, one of whom at least was being held without  
trial. It was not his wish to interfere in Iraqi processes of  
law but it was usual between friendly nations to grant such  
concessions when they were requested at a senior Government  
level. In addition, he did not find it easy to put the different  
aspects of relations between the UK and Iraq into separate

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compartments. For example, he had been asked to intercede personally with the Bank of England about the Rafidain Bank. This was a case where British convention and good banking practice had been broken: but he was very ready to do his best to help. He did not therefore understand why, when he made a point about a British subject, he did not get an equivalent response.

6 (Note: I have cross-checked the following paragraph with our Ambassador.) Mr Ramadhan said that he was quite aware of this long-standing issue. It had been dealt with by senior Ministers, including himself when he saw the Prime Minister in London, and he shared Mr (Alan) Clark's view that it was a burden that had been incurred in Iraq's bilateral relations with the UK. It was not a matter of concessions but of proceeding on the basis of mutual understanding and discussion. The Iraqi Government had a positive attitude towards such co-operation. He continued that they were trying to find a way out over the Rafidain Bank and within a few months would have taken action to overcome this kind of problem. He added that the positive outcome of the Joint Commission would contribute to co-operation in 1987.

Iran-Iraq Conflict

7 Mr Ramadhan said he was quite aware of our attitude towards the war and looked forward to the UK contributing to peaceful initiatives because the war had its side-effects. The Minister agreed that it was important to limit the spread of the war and to seek a peaceful solution.

8 Mr Clark concluded that he was very grateful for the way he had been received, and hoped that the UK would see results both in general and on the detailed points raised.

*Matthew Cocks*  
MATTHEW COCKS  
PS/MfT  
Room 835  
1 Victoria Street  
215 5144

20 November 1986

cc	PS/Secretary of State	
	PS/Lord Lucas	
	PS/Chairman	BOTB
	PS/Sir Brian Hayes	
	PS/Chief Executive	ECGD
	Mr C W Roberts	
	Mr Titchener	OT4
	Mr Twyford	ECGD
	Mr Petter	OT4/1
	Mr Ranson	ECGD
	Mr Gallaher	OT4/1
	Mr Jaffray	ECGD
	<u>External</u>	
	Mr Powell	No 10
	Mr Culshaw, PS/SoS	FCO
	PS/Mr Renton	FCO
	Chancery	BE, Baghdad
	Mr Ayres	MED, FCO

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MEETING BETWEEN THE HON ALAN CLARK MP, MINISTER FOR TRADE, AND  
HE MR TARIQ AZIZ, IRAQI MINISTER OF FOREIGN AFFAIRS, IN BAGHDAD  
ON 11 NOVEMBER 1986

Present

Hon Alan Clark MP,  
Minister for Trade  
Mr T J Clark CMG CVO,  
HM Ambassador, Baghdad  
Mr M Cocks, PS/MfT

HE Mr Tariq Aziz,  
Minister of Foreign Affairs  
and three officials

SUMMARY

Mr Aziz pressed the UK to take a stronger line of the supply of military equipment to Iran and on the National Iranian Oil Corporation (NIOC) office in London. The case of Mr Richter was also discussed: Mr Aziz explained that his papers had been passed to the court and that he would be tried in due course. However, he confirmed that Mr Richter's consular rights would be upheld.

DETAIL

Iran-Iraq Conflict

2 After opening courtesies, Mr Clark asked Mr Aziz about his view of the war.

3 Mr Aziz, who spoke in English throughout, said that the war was continuing only because of the intransigent Iranian regime. War seemed to be part of the religious ideology of Iran. But the war could be stopped if international pressure were brought. Iran did not produce her own arms and if arms-dealing stopped she would have to revise her policy and change her position.

4 He continued that he had been optimistic when the US said they would not supply arms to Iran. But the latest news was changing the whole situation. Their statements were not in conformity with their deeds. (Note: at that stage the US Government had not yet made any public statements about supplying arms to Iran.) If what had happened continued to be the policy of the US and perhaps other Western countries, the region would go through continued instability. Iran was not the threat she was a few years ago politically and ideologically; militarily Iraq had strengthened her defences. Great Britain was now the President of the Security Council, which was supposed to discuss the conflict by the end of November. The Iraqi Ambassador was in close touch with Sir John Thomson (UK Permanent Representative to the UN).

5 Mr Clark agreed that the US deal was something quite unexpected. He would not expect it to be the start of a new US-Iran relationship. There was apparently some dissension in the ranks in Washington.

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6 He added that the UK had never supplied arms to Iran since the war began, because this brought an element of instability. We were for example very concerned about the shipping lanes. As for the Security Council, it was never an easy body to predict but he had no doubt that it was desirable to end the conflict as soon as possible.

7 Mr Aziz said the Iraqi Government was not yet totally convinced that the UK was not supplying military equipment to Iran. There was evidence that British equipment was reaching Iran and it was up to Governments to take the necessary steps to stop this. In addition, there was an office in London under cover of the NIOC which many reports said was the centre of Iranian arms dealing in the Western world. Such dealing had enabled them to maintain their arsenal. Iraqi experts had said that Iran could only have maintained her military effectiveness through obtaining further supplies from the countries which supplied the original equipment. For example, Iran had had enough artillery ammunition for six years of war. He was not yet convinced that Britain was taking strict measures to stop any kind of supply. If measures were taken against the NIOC office, this would be an important point.

8 He added that Iraq had not asked for a formal embargo, but that if responsible countries took the view that the war should stop, they should halt the supply of arms rather than seeking short-term commercial gains.

9 In reply, Mr Clark assured the Minister that there was no question of the UK sanctioning direct arms sales to Iran. As for the NIOC, it was for the FCO to assess the strength of the allegations. Our Ambassador added that there were already strict legal controls on the export of military equipment to Iran. During the 18 months he had served in Iraq we had not once been able to verify the source of arms drawn to our attention by the Iraqi authorities.

10 In conclusion, Mr Aziz said he would continue to pass information through diplomatic channels. The Minister promised that the UK would examine such information carefully.

Detention of Mr Richter

11 Mr Alan Clark said that the detention of Mr Richter for five months in bad conditions without being brought to trial was affecting our good relations and the morale of the business community. From everything he had heard, Mr Richter had committed no offence of any significance. The Foreign Secretary had raised it with Mr Aziz in September and very little had happened since. A gesture on this case would be very constructive.

12 Mr Aziz replied that it might look natural for any businessman to think of bribery or commissions to improve his chances. But Iraq had made clear that this was strictly forbidden and one of the major crimes. He said frankly that it was an obsession with this Government to be very clean because they were building a new society and wanted to give Ministers and

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heads of offices etc full powers of decision in order to shorten the time needed for development. A Director-General could be dealing with millions and could see counterparts in other countries making millions in the same circumstances. But it was important to tell the business community that they would be in deep trouble if they tried bribery.

13 He continued that Mr Richter had tried to bribe or had actually bribed a high Government official who had enjoyed very wide powers to take spending decisions. Perhaps Mr al Mufti led Mr Richter astray or perhaps it was the other way round: but a bribe took place.

14 Mr Aziz added that he had promised Sir Geoffrey Howe that Mr Richter's consular rights would be upheld. This had been done: he had been visited by the Embassy and his family; the complaint about his sleeping arrangements had been solved; and Mr Aziz was ready to bring the document signed in Arabic - Mr Richter's confession - to his Ministry for checking by the Embassy. Our Ambassador confirmed with Mr Aziz that this also covered further documents which we understood Mr Richter had signed in Arabic. Mr Aziz continued that Mr Richter had the right to appoint an Iraqi lawyer. Mr Richter's papers had been passed to the court and the trial would take place in due course.

15 Mr Clark said he was obliged to Mr Aziz for taking concrete steps to ensure that Mr Richter's consular rights were met. Mr Aziz said that the case was 'a headache' for Iraq and was not wanted by them. With the Minister's advice to the business community there should be no further cases. Mr Clark said he had taken note of all this but repeated that HMG would be watching the whole affair very closely.

*Matthew Cocks*

MATTHEW COCKS  
PS/MfT  
Room 835  
1 Victoria Street  
215 5144

20 November 1986

cc	PS/Secretary of State	
	PS/Lord Lucas	
	PS/Chairman	BOTB
	PS/Sir Brian Hayes	
	Mr Gill	ECGD
	Mr C W Roberts	
	Mr Titchener	OT4
	Mr Twyford	ECGD
	Mr Petter	OT4/1
	Mr Ranson	ECGD
	Mr Gallaher	OT4/1
	Mr Jaffray	CGD

<u>External</u>	
Mr Powell	No 10
Mr Culshaw, PS/SoS	FCO
PS/Mr Renton	FCO
Chancery	BE, Baghdad
Mr Ayres	MED, FCO

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FM BAGHDAD

TO DESKBY 131000Z FCO

TELNO 507

OF 130840Z NOV 86

INFO DESKBY 131000Z DTI (FOR MINISTER FOR TRADE)

INFO PRIORITY ECGD

MIPT : MINISTER FOR TRADE'S VISIT 10/11 NOVEMBER :  
CONSULAR MATTERS

SUMMARY

1. VISIT THREATENED BY PROBLEM OF DETAINEES. FEARS OF RESIDENT BRITISH COMMUNITY. USEFUL DISCUSSION WITH IRAQI MINISTERS AND SOME FURTHER PROMISES ON DETAINEES' CONSULAR RIGHTS. OUTLOOK FOR RICHTER NOT GOOD.

DETAIL

2. PROLONGED DETENTION OF 5 BRITISH SUBJECTS THREATENED TO SCUR ATMOSPHERE FOR THE VISIT. MR CLARK RECEIVED REPRESENTATIONS ON BEHALF OF SOME OF THEM BEFORE ARRIVING HERE AND A SMALL GROUP EXPRESSED FEARS OPENLY TO HIM AT A MEETING WITH LEADING BRITISH BUSINESSMEN. MR CLARK EXPLAINED WHAT WAS BEING DONE FOR THE DETAINEES.

DD/0959

S.  
Pl arrange for this to be  
Opied to Mr C Powell: 10 D St.

IMMEDIATE

to  
17/11.

ADVANCE COPY

mt

3. MR CLARK REGISTERED FIRMLY WITH IRAQI MINISTERS OUR CONTINUING CONCERN AND EXTRACTED SOME USEFUL ASSURANCES WITHOUT ALLOWING THESE DIFFICULT PROBLEMS TO DOMINATE THE DISCUSSIONS. HE RAISED ALL 5 CASES WITH TRADE MINISTER HASSAN ALI AND FIRST DEPUTY PRIME MINISTER RAMADHAN AND THE RICHTER CASE SPECIFICALLY WITH FOREIGN MINISTER TARIQ AZIZ. HASSAN ALI AND RAMADHAN FELL BACK ON FAMILIAR ARGUMENTS ABOUT SEEKING A SOLUTION BASED ON "MUTUAL" UNDERSTANDING AND DISCUSSION", IE SOME KIND OF SWAP. ALTHOUGH MR CLARK TRIED HARD TO MAKE LINKAGE BETWEEN OUR HELPFUL ATTITUDE TOWARDS IRAQ'S FINANCIAL AND BANKING DIFFICULTIES AND ARMS SALES TO THE AREA AND A GESTURE BY THE IRAQIS ON OUR CONSULAR PROBLEMS, RAMADHAN AND HASSAN ALI RESOLUTELY MAINTAINED THAT THE POSITIVE ELEMENTS IN A BILATERAL RELATIONSHIP SHOULD NOT BE ALLOWED TO BE SPOILT BY THE NEGATIVE ONES. HASSAN ALI HINTED THAT CONCENTRATION ON THE LATTER COULD AMOUNT TO INTERFERENCE IN INTERNAL AFFAIRS.



4. TARIQ AZIZ GAVE CLEAREST EXPLANATION SO FAR OF RICHTER'S DETENTION. HE DESCRIBED IRAQ GOVERNMENT'S 'OBSESSION' WITH STAMPING OUT CORRUPTION, WHICH WAS NECESSARY TO ESTABLISH A NEW SOCIETY BASED ON A 'CLEAN' ADMINISTRATION. IRAQ TOOK VIGOROUS ACTION AGAINST ITS OWN NATIONALS FOUND GUILTY OF CORRUPTION AND LOOKED TO FOREIGN GOVERNMENTS TO ADVISE THEIR NATIONALS ON THE DANGERS. RICHTER, HE SAID, 'BRIBED A HIGH GOVERNMENT OFFICIAL WHO ENJOYED WIDE POWERS AND CONFIDENCE. THAT MAN (MUFTI) WAS SEDUCED BY RICHTER OR VICE VERSA AND A BRIBE WAS MADE'. HE REITERATED HIS PROMISE TO YOU IN NEW YORK THAT RICHTER WOULD BE ALLOWED LEGAL REPRESENTATION AND A FAIR TRIAL. MEANWHILE HE COULD RECEIVE VISITS FROM HIS FAMILY: INDEED, HE (TARIQ AZIZ) HAD AUTHORISED MRS RICHTER TO SEE HER HUSBAND FOR A SECOND TIME (ON 13 NOVEMBER) DURING HER PRESENT STAY HERE. TARIQ AZIZ ALSO SAID THAT WE COULD SEE ALL THE DOCUMENTS IN ARABIC SIGNED BY RICHTER, WHICH HE DESCRIBED AS RICHTER'S CONFESSIONS IN ENGLISH TRANSLATED INTO ARABIC. HE ASSURED THE MINISTER THAT RICHTER'S DETENTION WAS NOT A POLITICAL MATTER. HE ALSO MAINTAINED THAT NATIONALS OF OTHER COUNTRIES WOULD BE TREATED SIMILARLY. IMPORTANT FOR US TO CONVINCE BRITISH BUSINESSMEN THAT CORRUPTION WOULD NOT BE TOLERATED IN IRAQ. MINISTER TOOK NOTE, WARNING THAT WE WOULD BE FOLLOWING DEVELOPMENTS CLOSELY AND WOULD EXPECT RICHTER TO BE GIVEN PROPER LEGAL REPRESENTATION AND OFFICIAL OBSERVERS TO BE PRESENT AT THE TRIAL. TARIQ AZIZ SAID CONSULAR CONVENTION BETWEEN US WOULD BE OBSERVED. MR CLARK SUBSEQUENTLY GAVE MRS RICHTER THE GIST OF THESE REMARKS, LESS THE CATEGORIC ACCUSATION OF BRIBERY.

T\* ARIQ AZIZ SAID IRAQ GOVERNMENT'S 'OBSESSION' WITH STAMPING OUT CORRUPTION, WHICH WAS NECESSARY TO ESTABLISH A NEW SOCIETY BASED ON A 'CLEAN' ADMINISTRATION. IRAQ TOOK VIGOROUS ACTION AGAINST ITS OWN NATIONALS FOUND GUILTY OF CORRUPTION AND LOOKED TO FOREIGN GOVERNMENTS TO ADVISE THEIR NATIONALS ON THE DANGERS. RICHTER, HE SAID, 'BRIBED A HIGH GOVERNMENT OFFICIAL WHO ENJOYED WIDE POWERS AND CONFIDENCE. THAT MAN (MUFTI) WAS SEDUCED BY RICHTER OR VICE VERSA AND A BRIBE WAS MADE'. HE REITERATED HIS PROMISE TO YOU IN NEW YORK THAT RICHTER WOULD BE ALLOWED LEGAL REPRESENTATION AND A FAIR TRIAL. MEANWHILE HE COULD RECEIVE VISITS FROM HIS FAMILY: INDEED, HE (TARIQ AZIZ) HAD AUTHORISED MRS RICHTER TO SEE HER HUSBAND FOR A SECOND TIME (ON 13 NOVEMBER) DURING HER PRESENT STAY HERE. TARIQ AZIZ ALSO SAID THAT WE COULD SEE ALL THE DOCUMENTS IN ARABIC SIGNED BY RICHTER, WHICH HE DESCRIBED AS RICHTER'S CONFESSIONS IN ENGLISH TRANSLATED INTO ARABIC. HE ASSURED THE MINISTER THAT RICHTER'S DETENTION WAS NOT A POLITICAL MATTER. HE ALSO MAINTAINED THAT NATIONALS OF OTHER COUNTRIES WOULD BE TREATED SIMILARLY. IMPORTANT FOR US TO CONVINCE BRITISH BUSINESSMEN THAT CORRUPTION WOULD NOT BE TOLERATED IN IRAQ. MINISTER TOOK NOTE, WARNING THAT WE WOULD BE FOLLOWING DEVELOPMENTS CLOSELY AND WOULD EXPECT RICHTER TO BE GIVEN PROPER LEGAL REPRESENTATION AND OFFICIAL OBSERVERS TO BE PRESENT AT THE TRIAL. TARIQ AZIZ SAID CONSULAR CONVENTION BETWEEN US WOULD BE OBSERVED. MR CLARK SUBSEQUENTLY GAVE MRS RICHTER THE GIST OF THESE REMARKS, LESS THE CATEGORIC ACCUSATION OF BRIBERY.

COMMENT

5. THE DEPRESSING EFFECT OF THE RICHTER CASE ON THE MORALE OF A SECTION OF THE RESIDENT BRITISH COMMUNITY (MAINLY RICHTER'S PERSONAL FRIENDS) IS UNDERSTANDABLE. THEY FEAR THE ARBITRARINESS OF THE IRAQI AUTHORITIES IN THEIR PRESENT STRAITENED FINANCIAL SITUATION. HOWEVER I DO NOT BELIEVE THAT IT IS A SERIOUS IMPEDIMENT TO OUR ABILITY TO TRADE HERE. THE MAJORITY OF THE LOCAL BRITISH BUSINESSMEN ARE ACCUSTOMED TO THE FRUSTRATIONS AND INJUSTICES OF THE IRAQI BUREAUCRACY. THE EXHIBITORS AT THE FAIR WERE CERTAINLY NOT DISCOURAGED BY THIS CASE. BUT WE MUST CONTINUE TO GIVE THE BUSINESS COMMUNITY CLEAR MORAL, POLITICAL AND CONSULAR SUPPORT WHENEVER POSSIBLE WHILE POINTING OUT THE RISKS OF WORKING IN A COUNTRY UNDER A TOTALITARIAN REGIME.

6. TARIQ AZIZ APPEARED TO HAVE NO DOUBT ABOUT RICHTER'S INVOLVEMENT IN CORRUPTION. THIS HAS BEEN THE IRAQIS' ATTITUDE ALL ALONG. THEY APPEAR TO KNOW SOMETHING WE HAVE NOT HEARD EITHER FROM PCI OR FROM RICHTER HIMSELF. I HAVE ALREADY ASKED MFA TO SEE DOCUMENTS RICHTER (AND CONWAY AND TAYLOR) SIGNED FROM WHICH IT MAY BE POSSIBLE TO FIND OUT HOW SERIOUS THE ACCUSATIONS AGAINST HIM (THEM) ARE. WE WILL THEN BE IN A BETTER POSITION TO JUDGE WHETHER AND, IF SO, WHEN AN APPEAL FOR MERCY WOULD BE APPROPRIATE. IN THE CIRCUMSTANCES, MR CLARK JUDGED IT INAPPROPRIATE TO ASK TO SEE RICHTER (YOUR TEL 304).

CLARK

YYYY

BAHPAN 3388

NNNN





British Overseas Trade Board

CDG  
20/11

MR CHANNON

cc Prime Minister ✓  
 Sir Geoffrey Howe  
 Mr Brittan  
 Mr Walker  
 Mr Ridley  
 Mr Renton  
 Mr Lamont  
 Mr Hayhoe  
 Mr Buchanan-Smith  
 Mr C W Roberts  
 Mr Gill ECGD  
 Mr Titchener OT4/DTI  
 Mr Clark HMA Baghdad

## VISIT TO IRAQ: 8-10 NOVEMBER 1985

1 The direct purpose of my three-day visit to Baghdad as Chairman of the BOTB was to visit the International Trade Fair. But I also had a programme of meetings with a number of important Iraqi Ministers and Senior Officials, notably with the First Deputy Prime Minister (Mr Taha Yasin Ramadhan), the Ministers for Trade (Mr Hassan Ali), Industry and Minerals, Transport and Communications, Health, and the Deputy Minister for Oil. Mr Hassan Ali hosted a lunch for me on 8 November.

2 The meetings were constructive and for the most part friendly. The UK's cultivation of the Iraqi market in difficult times was widely appreciated. There was no sign of hostility over UK sales of which might be termed defence equipment to Iran.

3 I was very favourably impressed by the British Pavilion at the Baghdad Fair. More importantly, so were the potential customers from the Iraqi State Organisations. British exhibitors were, almost without exception, confident about the future prospects of the Iraqi market.



British Overseas Trade Board

4 I also visited a vast water-treatment plant on the right bank of the Tigris, north of Baghdad, built by PCI (a subsidiary of Portals) in conjunction with Indian and local contractors under the supervision of British Consultants (Atkins). This £80m project, which represents, I am told, the largest investment in the world for a single, one-off, water purification plant, will form the main water supply for Baghdad. It is an impressive achievement and is likely to lead to further Iraqi contracts for PCI.

### Prospects

5 Baghdad is a very different place from the Baghdad I knew over 25 years ago. Large new buildings - sometimes in a not totally unattractive blend of modern and traditional Islamic idioms, great express ways, and so on. The Gulf War has inevitably retarded development plans in Baghdad and elsewhere. But it has not stopped them. Senior Iraqis spoke of the future with confidence and with enthusiasm for further UK involvement. This was not perhaps unexpected, but local confidence has been mirrored by: a significant improvement in imports from the UK (1984 figures were less than half the 1982 peak of £875m, but the first nine months of 1985 has seen an increase of 44%), by a much larger British presence at the Fair (75 Exhibitors this year, up 17%) and by a general feeling of measured buoyancy in the UK business community.

6 British firms enjoy a number of advantages in Iraq: We were the first Western Country to re-introduce credit facilities since the War, the British community remained in Baghdad during difficult and dangerous times when others were getting out, and English is the second language in Iraq - an advantage which cannot be overstated.

7 British companies would be unwise to expect an early end to the Gulf War. Informed opinion seemed to be that the Iranians, despite



British Overseas Trade Board

continuing pressure, above all in the South, will not be able to break the stalemate. For an economy on a war footing Iraq appears remarkably resilient. Political stability seems assured under the ruling and unpleasantly authoritarian Ba'athist regime, with all its informal security trappings.

### Conclusion

8 Iraq is a quite important market for British exports. The country's oil reserves are second only to Saudi Arabia's and as their oil pipelines to the West are extended, output could reach 2.0 mbpd (from 1.6mbpd at present) by next year. Iraq's prosperity depends to some extent of course on movements in the price of oil but not overwhelmingly, because of the use of oil in fixed-price bilateral deals.

9 Iraq will never be an easy market and doubts about the war remain, but it has the potential to be our second most important market in the Middle East after Saudi Arabia. There will be opportunities for British firms in a wide spectrum of development projects, in particular power generation, electrical and construction equipment, water projects, road construction, railways, transport equipment, telecommunications, chemicals, pharmaceuticals, medical equipment, and all aspects of consultancy work (where the UK is already prominent).

10 Detailed notes of my calls on Iraqi Ministers and Officials will be circulated to those concerned in due course, but the main action points arising from my visit are detailed below.

### Recommendations

1) Mr Hassan Ali, Minister for Trade

Mr Hassan Ali is due to visit London later this month as Co-Chairman



British Overseas Trade Board

of the meeting of the Anglo/Iraq Joint Commission. He has expressed a strong desire to meet the Prime Minister, which he reiterated during my call on him. It seems pretty clear that he is aware of the high level programme arranged for the visit of his colleague, Tariq Aziz, the Foreign Minister, in early December, which includes a call on the Prime Minister and sees a call on her as a way of bolstering his status in the Revolutionary Command Council—the small elite at the top of the Iraqi Government. He hinted that our good economic relations could suffer if he were unable to call at Number 10. Our Ambassador takes the view that if Hassan Ali were disappointed it could lead to some souring of bilateral relations in the economic sphere which are at present very good. His recommendation, which I strongly support, is, therefore, in favour of a very brief courtesy call which would give him personal satisfaction and avoid prejudice to our significant and growing interests in Iraq. The Prime Minister has, in fact, met Hassan Ali on previous visits to London and would not, therefore, be starting from scratch. The discussion could concentrate on economic matters and need not anticipate her later meeting with the Foreign Minister. I understand that you are receiving advice from OT4 in favour of this call and of meeting as far as possible Mr Hassan Ali's requests for calls on other Cabinet Ministers. I attach a copy of a telex on this issue from our Ambassador in Baghdad which does not, I think, contradict anything I have said in this Report.

ii) Baghdad Fair

It is hoped that the relative optimism of UK firms will translate into still greater numbers at the Fair next year. There is no question of reducing the high priority that this Fair has for BOTB support and I recommend that a DTI Minister should plan to visit the Fair in 1985.

iii) Visit to Iraq by a Health Minister

I had a useful and constructive meeting with Dr Sadiq Alwash, the agreeable Iraqi Minister of Health. There is, I feel, real potential for further Anglo-Iraqi collaboration on health care. Dr Alwash



British Overseas Trade Board

met Barney Hayhoe during a recent visit to the UK. And he is clearly keen that Hayhoe should pay a return visit next year. I am sure that this could be useful.

iv) Visit of Iraqi Oil Minister to the UK

Mr Abdul-Munim al-Samarrai, Deputy Minister of Oil, is visiting the UK from 22 November as Vice Chairman of the Iraqi Joint Commission delegation. I shall be seeing him myself, and he has expressed a wish to make a return call on Peter Walker. Unless Peter has a personal reason for seeing him, I should have thought it preferable for Alick Buchanan-Smith (or possibly Alistair Goodlad) to receive him.

v) Defence Sales

As you know, it is our policy not to supply equipment which could significantly enhance the capability of either Iraq or Iran to prolong or exacerbate the conflict. Within this constraint there is still great potential for UK sales of equipment deemed to fall into the category of defence (eg the blocked sale of Scammell engines worth some £30m). No sales will proceed without credit. I recommend that some flexibility be shown in applying the arbitrary 10% allocation of the ECGD line of credit given over to defence sales.

vi) ECGD Protocol

It will be important to keep up the momentum of good will generated by the first two Protocols. The lack of credit is not currently a constraint (except possibly for low unit value consumer goods and defence sales), but I strongly endorse the recent decision to extend a further Protocol when existing credits have been substantially utilised.





British Overseas Trade Board

vii) Countertrade

This is an important element in Iraqi trade - as elsewhere. While the UK has not to my knowledge so far been pressed to accept payment in oil, there may be potential here from which we should seek to take advantage. I think it is time for the BOTB to have a look at the whole subject again but with the benefit of up-to-date advice from Posts - and in a more general context than Iraq, albeit with particular reference to the oil aspect.

JELLICOE

15 November 1985

CONFIDENTIAL

PACHDAS

TO IMMEDIATE DTI

TELNO OTTER 195

OF 120945Z NOVEMBER 85

INFO PRIORITY FCO (MED)

*Handwritten notes:*  
12/11  
cc Daffy 5660

*Handwritten notes:*  
I think you were  
expecting something on these  
lines, reinforcing the need for a  
call on the P.M.

YOUR OTTER 167: VISIT OF HASSAN ALI.

*Handwritten signature:* [Signature]

12-11-85

1. DURING THE CALL BY LORD JELlicoe ON HASSAN ALI ON 10 NOVEMBER, LATTER SAID HOW MUCH HE WAS LOOKING FORWARD TO HIS VISIT TO LONDON FOR THE JOINT COMMISSION AND IN PARTICULAR TO SEEING THE PRIME MINISTE

AGAIN A WELL AS OTHER LEADING FIGURES. LORD JELlicoe EXPLAINED HOW BUSY SHE WAS AND WENT ON TO EXPRESS THE HOPE THAT NONETHELESS A FULL AND INTERESTING PROGRAMME OF CONTACTS WOULD BE ARRANGED FOR HIM. AS WE WERE LEAVING, HASSAN ALI TOOK ME ASIDE AND SAID IN HIS USUAL EXPRESSIONLESS WAY THAT WE WOULD BE APPRANCING A CALL ON THE PRIME MINISTER, WOULD WE NOT? AND HE ADDED THAT WE DID NOT WANT THIS MATTER TO SPOIL OUR ECONOMIC RELATIONS, DID WE? I MADE NO COMMITMENT.

2. HASSAN ALI APPEARS NOW TO BE MAKING A PERSONAL ISSUE OF THIS MATTER. IT IS CLEARLY NOT MERELY HIS OFFICIALS PROMOTING THEIR MINISTER'S INTERESTS. IT COULD YELL BE THAT HE HAS BECOME AWARE OF THE HIGH-LEVEL ATTENTION WE ARE SHOWING TARIO AZIZ AND IS CONCERNED ABOUT HIS OWN PRESTIGE IN THE REVOLUTIONARY COMMAND COUNCIL, WHERE HE IS ONE OF THE FEW MEMBERS WITH DEPARTMENTAL RESPONSIBILITIES. IF SO THEN FAILUPE TO RECEIVE SIMILAR TREATMENT WILL LEAD HIM TO LOOK WITH A JAUNDICED EYE ON OUR AFFAIRS. HE IS A PRICKLY AND UNSOPHISTICATED MAN LIKELY TO RESPOND IN THE SAME WAY AS HE IS TREATED.

MUST THEREFORE ASK IF THIS BACKGROUND CAN BE TAKEN INTO ACCOUNT AS ADDITIONAL ARGUMENTS FOR A VERY BRIEF COURTESY CALL ON THE PRIME MINISTER. HASSAN ALI IS A MAN OF FEW WORDS AND, EVEN ALLOWING FOR INTERPRETATION, WOULD SAY WHAT HE HAS TO S

Y  
BRIEFLY. THIS WOULD BE SUFFICIENT FOR HIS DOMESTIC NEEDS, AND WOULD GIVE HIM GREAT PERSONAL SATISFACTION AND WOULD PROTECT OUR SIGNIFICANT COMMERCIAL INTERESTS HERE. A LIMITED CALL OF THIS SORT WOULD NOT DETRACT FROM THE MORE IMPORTANT POLITICAL SUBSTANCE OF TARIQ AZIZ'S VISIT.

4. AS REGARDS HASSAN ALI'S ARRIVAL, HE IS QUITE RELAXED ABOUT ARRIVING WHEN MR CHANNON IS AWAY. HE IS SOMEWHAT UNWELL (TROUBLE UNKNOWN) AND WISHES TO REST BEFORE STARTING HIS OFFICIAL PROGRAMME. IT WOULD BE PERFECTLY ACCEPTABLE, THEREFORE, FOR HIM TO BE GREETED BY LORD LUCAS (AS PROPOSED BY MICHAEL BETTER).

CLARK

YYYY

BAHPAN 0906

NNNN

Charles

the two letters attached were in our filing tray, but there is no indication that they have been seen in private office

CST  
sf.

~~Kay~~

Circulated to GR and CS  
7/1/85

Please make sure that  
the last paragraph is  
noted by all concerned.

Charles

7/1

CONFIDENTIAL



c.c. Ruth Pope - To Mr.  
Correspondence Section  
Foreign and Commonwealth Office

London SW1A 2AH

17 December, 1984

Dear Charles,

Correspondence from Iraqi Opposition Parties

not. — Your correspondence section recently sent us a teletmessage (copy attached) from Mr Saad Salih Jabr, President of the New Umma Party. Mr Jabr is a prominent figure in Iraqi opposition circles: the party was formed recently with the purposes of co-ordinating the activities of Iraqi exiles opposed to the present Iraqi regime. Mr Jabr also publishes an opposition newspaper, Al Tayar Al Jadeed. The newspaper is strongly critical of the Iraqi Government and verges on incitement to violence.

Although we were not asked to provide a reply to this message, I thought I might take the opportunity to draw your attention to a previous message sent by Jabr to the Prime Minister. This was acknowledged by your office, and both the message and the acknowledgement were subsequently reproduced in issues of the newspaper. The publisher no doubt hoped for propaganda advantage and to complicate our relations with the Iraqi Government.

XI We propose therefore to return no reply to the latest message, and we suggest that further communications from Mr Jabr are not acknowledged in the first instance by No 10.

Y  
ever,  
P F Ricketts  
(P F Ricketts)  
Private Secretary

C D Powell Esq  
10 Downing Street

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CONFIDENTIAL

NSDN  
JR  
COP 15741



Foreign and Commonwealth Office

London SW1A 2AH

14 November, 1984

Dear Charles,

Visit by Mr Luce to Iraq: 19-22 November

When he met the Foreign Secretary briefly at the General Assembly in New York in September, the Iraqi Foreign Minister asked whether it would be convenient for us if he visited London in mid-October on his way back to Baghdad. As these timings presented difficulties for us, because of Ministerial movements and the proximity of the Party Conference, the Foreign Secretary suggested that Mr Luce might instead visit Baghdad in November.

The Iraqis warmly accepted the proposal. I am now writing to inform you that the Foreign Secretary has agreed that Mr Luce should visit Iraq from the afternoon of Monday 19 November until early on the morning of 23 November. He expects to see President Saddam Hussein and a number of other senior Iraqis. This will provide an opportunity to review our relations and to clear the air on various sensitive issues such as our stance in the Gulf conflict, and our position over the supply of defence equipment to Iran and to Iraq.

Yours,  
Peter Ricketts

(P F Ricketts)  
Private Secretary

C D Powell Esq  
10 Downing Street

CONFIDENTIAL



DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01-215 5144  
SWITCHBOARD 01-215 7877

From the Minister for Trade

Prime Minister

Roger Bone Esq  
Private Secretary to the  
Secretary of State for  
Foreign & Commonwealth Affairs  
Foreign & Commonwealth Office  
Whitehall  
London SW1A 0AA

for information.

A.I.C. 17/10.

13th October 1983

Dear Roger,

IRAQ

Mr Channon thought it might be useful for the Foreign Secretary, and other copy addressees, if I were briefly to record the work and outcome of the Anglo-Iraq Joint Commission which he co-chaired with Mr Hassan Ali the Iraqi Minister of Trade last week. The Joint Commission met concurrently with the visit to London of Mr Ramadan the First Deputy Prime Minister of Iraq.

The highlight of the Joint Commission's work was the signing of the Financial Protocol providing for £250M of ECGC backed credit on 5 year terms to support the supply of British capital goods to Iraq. This offer, which was approved in principle at the Prime Minister's meeting on 5 October, and signed by my Minister and Mr Hassan Ali shortly before the Prime Minister's meeting with Mr Ramadan the following morning, seems to have been warmly received by the Iraqis. We believe that it should provide a sound base for the further expansion of UK exports to Iraq as well as providing extra leverage to secure the proper payment of monies due to British exporters. Certainly, in both political and commercial terms, the credit offer establishes our claim to the title of Iraq's principal trading partner. Our market share, at over 10%, already exceeds the average for our other Middle East markets. We will now continue to work to increase this.

As for the crucial area of repayments, officials were able to negotiate a clear undertaking by the Iraqi Government to facilitate the prompt payment of all sums due under officially supported export credits. This undertaking includes those due under the 1983 Financing Agreement, as well as those which will become due under any similar agreement for 1984 and under the new credit offer. Furthermore, the



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Iracis have undertaken to use their best endeavours to ensure that foreign exchange payments under other contractual relationships are made when due. We must of course ensure that there is no backsliding on these undertakings.

It is also worth underlining that despite strong Iraqi pressure for a more favourable deal, we were able to negotiate a clause in the financial protocol providing that refinancing of payments due in 1984 would be on the same terms and conditions as in the 1983 arrangements. Thus we shall avoid the tedious and time-consuming negotiations which characterised the 1983 settlement; more importantly, it should encourage British companies to maintain and strengthen their presence in Iraq.

Under the umbrella of the Joint Commission, a number of meetings were also arranged between the Iraqi official team and British companies. We hope that these will have helped in settling old problems, and in encouraging the winning of new business. In particular, our Consortium bidding for the Red Sea pipeline project remains in with a chance. In addition, opportunities seem to be available to UK suppliers in power generation, oil and gas industries, water treatment and irrigation, all sectors where UK companies have much to offer.

Mr Channon believes that the Joint Commission and the Financial Protocol coupled with Mr Ramadan's reception by the Prime Minister have paved the way for increased British penetration of the Iraqi market. He intends to promote further the interests of UK companies there when he visits Iraq early next month to attend the Baghdad Fair.

I am copying this to the Private Secretaries to the Prime Minister, Nigel Lawson, and to Sir Robert Armstrong.

Yours sincerely,

*Jonathan Rees*

JONATHAN REES  
Private Secretary to the  
Minister for Trade (PAUL CHANNON)

RESTRICTED



Alan -  
FCO letter is  
Confidential  
Kay 16/3



De VR  
c FCO

10 DOWNING STREET

THE PRIME MINISTER

15 March 1983

Dear Mrs. Hagger.

Your husband recently wrote to me. I enclose a copy of his letter. In view of the difficulties and delays involved in getting mail through to your husband in Iraq, I felt that it would be better on this occasion to reply to you.

As you know, I take a close personal interest in your husband's case and have done what I can myself to persuade the Iraqi authorities to release him. I know you are in very close touch with the Foreign and Commonwealth Office about your husband's conditions and all the various efforts we are making on his behalf.

Please be sure that your husband's case will not be forgotten. We shall continue to raise the question of his release with the Iraqis at every opportunity and at every level.

Yours sincerely  
Margaret Thatcher

Mrs E.M. Hagger

SC

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

11 March 1983

*Please type*

*(a) Mr. Hagger's letter - as that the P.R.  
can read it.*

*Dear John,*

*(b) the P.R.'s reply. A.S.C. 14/3*

Mr Donald Hagger, one of our detainees in Iraq, has written to the Prime Minister. The letter is enclosed. Mr Hagger previously wrote to the Prime Minister in August 1982. On that occasion the Foreign and Commonwealth Secretary advised the Prime Minister not to send a written reply. This was agreed and we asked the Consul in Baghdad to assure Mr Hagger that the Prime Minister continued to take a close personal interest in his case and that we were doing all we can to secure his release.

On this occasion we think that a written reply to Mrs Hagger along the lines of the attached draft would be best. A written reply to Mr Hagger in prison could lead the Iraqis to believe more strongly in their (unfounded) claim that Mr Hagger is a British spy. The Prime Minister recently saw Mrs John Smith, the wife of our other detainee in Iraq. In view of this, the letter might perhaps go from the Prime Minister herself rather than from a Private Secretary.

I enclose a copy of Baghdad telegram No 162, which contains the latest news on Mr Hagger, as well as Mr Smith.

*Yours ever*

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street

CONFIDENTIAL

Iraq: Relations  
July 79

SEP 11 1979

SEP 11 1979

**DRAFT:** minute/letter/teleletter/despatch/note

**TYPE:** Draft/Final 1+

**FROM:**

Reference

PRIME MINISTER

**DEPARTMENT:**

**TEL. NO:**

**SECURITY CLASSIFICATION**

**TO:**

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

**PRIVACY MARKING**

**SUBJECT:**

.....In Confidence

**CAVEAT**.....

Your husband recently wrote to me. I enclose a copy of <sup>his</sup> ~~the~~ letter. In view of the difficulties and delays involved in getting mail through to your husband in Iraq, I felt that it would be better on this occasion to reply to you.

As you know, I take a close personal interest in your husband's case and have done what I can myself to persuade the Iraqi authorities to release him. I know you are in very close touch with the Foreign and Commonwealth Office about your husband's conditions and all the various efforts we are making on his behalf.

Please be sure that your husband's case will not be forgotten. We shall continue to raise the question of his release with the Iraqis at every opportunity and at every level.

Enclosures—flag(s).....

THIS IS A COPY. THE ORIGINAL IS  
RETAINED UNDER SECTION 3 (4)  
OF THE PUBLIC RECORDS ACT.

*WR*  $\frac{14}{7}$

GR 500

CONFIDENTIAL

**CONFIDENTIAL**

FM BAGHDAD 110910Z MAR 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 162 OF 11 MARCH, 1983

CONSULAR VISIT SMITH/HAGGER

1. SUMMARY: PRISON CONDITIONS FOR BOTH SMITH AND HAGGER HAVE AGAIN DETERIORATED BUT THEIR MORALE REMAINS HIGH. BOTH URGED DELAYING FURTHER REPRESENTATIONS ON THEIR BEHALF UNTIL CONFUSED SITUATION IN THE PRISON BECAME CLEARER.
2. DETAIL: BOTH PRISONERS INFORMED FERGUSON YESTERDAY OF DETERIORATION IN CONDITIONS FROM 15 FEBRUARY WHEN THEIR BEDS WERE TAKEN AWAY. HAGGER HAD SPENT ONE WEEK IN SOLITARY CONFINEMENT FROM 1 - 8 MARCH FOR UNKNOWN REASONS. SMITH HAD BEEN REMOVED FROM HIS ROOM ON 1 MARCH AND ALL BELONGINGS INCLUDING RADIO, LETTERS, PHOTOGRAPHS AND BOOKS WERE SEARCHED AND TAKEN AWAY. HE WAS NOW SLEEPING ON THE FLOOR IN A PASSAGE AND HAD ONLY TWO BLANKETS, CLOTHING AND REMAINING ITEMS OF FOOD. HAGGAR SIMILARLY WAS SLEEPING ON THE FLOOR IN A SMALL ROOM ON HIS OWN. SMITH WAS TOLD HE WAS BEING PUNISHED FOR POSSESSING A RADIO WHICH WAS ILLEGAL (EXCLAM) SMITH HOWEVER CONFIRMED THAT ALL RADIOS WERE NOW BANNED IN HIS SECTION OF THE PRISON WHICH NOW HELD ONLY FOREIGN NATIONALS. BOTH PRISONERS HAD ALSO BEEN VISITED TWICE BY SENIOR PRISON AND OTHER OFFICIALS AND HAGGER HAD BEEN QUESTIONED AGAIN BY THE DELEGATION ABOUT SPYING FOR THE BRITISH.
3. DESPITE UNDERTAKING GIVEN BY MFA, NO (NO) MAIL HAD BEEN RECEIVED BY PRISONERS SINCE 10 FEBRUARY ALTHOUGH FERGUSON WAS INFORMED BY MFA REPRESENTATIVE THAT PRISONERS' MAIL WOULD BE GIVEN TO THEM AT CLOSE OF VISIT.
4. BOTH SMITH AND HAGGER CONFIRMED THAT THEY WERE WELL AND HAD NO (NO) PHYSICAL PROBLEMS. THEIR MORALE WAS HIGH. BOTH, IN DIFFERENT WAYS, URGED DELAYING ANY FURTHER REPRESENTATIONS ON THEIR BEHALF UNTIL THE SITUATION IN THE PRISON HAD BECOME CLEARER. SMITH THOUGHT THERE WAS TOTAL CONFUSION AMONG THE PRISON AUTHORITIES OVER THE ADMINISTRATION OF THE FOREIGN PRISONERS SINCE NO ONE SEEMED TO KNOW WHAT WAS GOING ON. WHEN FERGUSON SUBSEQUENTLY SPOKE TO PRISON MANAGER AND TO MFA REPRESENTATIVE REGARDING SUPPLIES, POCKETMONEY AND MAIL, BOTH GAVE CONFLICTING ANSWERS. THE PRISON AUTHORITIES ACCEPTED SMITH'S TENNIS RACQUET BUT REFUSED A GAS CYLINDER, BATTERIES AND POCKET MONEY.

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## CONFIDENTIAL

5. SMITH ASKED THAT HIS WIFE BE TOLD NOT TO WORRY. HE HOPED HIS DAUGHTER HAD A GOOD BIRTHDAY. HAGGER REACTED STRONGLY WHEN TOLD OF HIS WIFE'S THOUGHTS ON SALE OF HOUSE. HE DOES NOT (NOT) WISH THIS AND ASKED THAT HIS WIFE EITHER SUBLET THE GARDEN AREA OR OBTAIN ASSISTANCE IN MAINTAINING IT. HE ALSO REPEATED THAT (A) HIS INWARD MAIL SHOULD BE VETTED IN THE FCO AND THE EMBASSY AND (B) THAT NO MEMBER OF THE FAMILY SHOULD COME TO IRAQ UNDER ANY CIRCUMSTANCES. THESE WERE QUOTE ORDERS UNQUOTE.

6. FULLER ACCOUNT OF VISIT FOLLOWS BY TELELETTER.

7. I WILL SEND RECOMMENDATIONS AFTER FURTHER CONSIDERATION. MY INITIAL INCLINATION IS TOWARDS DELAYING FURTHER REPRESENTATIONS UNTIL MR HURD'S VISIT ASSUMING THAT THE IRAQIS ACCEPT THE DATES. WE SHALL IN ANY CASE NEED TO BE SURE THAT WE HAVE FULL DETAILS FROM THE HOME OFFICE OF THE CONDITIONS GOVERNING SALEH HASSAN'S IMPRISONMENT IN THE UK BEFORE WE RAISE THE MATTER AGAIN AT A HIGH LEVEL. IN THE MEANTIME WE SHALL SEEK CLARIFICATION FROM THE MINISTRY OF FOREIGN AFFAIRS ABOUT THE PRECISE REGULATIONS RELATING TO FOREIGN PRISONERS NOW BEING APPLIED IN ABU GHRAIB PRISON. WE ARE ALSO COMPARING NOTES AGAIN WITH OTHER EMBASSIES WHO HAVE LONG TERM PRISONERS HERE.

MOBERLY

LIMITED  
MED  
CONS. D  
INFO. D  
NEWS. D

PS  
PS/MR HURD

PS/PUS  
SIR J LEAHY  
MR EGERTON  
LORD N.G. LENNOX

2

CONFIDENTIAL



Iraq

39

10 DOWNING STREET

*From the Private Secretary*

17 December 1982

Thank you for your two letters of 15 December. I have conveyed to the Prime Minister the greetings cards from His Excellency, the Minister for Foreign Affairs of the Republic of Iraq, and from you yourself.

The Prime Minister has asked me to send you her best wishes for Christmas and the New Year.

A. J. COLES

His Excellency Mr. Wahbi Al-Qaraguli

01-584 7141-5



EMBASSY OF THE  
REPUBLIC OF IRAQ

21, QUEEN'S GATE,  
LONDON SW7 5JG

15th December, 1982.

Private Secretary to the Prime Minister,  
10 Downing Street,  
London S.W.1.

RE

*Dear private Secretary*

I should be grateful if you could convey the enclosed card from His Excellency Dr. Sadoun Humadi, Minister for Foreign Affairs of the Republic of Iraq, to the Prime Minister.

With best wishes for Christmas and the New Year.

*yours sincerely*

A handwritten signature in dark ink, appearing to read 'Wahbi Al-Qaraguli'.

Wahbi Al-Qaraguli  
Ambassador



01 584 7141-8



EMBASSY OF THE  
REPUBLIC OF IRAQ

21, QUEEN'S GATE,  
LONDON SW7 5JG

15th December, 1982.

Private Secretary to the Prime Minister,  
10 Downing Street,  
London S.W.1.

*Dear Private Secretary*

I should be grateful if you would convey  
the enclosed card to the Prime Minister.

With best wishes for Christmas and the New  
Year.

*yours Sincerely*

A handwritten signature in dark ink, appearing to read 'Wahbi Al-Qaraguli'.

Wahbi Al-Qaraguli  
Ambassador

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

11 August 1982

*I agreed with this line with the  
FCO today, JH  
12/8.*

Tim Flesher Esq  
10 Downing Street  
London SW1

*Dear Tim*

MR DONALD HAGGER

John Holmes wrote to John Coles on 6 July about this case.

The Ambassador in Baghdad raised the President's reply with Sahhaf, the senior official in the Iraqi Ministry of Foreign Affairs who has been dealing with the case, and who, we understand, was responsible for drafting the message. Mr Egerton said that we found the last two sentences difficult to understand. Sahhaf undertook to seek fresh instructions at the highest level.

Mr Egerton believes that the message could constitute a vague undertaking to review the case: this he finds mildly encouraging. He recommends, and we agree, that we should await the clarification promised by Sahhaf before we consider our next move.

Meanwhile, Mr Hagger has written to The Prince of Wales, the Prime Minister and Lord George-Brown (who raised the case at our request with the Iraqi President when he was in Baghdad in June). I enclose the letter to the Prime Minister. The three letters are very similar. The general tone and contents leave us in little doubt that they were written at the instigation of the Iraqi authorities. The reference to exchanges of prisoners is, we believe, an attempt to put pressure on us through Mr Hagger to swap him for the Iraqi terrorist Saleh Hassan. The Iraqis, as you will recall, tried this before in the case of Mr Ned Sparkes, the Wimpey executive. We thought that we had convinced them that

/we would not

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we would not release a convicted terrorist as part of an exchange deal. But the Iraqis do not give up easily. They may feel that they have to try again. We shall take suitable opportunities to let them know that we are not prepared to consider a swap. The Consul will also explain to Mr Hagger why repatriation or exchange of prisoners is not possible.

Mr Hurd does not feel that a written reply to Mr Hagger's letter is required. If the Prime Minister agrees, the Consul on his next visit can assure Mr Hagger that she continues to take a close interest in his case and that we are doing all that we can to persuade the Iraqis to release him.

Mr Hurd also believes that the Prime Minister need not respond to Mr Hagger's suggestion that she write to his wife. He saw Mrs Hagger on 17 May when he explained what we are doing. He told her of the Prime Minister's intervention. We remain in very regular contact with her and keep her fully informed of what is happening.

Yours ever,  
S M J Lamport

S M J Lamport  
Private Secretary to Mr Hurd

RESTRICTED



10 DOWNING STREET

*From the Private Secretary*

9 July 1982

I write to acknowledge your letter of 9 July informing me that the Iraqi National Day Reception has been cancelled.

A.J. COLES

Mr. Abdul Ilah Mohammed

8/7

01-584 7141-6



EMBASSY OF THE  
REPUBLIC OF IRAQ

21, QUEEN'S GATE,  
LONDON SW7 5JG

9th July, 1982.

Private Secretary to the Prime Minister,  
10 Downing Street,  
London S.W.1.

Dear Mr. Private Secretary,

Due to the current situation in the Arab Nation, and the extermination war waged by the Zionist enemy against the Palestinian People and its occupation of the Arab Lebanese Land. I would like to inform you that the Iraqi National Day Reception which is due to be held on 15th July, 1982, has been cancelled.

With best regards,

Yours Sincerely,

A handwritten signature in dark ink, appearing to read 'A. M. Mohammed'.

Abdul Ilah Mohammed  
Charge d'Affaires



CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

6 July 1982

Avail for FIC-O advice

A.J.C. 9/7.

Dear John,

Mr Donald Hagger

You may recall that the Prime Minister sent a message to President Saddam Hussein recently about the case of Mr Hagger, the 56 year old British subject who has been sentenced to life imprisonment on espionage charges (your letter of 4 May).

I enclose a translation of the text of Saddam Hussein's reply. The Arabic is extremely tortuous; it is difficult to be sure what the President is seeking to convey. The message could be interpreted as meaning that he intends to release Mr Hagger. But the reference to balance in the last sentence could be equally intended once again as an offer to swap Mr Hagger or Mr John Smith (the Hestair executive executive serving 20 years imprisonment for attempted bribing of Iraqi officials) for the Iraqi terrorist in prison here.

We have asked Baghdad for advice on whether we should seek clarification of the message. The Ambassador is also uncertain about the meaning of the message. He has suggested that he discusses it with Sahhaf, Head of the department in the Iraqi Ministry for Foreign Affairs which deals with the UK, on his return from New York later in the month. Sahhaf is a key official in this case. We therefore propose to accept Mr Egerton's advice. This will mean a delay before we will know whether to recommend that the Prime Minister respond to the latest message and, if so, how.

Yours ever

*John Holmes*  
(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street

CONFIDENTIAL

Mrs Margaret Thatcher  
Prime Minister of the  
United Kingdom

After Greetings,


We have received your letter and have taken note of its contents in the light of the developing positive relations between our two countries. A profound, detailed and definitive consideration of all aspects of the matter required a close examination of all factors, including the legal considerations upon which the verdict was based. A number of legal and political agencies, including the Ministry of Foreign Affairs, participated in the examination. I am therefore sorry to say that the statement in your letter that the convicted person was unjustly treated is not true. It has been confirmed to us that he was guilty, that the verdict was justified, and that it fulfilled all the conditions for a correct legal verdict.

In spite of this, we must take account of your appeal and the nature of the relations existing between us, when we find that the action taken in respect of this person, insofar as it requires our intervention in accordance with our powers, does not constitute a dangerous precedent which might damage Iraq's national security. This should lead us to deal with each other within a balanced framework, as I discussed with Mr Brown.

Saddam Hussein  
President of the Republic of Iraq  
Baghdad , 24 Shaaban 1302 AM

17 June 1982

# **A** The National Archives

DEPARTMENT/SERIES ..... <i>prem 19</i> ..... PIECE/ITEM ..... <i>3045</i> ..... (one piece/item number)	Date and sign
Extract details:  <i>LETTER TO PRIME MINISTER          DATED 22 JUNE 1982</i>	
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Tray

4 May 1982

MR..DONALD HAGGER

Thank you for your letter of 29 April.  
As you have already been informed, the Prime  
Minister agreed that the message to  
Saddam Hussein should be sent as drafted.

RECEIVED

John Holmes, Esq.,  
Foreign and Commonwealth Office.

2

**SUBJECT**

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on.

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 TO IMMEDIATE BAGHDAD  
 TELEGRAM NUMBER 260 OF 3 MAY.

YOUR TEL 253: HAGGER

1. YOU SHOULD SEEK AN IMMEDIATE APPOINTMENT WITH WHOMEVER YOU JUDGE APPROPRIATE, TO DELIVER THE FOLLOWING MESSAGE FROM THE PRIME MINISTER.

BEGINS: MR PRESIDENT, I HAVE LEARNT WITH DISTRESS THAT A BRITISH CITIZEN, MR DONALD HAGGER, WAS TRIED ON 26 APRIL AND SENTENCED TO LIFE IMPRISONMENT. THE CHARGES WERE MADE UNDER SECTION 158 OF YOUR PENAL CODE.

I CAN ASSURE YOUR EXCELLENCY THAT AFTER MR HAGGER LEFT THE EMPLOYMENT OF THE PROPERTY SERVICES AGENCY OF THE DEPARTMENT OF THE ENVIRONMENT IN APRIL 1976, HE HAS HAD NO CONNECTION WITH ANY AGENCY OF HER MAJESTY'S GOVERNMENT. SO FAR AS WE ARE CONCERNED, THEREFORE, THE CHARGES LAID AGAINST HIM ARE WITHOUT FOUNDATION. IN THESE CIRCUMSTANCES, I URGE YOUR EXCELLENCY TO EXERCISE CLEMENCY AND TO ORDER THE RELEASE OF THIS HARMLESS OLD MAN. OTHERWISE I VERY MUCH FEAR THAT HIS CASE COULD COME TO HAVE A SERIOUSLY ADVERSE EFFECT ON ANGLO/IRAQI RELATIONS, TO THE WELL-BEING OF WHICH I ATTACH THE GREATEST IMPORTANCE.

MARGARET THATCHER. ENDS

2. WE HAVE TOLD THE HAGGER FAMILY WHO, IF APPROACHED BY THE PRESS, WILL CONFIRM THAT THEY ARE IN TOUCH WITH US. NEWS DEPARTMENT IN CONFIRMING THE TRIAL AND SENTENCE, ARE TAKING THE LINE THAT SINCE LEAVING THE PSA IN 1976, MR HAGGER HAS HAD NO CONNECTION WITH ANY GOVERNMENT AGENCY AND THAT WE ARE CONSIDERING NOW NEXT TO PROCEED.

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Foreign and Commonwealth Office  
London SW1A 2AH

29 April 1982

Dear John,

Agreed  
MS

Prime Minister

Agree to send message to  
President of Iraq asking him  
to exercise clemency?

A.S.C. 30.4

Mr Donald Hagger

Francis Richards wrote to you on 25 January about Mr Hagger.

Mr Hagger, a 65 year old UK citizen, working in Iraq for a British firm of chartered surveyors, Husband and Company, was arrested by the Iraqi authorities in September 1981. We made a number of demarches to the Iraqi authorities asking them to allow us consular access and to be told of the charges against Mr Hagger. A number of ministers intervened with their Iraqi counterparts when visiting Iraq, notably Mr Rees, Mr Mellor and Mr Biffen. Douglas Hurd made representations to the Iraqi Foreign Minister about the case.

On Friday 23 April we learned that the Iraqis intended to try Mr Hagger on 26 April. The same day we sent instructions to the Ambassador in Baghdad asking him to deliver a further message from Mr Hurd about the conduct of the trial. In the event he was unable to do so before the trial took place. We accordingly summoned the Iraqi Charge d'Affaires on 26 April and made the same points to him.

Mr Hagger was charged under Section 158 of the Iraqi penal code which is tantamount to accusing him of having supplied information to foreign intelligence agencies. We are confident that there is no foundation to these charges. Indeed we believe that Mr Hagger is a slightly eccentric old man whose fantasies appear to have been taken literally by the Iraqi intelligence service who have handled this case.

There is no appeal against the sentence <sup>of life imprisonment</sup> except to the President of the Republic, Saddam Hussein.

/Anglo

CONFIDENTIAL



Anglo/Iraqi relations have improved notably over the past two years; Iraq is now our biggest market for defence equipment and is equally valuable in terms of civil contracts. Nevertheless it is a repressive and ugly regime and when news of Mr Hagger's treatment breaks in the press, it could do serious damage to our relations.

The Secretary of State hopes that the Prime Minister will agree to send a message to President Saddam Hussein. I enclose a draft telegram to Baghdad accordingly.

*Yours over,*  
*Francis [Signature]*  
for (J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street

Classification and Caveats

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2 GRS  
3 CONFIDENTIAL  
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6 FM FCO  
7 TO BAGHDAD  
8 TELEGRAM NUMBER  
9 YOUR TEL 253: HAGGER  
10 1. You should seek an immediate appointment with whomever you  
11 judge appropriate, to deliver the following message from the  
12 Prime Minister.  
13 BEGINS: Mr President, I have learnt with distress that a  
14 British citizen, Mr Donald Hagger, was tried on 26 April and  
15 sentenced to life imprisonment. The charges were made under  
16 Section 158 of your penal code.  
17 I can assure Your Excellency that after Mr Hagger left  
18 the employment of the Property Services Agency of the Department  
19 of the Environment in April 1976, he has had no connection with  
20 any agency of Her Majesty's Government. So far as we are  
21 concerned, therefore, the charges laid against him are without  
22 foundation. In these circumstances, I urge Your Excellency to  
23 exercise clemency and to order the release of this <sup>harmless</sup> ~~inoffensive~~  
24 old man. Otherwise I very much fear that his case could come  
25 to have a seriously adverse effect on Anglo/Iraqi relations, to

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Authorised for despatch			
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Classification and Caveats

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the well-being of which I attach the greatest importance.

Margaret Thatcher. ENDS

2. We have told the Hagger family who, if approached by the press, will confirm that they are in touch with us. News Department in confirming the trial and sentence, are taking the line that since leaving the PSA in 1976, Mr Hagger has had no connection with any Government agency and that we are considering how next to proceed.

PYM

NNNN

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NNNN ends  
telegram

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Catchword

CONFIDENTIAL



cc Iran: Sit. Pt 9  
- Anglo-Iraq Rel.  
7/79

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 3000  
DIRECT DIALING 01-218 2111/3

MO 26/9/22

23rd March 1982

N.S.P.N.

Dear Secretary of State,

NR 2/5

TRADE WITH IRAN AND IRAQ

Thank you for your letter of 26th February. As you know OD decided last December that we should offer to supply to the Iranians the tank spares which they have already paid for in order to balance the deal to be concluded with the Iraqis to refurbish captured Chief-tain tanks. It is, of course, for the Foreign and Commonwealth Secretary to decide how and when this message should be conveyed to the Iranians but I note from his minute of 9th March that, in the light of further signs that they may be ready to resume negotiations on outstanding business, he is now prepared to move forward cautiously over the supply of defence equipment.

I understand that a list of non-lethal items is currently under consideration by officials of the various Departments concerned, with a view to submitting a package of defence equipment for Ministerial approval. It is to be hoped that this package will represent a useful concession to the Iranians without either impairing our very important and fast developing defence sales relationships with the Iraqis, which is now entering a critical phase on two major projects, or undermining our negotiating position on outstanding claims. At the same time I would hope that this gesture will help you in underpinning our civil trade in Iran.

I am copying this letter to the recipients of yours.

Yours sincerely  
Mich Evans

John Nott [Draft approved by Mr  
Nott & signed in his absence]

The Rt Hon John Biffen MP

CONFIDENTIAL



From the Secretary of State

CONFIDENTIAL

The Rt Hon John Nott MP  
Secretary of State for Defence  
Ministry of Defence  
Main Building  
Whitehall  
London, SW1A 2HB

26 February 1982

Dear John,

TRADE WITH IRAN AND IRAQ

I was concerned at the leak, originating with the International Defence Review in Switzerland and picked up by the British Press on 23 February, of information on our imminent contract to repair captured Iranian Chieftain tanks in Iraq. My concern is based on both immediate and long-term considerations.

The immediate problem is that since OD last discussed this subject the Talbot car contract with Iran, on which some 6,000 British jobs and £100m worth of annual exports depend has been put into jeopardy. After great difficulty, senior executives from Talbot have at last obtained their visas, and should be going to Tehran for decisive talks on 25 February. There is a clear danger that their political enemies in the Iranian government will use this leaked story to reject their approach for a renewal of the contract. If this happens, I very much hope that you could be ready with some quick and conciliatory message to the Iranians on their own request for tank spares and other non-lethal military equipment, emphasising our willingness to treat them even-handedly with the Iraqis, and playing down the traditional link with the settlement of outstanding claims. British industry in general, and IMS in particular, have done very well out of Iran in the Shah's time and could, I am confident, do so again. But

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*From the Secretary of State*

CONFIDENTIAL

we know that the Iranians are suffering an acute financial shortage at present, and there seems a real danger that an excessively tight linkage between the claims and future supplies could damage our prospects quite widely in the longer term.

I have not opposed our de facto tilt towards Iraq, discussed frequently in OD in recent months, since it is clear that the immediate prospects for hard cash sales are much more promising in that country, which, as you know, I visited last October, and from which Peter Rees has just returned. Nonetheless, the recent press leak makes me uneasy about the risk that we may carry this damagingly far. Iran's population is after all three times that of Iraq. Its natural resources are comparable. Before the revolution, its level of industrialisation was much higher. And in the last year for which we have trade figures (1980) our exports to Iran were some £400m compared with some £320m for Iraq. Although Iraq will have overtaken Iran in this respect in 1981, and probably in 1982 as well, Iran nonetheless remains in the long-term the more promising market. Very recent reports indicate, for instance, that the Iranians are determined to raise their foreign exchange earnings by selling their oil at a price as low as necessary, regardless of any considerations of OPEC solidarity. Such a policy could greatly ease their foreign exchange problems in a relatively short period. On the other hand, the Iraqis have already found themselves over-extended and are, sensibly enough, cutting back on spending.

Despite the fact that Iran currently gets a much worse press than Iraq (for reasons which do not necessarily reflect a real difference in the relative attractiveness of the regimes), I am convinced that we must continue to take the commercial potential of Iran very

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*From the Secretary of State*

CONFIDENTIAL

seriously, and not allow ourselves to let the immediate gleam of gold in Iraq blind us to our long-term interests in their neighbour.

I am sending copies of this letter to Members of OD, Patrick Jenkin and Sir Robert Armstrong.

*Yours  
John Biffen*

JOHN BIFFEN

CONFIDENTIAL

Alan



Confidential note below but do  
you wish me to keep?

10 DOWNING STREET

From the Private Secretary

25 January, 1982

Kay 25/1  
Kay  
You please  
AJ 26/1

The Prime Minister has asked me to thank you for your letter of 16 January and for the very kind remarks you made about her son.

Mrs Thatcher has also asked me to convey to you her sympathy - she well understands your concern about your husband. I have been in touch with the Foreign and Commonwealth Office and they have told me of the steps that they are taking to secure Mr Hagger's release. Despite two consular visits and repeated representations to the Iraqi authorities, the British Embassy in Baghdad has still not been given precise details as to why the Iraqis continue to hold him. All that the Iraqis have said is that your husband has infringed residence regulations. This is unacceptable and we have pressed the Iraqis for a fuller explanation. We shall continue to do so. If there is no progress British Ministers, who will be paying official visits to Baghdad shortly, will be briefed to impress on the Iraqi government the need to resolve your husband's case without further delay.


The Prime Minister well understands that this is a very worrying and distressing time for you and your family. She has asked me to assure you that the Government will continue to take a close interest in your husband's case and to do what it can to resolve it quickly.

A. J. COLES

Mrs E M Hagger,

RM

# A The National Archives

DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>3045</i> ..... (one piece/item number)	Date and sign
Extract details:  <i>FV RICHARDS TO J COLES          INC DRAFT LETTER          DATED 25 JANUARY 1982</i>	
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Reminded FCO today  
Replies in hand, should be here  
later today or Monday 25/1

22 | 1

Mrs Margaret HAGGER

19 January, 1982

Mr Donald Hagger

I enclose a letter to the Prime Minister about the above, who as you know is detained in Iraq, from his wife. I should be grateful if you could let me have by the end of this week a draft reply for my signature on behalf of the Prime Minister.

A. J. COLES

R N Richards, Esq  
Foreign and Commonwealth Office

out

16th January 1982.

The Prime Minister.  
Mrs Margaret Thatcher M.P.  
10 Downing Street.  
London.

R19

Dear Mrs Thatcher.

It must have been a terrible ordeal for you regarding your son being missing, and I am so pleased for you that everything has turned out well, after not knowing for six weeks whether he was alive or dead.

I can appreciate what you went through as I have not heard from my husband for 5 months as he was detained by the Secret Police in Iraq in early September. He is a Lawyer & Engineer employed by Arabamco, Consulting Engineers, & did not have a visit from the bank in Iraq until November, and I have been told by the Foreign Office that all they can find out is that he is being detained for Resident Regulations and that he is in a camp outside Baghdad. He has also had another visit last week again from the bank. There is still no news from the Iraqi Authorities as to how long

Temporarily Retained 16/1/16 HJS

THIS IS A COPY. THE ORIGINAL IS  
RETAINED UNDER SECTION 3 (4)  
OF THE PUBLIC RECORDS ACT

They are going to detain him. The Douglas Stone has been dealing with my husband's case, but still there is no news about his release.

All that as you know is worrying for me and my family. My husband Donald Hagger is in his sixties and I have not had a personal word from him since mid August 1981 & am now at the end of my tether and I implore you to demand some explanation from the Iraqi Authorities as to his detention.

Thanking you,

Yours faithfully

Edna Margaret Hagger. (Mrs)

---

*Tracy*

CONFIDENTIAL

CRS 1480  
CONFIDENTIAL UK EYES ALPHA  
FM BAGHDAD 050643Z NOV 81  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 670 OF 05/11/81

*MS*

FOR MINISTER OF STATE (MR HURD) FROM MR TOM KING.

MEETING WITH PRESIDENT MUSSAIN.

1. I WAS SUMMONED ON 4 NOVEMBER TO MEET THE PRESIDENT, WITH WHOM WERE THE MINISTER OF LOCAL GOVERNMENT (MY HOST), FOREIGN MINISTER HAMMADI, AND COLONEL TARIQ, SECRETARY-GENERAL OF THE RCC. THE AMBASSADOR ACCOMPANIED ME TO THE PALACE. THE MEETING LASTED A GOOD FIFTY MINUTES.
2. I EXPLAINED THE PURPOSE OF MY MISSION TO IRAQ IN TERMS OF A FOLLOW-UP, IN A SPECIALISED FIELD, TO JOHN BIFFEN'S VISIT LAST MONTH TO ATTEND THE BAGHDAD FAIR. MY PRESENCE WITH A TEAM OF WATER EXPERTS AND WHITEHALL OFFICIALS SIGNIFIED BRITAIN'S DESIRE TO GET DOWN TO DETAILED DISCUSSIONS ON THEIR REQUIREMENTS FOR ADVANCED WATER TECHNOLOGY AND TRAINING, AS WELL AS OFFICIAL SUPPORT FOR OUR COMPANIES' EFFORTS. I HAD RECENTLY DECIDED THAT IN ALL ASPECTS OF THE WATER BUSINESS, WE SHOULD ORGANISE OURSELVES IN SUCH A WAY THAT THE BRITISH PUBLIC SECTOR AND THE CONTRACTORS SHOULD BE ABLE TO MAKE THEIR EXPERTISE AVAILABLE TO OTHER COUNTRIES IN A MORE EFFECTIVE AND COORDINATED WAY. BECAUSE OF THE POTENTIAL, MY FIRST VISIT LEADING A BRITISH WATER INDUSTRIES GROUP TEAM HAD BEEN TO IRAQ. DETAILED DISCUSSIONS IN ALL ASPECTS OF THE SUBJECT WERE GOING WELL, AND I WAS PARTICULARLY GRATEFUL FOR THE WARM WELCOME WE HAD BEEN GIVEN.
3. THE PRESIDENT SAID THAT THE RCC HAD DECIDED RECENTLY TO ELEVATE RELATIONS WITH BRITAIN TO A HIGHER LEVEL, FOR REASONS OF MUTUAL ADVANTAGE. THOUGH "PINPRICKS" TO OUR NEW RELATIONSHIP WERE STILL OCCASIONALLY ADMINISTERED BY PEOPLE IN BRITAIN WHO LIKED TO CREATE DIFFICULTIES, THE IRAQIS HAD BECOME MORE PATIENT, SINCE THEY WERE PURSUING A DEFINED POLICY TOWARDS US. FOR ITS PART, IRAQ MUCH APPRECIATED THE TREND OF OUR POLICY TOWARDS THE MIDDLE EAST OVER THE LAST TWO YEARS, ESPECIALLY BRITAIN'S PRAISEWORTHY REACTION TO THE ISRAELI ATTACK OF 7 JUNE ON IRAQ'S NUCLEAR REACTOR, AND GENERAL SOUNDNESS ON THE PALESTINE QUESTION.

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4. THE PRESIDENT THEN SAID THAT, IN VIEW OF BRITAIN'S SPECIAL RELATIONSHIP WITH THE US, WE SHOULD POINT OUT TO THE AMERICANS THAT THEIR RECENT POLICIES IN THE MIDDLE EAST HAD BEEN DISASTROUS. THEIR IDEA OF LOOKING AT THE REGION IN GEO-STRATEGIC TERMS SIMPLY PLAYED INTO THE SOVIET HAND, AND WOULD RESULT IN THE MIDDLE EAST BECOMING A PLAYGROUND FOR THE TWO SUPERPOWERS, WITH ARAB LANDS DIVIDED INTO COMPETING SECTORS OF MILITARY INFLUENCE. THIS WOULD NOT (NOT) BE IN THE THE WESTERN INTEREST. THE AMERICANS SHOULD BE BROUGHT TO REALISE THAT THEIR CLUMSY POLICY WAS LIKELY TO WEAKEN THE REGION'S NATURAL INSTINCT TO MAINTAIN OIL AND OTHER LINKS WITH THE WEST, WHICH HAD THE ADVANCED TECHNOLOGY WHICH BOTH RICH AND POOR ARAB COUNTRIES WANTED. THE INSTABILITY LIKELY TO BE CREATED BY SUPERPOWER COMPETITION IN THE MIDDLE EAST WOULD TELL MORE AGAINST WESTERN INTERESTS THAN THOSE OF THE BLOC. IRAQ DID NOT (NOT) ASK THE US SUDDENLY TO CEASE SUPPORTING ITS CLOSEST ARAB FRIENDS BUT, FROM WHAT HE HAD READ, EXERCISE BRIGHT STAR WHICH WOULD UNITE THE US, EGYPT, SUDAN, SOMALIA AND OMAN IN MILITARY EXERCISES ON ARAB SOIL WOULD HEIGHTEN ANIMOSITIES IN THE REGION AND WOULD BE A MISTAKE, OF THE TYPE BRITAIN WOULD NOT HAVE COMMITTED. IT WAS DIFFERENT IN KIND FROM US EXERCISES WITH PACIFIC OR SOUTH EAST ASIAN COUNTRIES, WHICH CONSTITUTED AMERICA'S BACK YARD. BRIGHT STAR WOULD INFLAME THE REGION AND HARM LONGER TERM US AND WESTERN STRATEGIC INTERESTS IN THE MIDDLE EAST.

5. THE PRESIDENT STRESSED THAT, IN MAKING THESE POINTS, HE WAS NOT (NOT) BEING EITHER ANTI-AMERICAN OR PRO-SOVIET, BUT JUST PRO-ARAB. UNTIL THE WAR WITH IRAN BROKE OUT, THE RCC HAD BEEN CONSIDERING HOW AND WHEN TO RESUME DIPLOMATIC RELATIONS WITH THE US. THE IRAQIS HAD EVEN SUGGESTED TO THE US GOVERNMENT THAT THEY SHOULD BUILD NEW EMBASSY OFFICES HERE, SO THAT WHEN RELATIONS WERE RESTORED, THEY COULD MOVE STRAIGHT IN. BUT RECENTLY, THERE HAD BEEN NO FURTHER THOUGHT ON THE IRAQI SIDE OF SEEKING SUCH A RAPPROCHEMENT. A GREAT MANY US ACTS IN THE MIDDLE EAST NOW SEEMED IRRESPONSIBLE, EVEN IDIOTIC. IT WAS WRONG TO BELIEVE THAT THE WAY TO PEACE LAY IN EVER STRONGER GUARANTEES OF THE SECURITY OF ISRAEL, RATHER THAN IN A SOLUTION OF THE PALESTINE QUESTION, WHICH WAS BASIC. /THE CAMP DAVID

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THE CAMP DAVID SOLUTION WAS NO ANSWER AT ALL, INDEED IT WOULD ONLY COMPLICATE AND DELAY A SOLUTION. AS AN ASIDE, THE PRESIDENT SAID HE HAD BEEN ASTONISHED BY EUROPEAN REACTIONS TO THE ASSASSINATION OF SADAT. WHILE ACCEPTING THAT WE DID NOT (NOT) FORSAKE OUR FRIENDS, DID WE NOT REALISE THAT SADAT HAD BECOME TOTALLY OUT OF TOUCH WITH THE MASS OF THE EGYPTIAN PEOPLE ? EUROPE SHOULD PAY ATTENTION TO LEADERS WHO REMAINED SENSITIVELY IN TOUCH WITH THEIR OWN POPULAR OPINION. THIS ADVICE APPLIED NOT JUST TO THE MIDDLE EAST, BUT TO ALL THIRD WORLD COUNTRIES.

6. THE PRESIDENT ENDED BY SENDING HIS WARM GREETINGS TO THE PRIME MINISTER. MRS THATCHER COULD BE ASSURED THAT THERE WAS NOW "NO VETO" FROM THE IRAQI SIDE ON ANY ASPECT OF ANGLO-IRAQI RELATIONS, PROVIDED THAT WE TOO IMPOSED NO VETO. AS REGARDS MY OWN FIELDS OF SPECIALISATION, IRAQ BADLY NEEDED BRITISH IDEAS AND COOPERATION, AND OUR BUSINESSMEN WOULD RECEIVE MAXIMUM ATTENTION AND RESPONSE.

7. I THANKED THE PRESIDENT FOR THIS FRANK RESUME OF HIS THOUGHTS ON THE WORLD SITUATION. THOUGH WE DID NOT SHARE IRAQ'S VIEWS ON EVERYTHING, WE TOO HAD RESERVATIONS ABOUT THE US APPROACH TO SOME MIDDLE EAST PROBLEMS, EG THE AUTONOMY TALKS UNDER CAMP DAVID, AND ATTACHED IMPORTANCE TO EUROPE PLAYING A MORE POSITIVE ROLE IN HELPING TO RESOLVE THESE DIFFICULT ISSUES. BRITAIN AS THE CURRENT PRESIDENT OF THE COMMUNITY WAS SEEKING TO PROVIDE A LEAD IN THIS. WE WOULD LIKE TO SEE ALL APPROACHES EXPLORED TO REDUCE TENSION, AND THE NEED FOR LESS DIRECT INVOLVEMENT IN THE REGION BY THE SUPERPOWERS. I UNDERTOOK TO CONVEY THE PRESIDENT'S VIEWS TO THE PRIME MINISTER AND TO LORD CARRINGTON ON HIS RETURN FROM RIYADH. AS REGARDS THE OCCASIONAL "PINPRICKS" WHICH IRAQ NOTICED IN OUR BILATERAL RELATIONS, THERE WAS NO WAY OF PREVENTING STORIES BEING CARRIED ON OUR FREE MEDIA SINCE ANY ATTEMPT TO SUPPRESS THEM TENDED TO GIVE THEM ADDED CIRCULATION. BRITISH GOVERNMENT MINISTERS HAD TO ACCEPT ITEMS THEY MIGHT NOT LIKE, AND I INSTANCED AN ATTACK IN THAT DAY'S TIMES ON POLICIES FOR WHICH I WAS RESPONSIBLE, AND ON LORD CARRINGTON WHEN ADDRESSING THE CONSERVATIVE FRIENDS OF ISRAEL AT CAXTON HALL ON 2 NOVEMBER, WHICH THE PRESS HAD FULLY REPORTED. AS TO THE PALESTINE ISSUE, SADAT'S DEATH HAD CREATED A NEW SITUATION WHICH ADDED URGENCY TO THE SEARCH FOR A SOLUTION. AN EUROPEAN /APPROACH

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APPROACH WHICH TOOK ACCOUNT OF THE JUSTICE OF THE PALESTINIAN CAUSE WAS NOW DOUBLY IMPORTANT, AND WE HAD A ROLE TO PLAY DURING THE REMAINDER OF OUR PRESIDENCY, AS THE FOREIGN SECRETARY'S JOURNEY TO RIYADH ON BEHALF OF THE TEN ATTESTED. SADDAM SAID HE KNEW THAT LORD CARRINGTON WAS MOST UNDERSTANDING OF ARAB PROBLEMS, AND WORKING SINCERELY FOR A SOLUTION. HE EXPRESSED PLEASURE AT OUR FRANK DISCUSSION.

8. COMMENT. THOUGH THE PRESIDENT CAME NEAR, ONCE OR TWICE, TO

MENTIONING UK PARTICIPATION IN THE SINAI MULTI-LATERAL FORCE, HE DID NOT (NOT) DO SO. HE MAY HAVE FELT THAT HANNADI'S COMMENTS TO THE AMBASSADOR THE PREVIOUS DAY (BAGHDAD TEL NO 665) SUFFICED FOR THE MOMENT. I AM SURE THAT HIS FEARS ABOUT INCREASED SOVIET INFLUENCE IN THE REGION IF THE AMERICANS DO NOT MODIFY THEIR PRESENT POLICY COME FROM THE HEART. APART FROM THE ASIDE IN PARA 5, HE DID NOT (NOT) MENTION THE WAR WITH IRAN.

9. FCO PLEASE PASS ADVANCE COPIES TO PS/NO. 10 AND PS MR TOM KING'S OFFICE, DOE.

EGERTON

[ADVANCED AS REQUESTED]

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Prime Minister

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PRIME MINISTER

VISIT TO IRAQ: 2-6 OCTOBER

My visit consolidated the substantially improved Anglo-Iraqi trade relations reflected in this year's signature of the bi-lateral Economic Co-operation Agreement (ECA). The attention which we have shown to Iraq in the last two years, including visits by John Nott and Cecil Parkinson in 1979 and your own meeting with the Iraqi Trade Minister, Hassan Ali, is clearly paying dividends for United Kingdom exporters. 1981 exports could well top £1 billion, having previously increased by 80% in 1979-80.

The visit which coincided with the first Joint Commission of the ECA and the annual Baghdad International Fair, allowed a full programme of ministerial visits.

JOINT COMMISSION

Some 90% of Iraqi trade is government-controlled. The Joint Commission is thus an important means not simply of enhancing general bi-lateral relations, but also of pursuing specific contracts. The Iraqis are tough sophisticated negotiators, but they were ably matched by our own side which was led by officials, but included United Kingdom businessmen. We succeeded in agreeing a report in which United Kingdom companies' interests and capabilities were explicitly recognised and a number of follow-up actions agreed.

MINISTERIAL MEETINGS

No less than 18 other overseas ministers were in Baghdad for the International Fair. We all attended an audience with the President, Sadam Hussain. But it reflected well on our own new status that despite such obvious "ministerial congestion"



I was able to have separate meetings with 8 "Cabinet" ministers, including 5 members of the Revolutionary Command Council.

I received none of the Anglophobe rhetoric which greeted ministerial visits in 1979: Hassan Ali asked me to relay his best wishes to you, Lord Carrington, John Nott and Cecil Parkinson.

I was impressed by the ministers' clear grasp of the project details which I pursued with them. The decisions are clearly theirs, and it is therefore essential for us to cultivate them. I understand that you are considering a proposal to invite the First Deputy Prime Minister, Mr Ramadhan, to London next year. Having met him, I strongly support the idea. He is effectively the President's Number 2, and arguably standing in line for succession. As the man responsible for settling the £1 billion + military aircraft contract which we hope will go to the Hawk and the £½ billion Metro project, a visit could be extremely valuable. Other ministers should, I feel, also be invited to London. The most obvious is the Industry Minister, and I will be writing to Patrick Jenkin separately. I need hardly tell you that hospitality and personal acquaintanceship counts for a great deal in the Middle East.

#### BAGHDAD INTERNATIONAL FAIR

The Fair, the international event of the Iraqi year, was my first experience of the British Overseas Trade Board's overseas activity. I was greatly impressed by it, and the clear appreciation of the BOTB's work by the exhibiting companies.

United Kingdom participation in the Fair left me optimistic that our companies are anxious to follow up the market opportunities which exist in Iraq. Although wealthy, Iraq is not an easy or



conventional market; for example there are no "middle men". It was therefore heartening that there were more United Kingdom companies exhibiting than from any other country. And by contrast with other Western European pavilions which I visited, our exhibitors were notable for the range of companies - small businesses as well as the likes of GEC - and products represented.

#### CONCLUSION

A five day visit left me with impressions, rather than a full understanding of a complex nation embroiled in regional conflict.

Baghdad is one large construction site. This typifies, if in an exaggerated form, the massive national development plans. In some respects, Iraq may be said to be the Saudi Arabia of the early 1980s. But the state of Baghdad also reflects the government's anxiety to create a show-piece for the Non-aligned Conference, still scheduled for next year.

Inevitably the Iranian war is the dominant issue although there is little sign of the war in Baghdad itself. In one respect, this provides Western Europe with an immediate advantage. Having turned its back on the United States of America and USSR, Iraq wants our military equipment, and must see civil trade as a means to that end. My guess is that there will increasingly be some link between arms sales leading to success in civil contract.

Quite apart from the continuing warfare risking regional and perhaps even national political stability, it poses other economic problems. Large currency reserves exist, but with oil exports at probably only one-tenth of normal deliveries the new Five Year Plan must itself begin to suffer; already there are signs that some lower-priority projects are being deferred, probably because of infrastructural rather than financial constraints.



In short, Iraq at present buys big, pays well and is a market in which we are increasingly well placed. But we will need to monitor the market carefully. It is politically brittle, if not immediately fragile, and the war could increasingly drain resources. We should try and avoid over-extending ourselves particularly prior to the Non-aligned Conference. This may prove to be the turning point. But none of this argues against both Government and private sector continuing to devote considerable effort in Iraq. In this connection, I would like to recognise the energetic efforts of both Stephen Egerton and his Embassy staff, and the official team from this Department.

Copies of this note go to Peter Carrington, John Nott, Patrick Jenkin, Cecil Parkinson and HM Ambassador, Baghdad.

WJB

Department of Trade  
1 Victoria Street  
London, SW1H 0ET  
20 October 1981

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TO PRIORITY FCO

TELEGRAM NUMBER 599 OF 7 OCTOBER, 1981

INFO PRIORITY DOT (FOR PS/SOS), DEPT. OF ENERGY (FOR PS/PUS),  
DEPT. OF INDUSTRY (FOR PS/SOS), ROUTINE ECGD, BANK OF ENGLAND,  
MDDUK (FOR AUSS (SALES)), DOE (FOR PS/MR T KING)  
SAVING AMMAN, KUWAIT

UK/IRAQ: VISIT BY SECRETARY OF STATE FOR TRADE, 2 TO 7 OCTOBER.

1. THE FOLLOWING ARE MY IMPRESSIONS OF THIS MOST SUCCESSFUL VISIT COVERING THE FIRST MEETING OF THE UK-IRAQ JOINT ECONOMIC COMMISSION, AND THE ANNUAL BAGHDAD FAIR. DETAILED RECORDS WILL BE CIRCULATED FROM LONDON IN DUE COURSE.
2. MR BIFFEN RECEIVED A GENUINELY CORDIAL RECEPTION FROM IRAQI MINISTERS, OF WHOM HE SAW SEVEN PLUS THE PRESIDENT. THEIR LACK OF REFERENCE TO BILATERAL POLITICAL DIFFERENCES CONTRASTED SHARPLY WITH MR NOTT'S EXPERIENCE HERE IN NOVEMBER 1979. MINISTER HASSAN ALI SHOWED HIMSELF KEEN TO LEAD THE IRAQI SIDE AT THE NEXT JOINT COMMISSION MEETING IN LONDON, PROBABLY IN THE SECOND HALF OF 1982.
3. THERE WAS PLENTY OF MEAT IN THE REPORTS OF THE JOINT COMMISSION'S FOUR SUB-COMMITTEES, PARTICULARLY IN THE FIELDS OF HEAVY INDUSTRY (GLASS, BUILDING MATERIALS, AUTOMOTIVE PROJECTS, PETROCHEMICALS AND CHEMICALS, STEEL, OIL AND GAS PLANT, AND ELECTRIFICATION EQUIPMENT) SEMICOLON AS WELL AS IN THOSE OF TRANSPORT, COMMUNICATIONS AND CONSTRUCTION, INCLUDING ROADS AND BRIDGES.
4. THE MEETING OF ALL HEADS OF VISITING DELEGATIONS WITH PRESIDENT HUSSAIN ON 3 OCTOBER, AT WHICH SADDAM MADE A LOW-KEY SPEECH EXCLUSIVELY ABOUT THE WAR WITH IRAN (MY TELNO 585), WAS A CENTRAL PIECE OF SHOWMANSHIP AND ENABLED THE VISITORS TO BE DULY IMPRESSED BY THE PRESIDENT'S 'CHARISMA'.
5. WITH FIRST DEPUTY PREMIER RAMADHAN, MR BIFFEN PREPARED THE WAY FOR AN INVITATION TO VISIT THE UK AS EARLY AS PRACTICABLE IN 1982. RAMADHAN SHOWED KEEN INTEREST IN MR BIFFEN'S STATEMENT THAT BRITISH AEROSPACE AND ROLLS ROYCE HAVE HMG'S FULL SUPPORT IN THEIR BID FOR THE HAWK TRAINER MANUFACTURING PROJECT. HE ALSO REACTED WELL TO OUR DECLARED INTEREST IN GOING AFTER BAGHDAD METRO AND NEW RAILWAY PROJECTS, REMARKING THAT ALL THREE ITEMS WERE, FOR IRAQ, STRATEGIC.
6. TAHIR TAWFIQ, MINISTER OF INDUSTRY AND MINERALS, WAS PERHAPS THE BEST BRIEFED AND MOST IMPRESSIVE DEPARTMENTAL CHIEF, WITH WIDE PATRONAGE AND DRIVE IN AREAS OF PRIME INTEREST TO BRITISH EXPORTS. HE LOOKS A GOOD CANDIDATE FOR AN INVITATION TO VISIT THE UK IN 1982 AND THIS IDEA WILL BE PURSUED FROM MR BIFFEN'S OFFICE.

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7. TAYIH ABDUL KARIM, MINISTER OF OIL, REVEALED THAT THE REDUCTION ON 5 OCTOBER IN THE POSTED PRICE OF THE MAIN IRAQI CRUDE TO US DOLLARS 34 PER BARREL HAD BEEN MADE IN THE HOPE OF SECURING GENERAL AGREEMENT ON PRICES AT EITHER THE NEXT ORDINARY MEETING OF OPEC IN ABU DHABI IN DECEMBER, OR AT AN EXTRAORDINARY MEETING, WHICH IRAQ WOULD LIKE TO SEE HELD EARLIER. KARIM EXPRESSED DISAPPOINTMENT WHEN TOLD BY MR BIFFEN THAT WE WOULD BE UNABLE TO ARRANGE AN OIL AND GAS SEMINAR IN BAGHDAD THIS YEAR, AND SAID THE IRAQIS HOPED THAT POSTPONEMENT WOULD NOT BE BEYOND JANUARY OR FEBRUARY 1982. WHEN TOLD THAT BRITISH GAS HOPED TO SEND A MISSION TO PURSUE ASPECTS OF ASSOCIATED GAS STORAGE AND DISTRIBUTION, KARIM'S OFFICIALS SAID THEY HAD HEARD THAT STORY BEFORE AND, WHILE WELCOMING SUCH A MISSION, WOULD BELIEVE IT WHEN THEY SAW IT.

8. AT MR BIFFEN'S MEETING WITH THE MINISTER OF PLANNING, DR TAHA IBRAHIM ABDULLA, IT BECAME CLEAR THAT A GREAT DEAL OF PROJECTED EXPANSION TO 1985 AND BEYOND IS PREDICTED ON RISING REVENUES FROM OIL. IT SEEMS LIKELY THAT THE IRAQIS WILL WISH TO KEEP EXPANSION CONTINUING AT ITS PRESENT HECTIC PACE UNTIL THE NON-ALIGNED SUMMIT, PLANNED TO BE HELD HERE IN SEPTEMBER 1982, IS OVER. AFTER THAT, THERE MIGHT BE SOME CUTBACKS IN EXPENDITURE, OR AT LEAST A CLEARER DETAILING OF PRIORITIES. DR TAHA ADMITTED THAT THE IRAQI POPULATION IS EXPECTED TO REACH 22 TO 24 MILLION (FROM ITS PRESENT 14 MILLION) BY 1995, AND THAT UNTIL THEN THERE ARE NO PLANS FOR THE INTRODUCTION OF POPULATION CONTROL.

9. THE BRITISH PAVILIONS AND OUTDOOR STANDS AT THE B.I.F. WERE GENUINELY IMPRESSIVE, BOTH FOR THE NUMBER AND ENTHUSIASM OF INDIVIDUAL EXHIBITORS AND THE RANGE OF PRODUCTS ON DISPLAY, WITH THE EMPHASIS ON THE CAPITAL SECTOR, INCLUDING ESPECIALLY ELECTRIFICATION AND DIESEL GENERATORS. CONSUMER GOODS WERE LESS WELL REPRESENTED, PROBABLY BECAUSE MANY SELLERS ARE ALREADY WELL ESTABLISHED WITH PUBLIC SECTOR MONOPOLY BUYERS.

10. MR BIFFEN RAISED THE JOHN SMITH AND HAGGER PERSONAL CASES WITH HASSAN ALI ON 3 OCTOBER. THE MINISTER UNDERTOOK TO DRAW THEM TO THE ATTENTION OF HIS RCC COLLEAGUES CONCERNED.

11. I AM MOST GRATEFUL TO MR BIFFEN FOR HIS DEFT TOUCH WITH THE IRAQIS SEMICOLON FOR VISITING THE BRITISH PRESENCE AT THE FAIR SO ASSIDUOUSLY SEMICOLON AND ALSO FOR TAKING PAINS TO BRIEF THE RESIDENT BRITISH BUSINESS COMMUNITY ON THE PURPOSES OF HIS VISIT, AND ON HIS IMPRESSIONS. THE MINISTER FOR ENVIRONMENTAL SERVICES (MR TOM KING) SHOULD RECEIVE AN EQUALLY CORDIAL RECEPTION NEXT MONTH WHEN HE VISITS WITH A GROUP OF BUSINESSMEN AND OFFICIALS SPECIALISED IN THE WATER AND SEWERAGE SECTOR.

FCO PASS DOT, DEPT. OF ENERGY, DOI, ECGD, BANK OF ENGLAND, DOE AND SAVING AMMAN AND KUWAIT.

EGERTON [REPEATED & PASSED SAVING AS REQUESTED]

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TO PRIORITY FCO

TELEGRAM NUMBER 653 OF 24/11/88

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MY TEL NO 642: ANGLO-IRAQI RELATIONS

1. I PAID MY FIRST CALL ON IZZAT IBRAHIM AL-DURI VICE CHAIRMAN OF THE REVOLUTIONARY COMMAND COUNCIL, ON 23 NOVEMBER, IN THE PRESIDENTIAL PALACE.

2. AFTER GREETINGS, IZZAT IBRAHIM SAID THAT THE SO-CALLED FREE PRESS AND MEDIA IN GREAT BRITAIN HAD COME TO BE IRAQ'S "ENEMY NO 1" AFTER IRAN, SINCE THE GULF WAR BEGAN. THE AUTHORITIES COULD NOT ACCEPT THAT HMG HAD NO (NO) INFLUENCE OVER THE BRITISH PRESS, GIVEN THAT VAST BRITISH INTERESTS IN THE MIDDLE EAST WERE NOW AT STAKE. A COMPARISON OF REPORTS SENT IN BY IRAQI EMBASSIES ALL OVER THE WORLD SHOWED MORE ANTI-IRAQI BIAS AMONGST THE BRITISH PRESS THAN ANYWHERE ELSE, EVEN IN THE UNITED STATES. HE STRESSED THAT IRAQ DID NOT EXPECT NO (NO) CRITICISM FOR ITS CONDUCT OF THE WAR, BUT IT DID EXPECT COVERAGE AND ANALYSIS TO BE REASONABLY OBJECTIVE, SINCE OBJECTIVITY WAS A QUALITY FOR WHICH BRITAIN HAD BEEN FAMOUS.

3. BREAKING THE FLOW, I SAID THAT I HAD CONVEYED PRESIDENT SADDAM HUSSAIN'S CONCERN TO HMG ON THIS TOPIC AND THEY WERE DOING WHAT THEY COULD. BUT PROGRESS WOULD BE SLOW AT BEST. DID THE IRAQIS HAVE ANY PARTICULAR ORGANS OR SERIES OF ARTICLES IN MIND? A WAR CREATED VAST INTEREST AND THEORISING AMONGST VERY WIDE AUDIENCES. I SUGGESTED THAT THE IRAQI AUTHORITIES SHOULD PAY A LITTLE LESS ATTENTION TO THE REPORTS ON THE BRITISH PRESS FED TO THEM BY THE IRAQI EMBASSY IN LONDON, AND LOOK INSTEAD AT HMG'S HELPFUL ACTIONS TOWARDS IRAQ SINCE THE WAR BEGAN. I THEN INSTANCED WHAT WE HAD DONE (PARA 4 OF YOUR TEL NO 477), AND REMINDED IZZAT IBRAHIM THAT HMG HAD STUCK CLOSELY TO THEIR DECLARED POLICY OF STRICT NEUTRALITY BETWEEN THE PARTIES. INDEED, AS THE RECORD SHOWED, WE HAD INTERPRETED THIS NEUTRALITY SOMEWHAT IN IRAQ'S FAVOUR TO DATE.

4. IZZAT IBRAHIM SEEMD TO ACCEPT THIS. WT ANY RATE, HE COULD NOT (NOT) CITE SPECIFIC CASES OF UNFAIR COVERAGE IN THE BRITISH MEDIA. IT WAS MORE A CASE OF TONE. NO ARTICLE HE HAD HEARD OF HAD SET OUT, FOR EXAMPLE, THE PROVOCATIONS WHICH IRAQ HAD SUFFERED, BOTH BEFORE AND AFTER 4 SEPTEMBER. HE WENT ON TO SAY THAT IRAQ WANTED A VERY EARLY CEASEFIRE. THE AUTHORPTIES WOULD HELP MR OLOF PALME, NOW HERE, AS MUCH AS POSSIBLE, EVEN THOUGH IT SEEMED UNLIKELY THAT HE HAD FOUND THE IRANIANS AT ALL REASONABLE OR READY FOR PEACE. HE STRESSED THAT IRAQ WANTED TO OPEN A NEW PAGE IN ITS RELATIONS WITH BRITAIN, AND INDEED HAD GIVEN EVIDENCE OF THIS RECENTLY. ANY SUGGESTIONS TOWARDS A SOLUTION OF THE DISPUTE WITH IRAN FROM IRAQ'S

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/ EUROPEAN

EUROPEAN FRIENDS WOULD BE HELPFUL. I SAID THAT BRITAIN AND THE NINE MIGHT PERHAPS BE ABLE TO PLAY A PART IN DUE COURSE IN THE SEARCH FOR A SOLUTION, BUT INSISTED ON JUDGING THEIR OWN TIMING. IT SEEMED CLEAR THAT MR PALME AND HIS MISSION MUST BE GIVEN EVERY CHANCE TO SUCCEED.

5. I THEN WENT ON TO ASK IZZAT IBRAHIM TO EXPLAIN WHAT THE PRESIDENT HAD MEANT WHEN HE REFERRED TO ADDITIONAL RIGHTS ACQUIRED BY PROLONGATION OF THE WAR (MY TELS NOS 606 AND 625). HE REPLIED THAT THE IRAQIS DISTINGUISHED BETWEEN THEIR LEGAL RIGHTS IN THE DISPUTE WITH IRAN, AND THEIR ADDITIONAL RIGHTS. THE FORMER WERE THREEFOLD: LAND BORDER ADJUSTMENTS IN ACCORDANCE WITH THE 1975 AGREEMENT: DE JURE

———— SOVEREIGNTY OVER THE WHOLE OF THE SHATT AL-ARAB; AND NATIONAL (IE PAN-ARAB) RIGHTS OVER THE THREE ISLANDS IN THE LOWER GULF. IRAQ'S ADDITIONAL RIGHTS APPLIED SO FAR, ONLY TO ARABISTAN. THERE, IRAQ HAD BEEN PUT TO EXTRA EXPENSE, BLOODSHED AND BOTHER BY IRANIAN RELUCTANCE TO GRANT OR EVENT TALK ABOUT THE STATED LEGAL RIGHTS. EVERY DAY THAT PASSED MEANT THAT THE BILL, IN THE WAY OF ADDITIONAL RIGHTS, WOULD BE LARGER. I SAID I HAD NOTICED THAT THE IRANIANS, FOR THEIR PART, WERE TALKING ABOUT VAST REPARATIONS FOR CIVIL CASUALTIES AND DAMAGE TO CIVILIAN BUILDINGS ETC CAUSED BY IRAQI BOMBARDMENTS. IZZAT IBRAHIM QUICKLY SAID THAT SUCH DAMAGE HAD BEEN CAUSED BY IRANIAN FOLLY: THE SOONER THEY STOPPED FIGHTING, THE LESS THE GROUNDS FOR REPARATIONS.

6. AS I WAS LEAVING, I THANKED IZZAT IBRAHIM FOR ANYTHING HE MIGHT HAVE DONE WITHIN THE RCC TO FACILITATE THE RELEASE OF MR SPARKES. THIS HAD CLEARED AWAY A BIG OBSTACLE IN OUR BILATERAL RELATIONS. HE REPLIED THAT HE HOPED SO, AND WAS GLAD THAT THINGS SHOULD NOW BE EASIER.

7. COMMENT. WE ARE SENDING BY NEXT UNCLASSIFIED BAG A COPY OF THE IRAQI M.F.A.'S COMPILATION OF ITS NOTES OF COMPLAINT ABOUT IRANIAN BORDER VIOLATIONS SINCE EARLY SEPTEMBER. YOU MAY WISH TO CONSIDER PASSING THIS BOOKLET IN CONFIDENCE TO A RELIABLE JOURNALIST TO WRITE UP IN THE FORM OF A QUOTE BALANCED UNQUOTE BACKGROUND ARTICLE. BETTER STILL, THE PRESS SECTION OF THE IRAQI EMBASSY MIGHT BE INVOLVED IN COMMISSIONING SUCH A PIECE, IF THEY CAN DO SO QUIETLY AND EFFICIENTLY.

EGERTON

[THIS TELEGRAM WAS NOT ADVANCED]

IRAQ/IRAN STANDARD

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FOREIGN AND COMMONWEALTH SECRETARYARMS SUPPLIES TO IRAQ

Thank you for your Minute of 14th November.

2. We must clearly strike a delicate balance between our stated policy of wishing to bring the present conflict to a speedy conclusion whilst remaining strictly neutral and our wish to build up a more satisfactory relationship with Iraq in the longer term, particularly as a market for defence sales. In these circumstances I agree that we should not supply weapons and ammunition to Iraq whilst the Gulf war lasts but we should do everything we can to cultivate this market for the future and preserve our credibility as a reliable source of supply. I am therefore very glad to note that you are content for low level discussions to proceed with the Iraqis on various non-lethal items of equipment and longer term projects which are unlikely to influence the course of hostilities. The contacts we have had with the Iraqis recently suggest that they fully understand our position and remain content to continue business with us on this basis.

3. However, the request we have received to supply auto-motive spares for Russian tanks raises a number of very difficult issues. It is not clear how firm the Iraqi interest is but they could well regard a refusal to supply as going beyond our ban of weapons and ammunition. On the other hand, agreement to supply could be construed as a breach of neutrality unless we were also prepared to release the spares which the Iranians have ordered and paid for. I therefore agree with you that we should take no decision on this request until all the implications have been thoroughly examined by officials.

4. In the meantime we have received several further requests from the Iraqis of which your officials are aware and which go beyond the items listed in the Annex to your Minute. Some of these could prove controversial; others are less contentious. I think that this will be a continuing pattern for some time to come, and I suggest that each case be considered by officials



in the first instance within the broad policy framework which we have agreed. We shall need to monitor the responses to these requests and resolve any problems of particular difficulty but I would hope that the majority of cases can be decided at official level.

5. I am copying this minute to the Prime Minister, the Home Secretary, the Secretary of State for Trade, and to Sir Robert Armstrong.

71

Ministry of Defence

24th November 1980

IRAN/IRAQ

ADVANCE COPIES

22

PS  
PS/SIR I GILMOUR  
PS/MR HURD  
PS/PUS  
SIR E YOUDE  
SIR J GRAHAM  
MR J C MOBERLY  
MR BRAITHWAITE  
HD/MED  
HD/REINAD  
HD/UND  
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CONSULAR EMERGENCY UNIT  
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IMMEDIATE

~~RESIDENT CLERK~~

*SR A. ACCORD*

*Mi*

GRS 900

CONFIDENTIAL

FM BAGHDAD 291120Z OCT 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 574 OF 29/10/80

INFO TO PRIORITY AMMAN, JEDDAH, WASHINGTON, MOSCOW, PARIS,

UKMIS NEW YORK, BONN.

SAVING TO UKDEL NATO

UK/IRAQ

1. I TODAY PRESENTED MY CREDENTIALS TO PRESIDENT SADDAM HUSSEIN IN THE BAGHDAD PALACE. AFTER THE CEREMONY HE SAW ME FOR TWENTY - FIVE MINUTES. HE APPEARED ENTIRELY RELAXED AND CONFIDENT THROUGHOUT. MINISTER OF STATE HAMID ALWAN ATTENDED.

2. SADDAM COMPLAINED AT LENGTH ABOUT THE REPORTING BY BRITISH MEDIA OF THE WAR. THIS HAD BEEN BIASED AGAINST IRAQ, MORE SO IN SOME INSTANCES EVEN THAN THE US MEDIA. HE COULD NOT (NOT) BELIEVE THAT, IF HMG SINCERELY WISHED TO BE NEUTRAL BETWEEN THE PARTIES (AN ATTITUDE WHICH HE WELCOMED), THEY MIGHT NOT SIGNAL SOMEHOW TO THE BRITISH MEDIA TO BE MORE DISPASSIONATE. WERE HMG PERHAPS PREPARING THEIR OWN PUBLIC FOR A DEPARTURE FROM THEIR PROFESSED NEUTRALITY?

3. WE SHOULD KNOW THAT IRAQ HAD NO (NO) DESIRE TO DETACH ARABISTAN FROM IRAN AND SET UP A SEPARATE STATE THERE. BUT THE ARABS OF MUHAMMARAH CITY COULD PERHAPS DECIDE ON THEIR OWN FUTURE AT A LATER DATE, IF THEY SO WISHED. IRAQ HAD NO (NO) TERRITORIAL AMBITIONS IN IRAN BEYOND OBTAINING HER LEGITIMATE RIGHTS, ESPECIALLY ON THE SHATT AL-ARAB, WHICH WAS HER ONLY OUTLET TO THE SEA. TO THIS END IRAQ WOULD CONTINUE THE WAR AS LONG AS WAS NECESSARY. SHE HAD THE WILL, THE ARMS AND THE RIGHT TO DO SO, AND NOTHING THE OUTSIDE WORLD COULD DO OR SAY WOULD DEFLECT IRAQ FROM HER PURPOSE. ON THE OTHER HAND, IRAQ HAD NO (NO) DESIRE TO SEE IRAN DISMEMBERED; THIS WOULD ONLY SERVE OUTSIDE INTERESTS. A MODERATE, WELL GOVERNED IRAN WAS WHAT HE SOUGHT.

4. SADDAM THEN SAID THAT HE DISLIKED LEARNING FROM KING HUSSEIN THAT SOME WESTERN AMBASSADORS HAD ADVISED THIS OR THAT COURSE OF ACTION BY IRAQ IN THE CONTEXT OF THE WAR. THIS WAS INTERFERENCE AND NOT (NOT) IN ANYONE'S INTERESTS. THE WEST MUST REALISE THAT IRAQ HAD PLANNED ITS RESPONSES TO REPEATED IRANIAN ARMED PROVOCATIONS FROM 4 SEPTEMBER, AND WOULD GO ON UNTIL THESE WERE ACHIEVED. OF COURSE, IF THE WEST COULD PREVAIL ON IRAN TO COME TO ITS SENSES, IRAQ WOULD STOP FIGHTING AT ONCE. BUT THE WEST MUST REALISE THAT IRAQ WAS A WARLIKE NATION AND, ONCE AROUSED, WOULD STOP AT NO (NO) SACRIFICE TO GET HER WAY. NOBODY COULD FRIGHTEN HIM OR HIS PEOPLE. RESUPPLY OF IRAN WITH WESTERN ARMS, IF IT HAPPENED, HAD ALREADY BEEN TAKEN INTO CONSIDERATION IN IRAQ'S PLANS.

5. AFTER SOME DIFFICULTY IN BREAKING THE FLOW OF THE PRESIDENTS REMARKS, I SAID THAT OUR REPRESENTATIVE IN THE SECURITY COUNCIL WAS ON RECORD ON 24 OCTOBER AS SAYING THAT HMG NOTED WITH APPROBATION THE STATEMENT BY PRESIDENT HUSSEIN THAT IRAQ HAD NO (NO) TERRITORIAL AMBITIONS AGAINST IRAN. (SADDAM SAID HE HAD SEEN SIR A PARSONS'S SPEECH AND LIKED IT).

I SAID THAT WE REMAINED NEUTRAL, WANTED TO SEE A VERY EARLY CEASEFIRE, AND ABOVE ALL DID NOT (NOT) WISH TO SEE THE CONFLICT SPREAD, SINCE THIS MIGHT AFFECT FREEDOM OF NAVIGATION IN THE GULF. AS REGARDS THE PRESS, THE IRAQIS WOULD KNOW THE TROUBLE HMG HAD ENCOUNTERED IN ITS RELATIONS WITH SAUDI ARABIA EARLIER THIS YEAR AS A RESULT OF THE RELEASE OF THE FILM "DEATH OF A PRINCESS". IT WAS UP TO THE IRAQI EMBASSY AND INFORMATION ORGANS IN LONDON TO PUT THE BRITISH PRESS RIGHT OVER ITS COVERAGE OF THE WAR. THE PRESIDENT WOULD REMEMBER THAT A BBC JOURNALIST HAD BEEN THE FIRST TO REPORT THE FALL OF MUHAMMARAH (KHORRAMSHAHR) AT THE END OF SEPTEMBER. SADDAM HUSSEIN INTERJECTED TO AGREE, BUT ADDED THAT

SEPTEMBER. SADDAM HUSSEIN INTERJECTED TO AGREE, BUT ADDED THAT MORE RECENTLY THE BBC HAD CAST DOUBT ON IRAQI CONTROL OF THE MAIN KARUN BRIDGE, WHICH HAD RESULTED IN AN IRANIAN COUNTER-ATTACK WITH CHIEFTAIN TANKS.

6. AS REGARDS KING HUSSEIN, I SAID THAT THERE WAS ADVANTAGE IN THE CLOSE RELATIONSHIP WHICH HAD DEVELOPED BETWEEN IRAN AND JORDAN DURING THE WAR. THIS WAS A SIGN TO FOREIGN OBSERVERS OR ARAB SOLIDARITY AT A TIME WHEN SOME POLARISATION WAS ALSO OCCURING, AND COULD ONLY BE HELPFUL. ANYTHING THE KING SAID WAS LIKELY TO BE BASED ON GREAT EXPERIENCE.

7. SADDAM ASKED ME TO CONVEY HIS PERSONAL GOOD WISHES AND GREETINGS TO MRS THATCHER, FOR WHOSE POLICIES HE HAD ADMIRATION. SHE SHOULD BE IN NO DOUBT THAT IRAQ LOOKED TO EUROPE FOR ADVICE, SUPPORT AND HELP IN HER EFFORTS TO STAY ALOOF FROM ANY SUPER POWER GROUPING. HE HIMSELF VALUED IRAQ'S RELATIONS WITH BRITAIN, AND HOPED THEY WOULD NOT BE SPOILT BY ANY DEPARTURE FROM OUR DECLARED POLICY OF NEUTRALITY E.G. AS A RESULT OF DIS-INFORMATION PUT ABOUT BY BRITISH MEDIA. HE REPEATED THAT HE LOOKED TO HMG TO DO WHATEVER WAS POSSIBLE, IN THEIR OWN INTERESTS, TO TRY AND BRING ABOUT A FAIRER PRESENTATION OF THE FACTS OF THE WAR ON THE GROUND.

EGERTON

CCN PARA 6 SECOND LINE DOWN .. 03-3)9030 235233, 84-

DEVELOPED BETWEEN IRAQ AND JORDAN ETC

FCO PSE PASS TO UKDEL NATO

NNNN



GRS 350  
CONFIDENTIAL  
FM BAGHDAD 061030Z AUG  
TO PRIORITY F C O  
TELEGRAM NUMBER 325 OF 06 AUGUST 1980

CONFIDENTIAL

Prime Minister

*Iraq*  
At present, FCO do not see this incident as a precursor of new problems with Iraq.

UK/IRAQ.

1. ON 5 AUGUST IRAQI TELEVISION SHOWED A HALF-HOUR PROGRAMME ON THE BRITISH EMBASSY IN BAGHDAD ENTITLED "ESPIONAGE, PLOTTING AND SABOTAGE."
2. TODAY'S ARABIC PRESS GIVES DETAILED ACCOUNTS OF THE PROGRAMME, WHICH SAID THAT THE EMBASSY WAS A NEST OF SPIES AND AGENTS WHICH HAD PLOTTED FROM THE TIME OF THE BRITISH OCCUPATION OF IRAQ TO THE EARLY YEARS OF THE 1968 REVOLUTION TO KEEP IRAQ DIVIDED AND BACKWARD.
3. THE BRITISH PRESS AND TELEVISION WERE ACCUSED OF PUBLISHING LIES ABOUT IRAQ AND THE BRITISH THEMSELVES WERE ACCUSED OF HOSTILITY TOWARDS IRAQI VISITORS AND THE IRAQI EMBASSY. THE EXPULSION OF ELEVEN IRAQIS IN 1978 WAS CALLED PART OF AN INFLAMMATORY CAMPAIGN AND IRAQ WAS SAID TO HAVE APPLIED THE PRINCIPLE OF RECIPROCITY IN EXPELLING BRITISH DIPLOMATS "WHO WERE KNOWN TO BE VIOLATING ALL DIPLOMATIC CONVENTIONS BY SPYING AND SPREADING LIES." DR OWEN WAS ACCUSED OF HAVING MADE FALSE STATEMENTS ABOUT BRITISH SUBJECTS IN IRAQ.
4. THE PROGRAMME CONSISTED OF A BROADCASTER READING OUT THE TEXT, BACKED BY OCCASIONAL FILM CLIPS SHOWING THE EMBASSY DURING THE 1941 SIEGE, RAF HABBANIYA, THE THEN AMBASSADOR WITH PRINCE ABDULILLAH AND NURI SAID, AND SOME RECENT SHOTS OF THE EMBASSY COMPOUND.
5. THIS IS PROBABLY A DELAYED REACTION TO BRITISH PRESS AND TELEVISION COMMENTS ABOUT IRAQI ACTIVITIES AT THE TIME OF THE IRANIAN EMBASSY SIEGE. THE IRAQIS WILL BE SMARTING OVER THEIR PUBLICLY BUNGLED TERRORIST ACTS IN VIENNA AND BERLIN AND IN A MOOD TO LASH OUT: WE ARE A PERENNIAL WHIPPING BOY.
6. THE PROGRAMME WAS NO WORSE THAN MANY ANTI-BRITISH ITEMS WHICH APPEARED REGULARLY OVER THE YEARS UP TO MID-1979. IT WAS HOWEVER THE FIRST OF ITS KIND IN THE PAST YEAR AND I PROPOSE TO ASK THE MFA WHAT THE STATE TELEVISION AND OFFICIAL NEWSPAPERS MEANT BY CARRYING IT.

*Stirling*

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SUBJECT

IRAQ

4540 - 1

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL NO. T 47 A / 79 T

GRS 133  
RESTRICTED  
FM FCO 171600Z JULY 79  
TO PRIORITY BAGHDAD  
TELEGRAM NUMBER 173 OF 23 JULY.

*Entw na  
bun  
29/7*

1. PLEASE PASS THE FOLLOWING MESSAGES FROM THE PRIME MINISTER TO THE OUTGOING AND INCOMING PRESIDENTS:  
TO HIS EXCELLENCY FIELD MARSHALL HASSAN AL BAKR, PRESIDENT OF THE REPUBLIC OF IRAQ.  
'ON THE OCCASION OF YOUR RETIREMENT FROM THE HIGHEST OFFICE OF THE STATE MAY I SEND YOU MY CONGRATULATIONS ON YOUR DISTINGUISHED TENURE OF THE PRESIDENCY AND MY BEST WISHES FOR THE FUTURE.'  
TO HIS EXCELLENCY SAYYID SADDAM HUSSEIN, PRESIDENT DESIGNATE OF THE REPUBLIC OF IRAQ.  
'I SEND YOU MY CONGRATULATIONS ON YOUR ACCESSION TO THE HIGH OFFICE OF PRESIDENT OF THE REPUBLIC. I AM SURE THAT YOUR TERM WILL SEE CONTINUED PROGRESS IN IRAQ'S DEVELOPMENT. I LOOK FORWARD TO COOPERATING WITH YOU TO STRENGTHEN RELATIONS BETWEEN OUR TWO COUNTRIES.'

CARRINGTON

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IRAQ 1



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Agree to send the messages at flag A?

Yes

6/21/79

19 July 1979

FLW 6W: "OK"

6/21/79

Dear Bryan,

The new Iraqi President

I attach copies of two telegrams from Baghdad reporting the resignation of the Iraqi President and his succession by Mr Saddam Hussein.

Although we still have problems in our relations with Iraq (principally over the arrests of British businessmen), Lord Carrington believes that messages of congratulation from the Prime Minister to the outgoing and incoming Presidents would serve to reinforce the improvement in our relations which followed his visit to Baghdad and could ease the solution of our problems. I attach a draft telegram to Baghdad with the text of messages which the Prime Minister may wish to consider.

Lord Carrington is sending a message to Mr Saddam Hussein (whom he met in Baghdad).

Yours GB

Paul  
(P Lever)

B G Cartledge Esq  
10 Downing Street

MIDDLE EAST: ADVANCE COPIES

PS

PS/SIR I. GILMOUR

PS/FR HORD

IS/PUS

SIR A PARSONS

MR J C HOBERLY

21 IMMEDIATE

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CABINET OFFICE. SIR J HUNT

CABINET OFFICE DIO

HD/RENAD

~~HD/MED~~

HD/UND

HD/OLD

HD/IPD

(2)

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NEWS D

GR 193

(2)

IMMEDIATE

RESTRICTED

FM BAGHDAD 170016Z

TO IMMEDIATE FCO

TELEGRAM NUMBER 266 0 17/7/79

INFO PRIORITY DAMASCUS, TUNIS, JEDDA, BEIRUT, ALGIERS, RABAT, MUSCAT, ISLAMABAD, DELHI, DOHA, MOGADISHU, KHARTOUM, TUNIS, UKRIS GENEVA, ANKARA, ABU DHABI, DUBAI, ADEN, SANAA, BELGRADE, HAVANA, CAIRO, BONN, PARIS, BRUSSELS (FOR UKREP) MOSCOW, WASHINGTON UKRIS NEW YORK

DESK BY 170900Z

IRAQ INTERNAL

1. IN A TELEVISION BROADCAST AT 2030 HOURS LOCAL ON 16 JULY PRESIDENT AL BAKR ANNOUNCED THAT FOR REASONS OF HEALTH HE WAS RETIRING AS PRESIDENT OF IRAQ, CHAIRMAN OF THE REVOLUTIONARY COMMAND COUNCIL AND FROM HIS BAAATH PARTY OFFICES. HE WAS HANDING OVER TO SADDAM HUSSAIN FORTHWITH.
2. ALTHOUGH BAKR HAS BEEN IN INDIFFERENT HEALTH FOR SOME TIME HIS 25 MINUTE SPEECH, MAINLY EULOGISING THE ACHIEVEMENTS OF THE PAST ELEVEN YEARS, WAS DELIVERED IN A STRONG UNFALTERING VOICE. HE SMILED ON AT LEAST THREE OCCASIONS AND GAVE THE IMPRESSION OF BEING PLEASED TO BE RETIRING.

ELEVEN YEARS, WAS DELIVERED IN A STRONG UNFALTERING VOICE. HE SMILED ON AT LEAST THREE OCCASIONS AND GAVE THE IMPRESSION OF BEING PLEASED TO BE RETIRING.

3. OTHER GOVERNMENT CHANGES ABOUT WHICH I HAVE HEARD BUT AS YET CANNOT CONFIRM ARE IZZAT IBRAHIM (FORMERLY MINISTER OF THE INTERIOR) AS VICE-CHAIRMAN OF THE RCC AND SAADOUN SHAKIR (FORMERLY CHIEF OF INTELLIGENCE) AS MINISTER OF THE INTERIOR. HASSAN ALI, MINISTER OF TRADE MOVED. DR HAMMADI, FOREIGN MINISTER TO REMAIN. PSE SEE MIFT.

DICKSON

IMMEDIATE

NNNN

D. G 48/17

IMMEDIATE

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KP.

LKS 587/17

ADVANCE COPY  
FILE

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GR 173

SIR A PARSONS

RESTRICTED

MR J.C. MUGGER

FM BAGHDAD 170835Z JUL

TO IMMEDIATE FCO

H. M.E.D.

TELEGRAM NUMBER 267 OF 17/7/79

FOR MED.

BY IMPT.

PRESIDENT AL BAKR.

1. GRATEFUL IF CONSIDERATION COULD BE GIVEN TO SUITABLE MESSAGE OR MESSAGES FOR EX-PRESIDENT BAKR, SADDAM HUSSAIN AND IZZAT IBRAHIM IF HIS APPOINTMENT IS CONFIRMED. AS YOU KNOW IRAQIS ARE KEEN ON RECEIVING MESSAGES AND SOME PROMINENCE IS USUALLY GIVEN TO THEM.

2. MAY I SUGGEST THAT, IF ANY, THEY ARE DELIVERED THROUGH THIS OFFICE INSTEAD OF OR AS WELL AS THROUGH COMMERCIAL CHANNELS. SO FAR THERE HAS BEEN NO MENTION OF THE QUEEN'S MESSAGE IN THE LONG LISTS OF GREETINGS FOR 14 JULY PUBLISHED IN THE PRESS. I DO NOT KNOW IF THIS IS AN OVERSIGHT BY IRAQI NEWS AGENCY OR A FAILURE OF COMMERCIAL CHANNELS. I DID MENTION THIS TO HEAD OF FIRST INTERNATIONAL DIVISION MFA ON 16TH BUT HE REFERRED ME TO THE PROTOCOL DEPARTMENT. I WILL LEAVE A COPY OF THE QUEEN'S MESSAGE WITH HEAD OF PROTOCOL WHOM I HOPE TO SEE ON OTHER MATTERS WITHIN THE NEXT DAY OR TWO.

DICSON

IMMEDIATE

MINI

**OUT TELEGRAM**

Classification and Caveats  
**RESTRICTED**

Precedence/Deskby  
**PRIORITY**

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TEL NO

1 ZCZC  
2 GRS  
3 RESTRICTED  
4  
5  
6 FM FCO 171600Z JULY 79  
7 TO PRIORITY BAGHDAD  
8 TELEGRAM NUMBER

*Top copy Baghdad  
Tel 173  
29/7/79*

**PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T49A/79T**

9  
10 1. Please pass the following messages from the Prime Minister  
11 to the outgoing and incoming Presidents:  
12 To His Excellency Field Marshall <sup>H</sup>Massad<sup>A</sup> Al Bakr, President of  
13 The Republic of Iraq.  
14 "On the occasion of your retirement from the highest office of  
15 the state may I send you my congratulations on your distinguished  
16 tenure of the Presidency and my best wishes for the future."  
17 To His Excellency Sayyid Saddam Hussein, President Designate of  
18 The Republic of Iraq.  
19 "I send you my congratulations on your accession to the high  
20 office of President of the Republic. I am sure that your term  
21 will see continued progress in Iraq's development. I look for-  
22 ward to cooperating with you to strengthen relations between our  
23 two countries."  
24 CARRINGTON  
25 NNNN

*ms*

NNNN ends telegram	BLANK	Catchword
File number	Dept MED	Distribution  Departmental MED PCD Consular Dept  cc: No 10 CRES DOT
Drafted by (Block capitals) D E TATHAM		
Telephone number 3671		
Authorised for despatch		
Comcen reference	Time of despatch	

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 Registry  
 No.

DRAFT RECORD

Type 1 +

P.O.  
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 17

From

Telephone No. Ext.

Department

SECURITY CLASSIFICATION

To:-  
 Top Secret.  
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 Restricted.  
 Unclassified.

PRIVACY MARKING

In Confidence

RECORD OF A MEETING BETWEEN THE SECRETARY OF STATE FOR FOREIGN  
 AND COMMONWEALTH AFFAIRS AND THE VICE CHAIRMAN OF THE IRAQI  
 REVOLUTIONARY COMMAND COUNCIL AT 11 AM ON 4 JULY 1979

MED

cc PS  
 PS/LPS  
 PS/Mr Hurd  
 PS/PUS  
 Sir A Duff  
 Sir A Parsons  
 Mr Bullard  
 Sir I Sinclair  
 Mr J Moberly  
 NENAD  
 EID(E)  
 Mr Fenn

Mr Braithwaite  
 Consul Vesp  
 A.U.S.O.

Those Present:

The Rt Hon The Lord Carrington      Mr Saddam Hussain al-Tikriti  
 Mr A J D Stirling                              Dr Sa'doun Hammadi  
 Mr G G H Walden                              Interpreter

1. Lord Carrington said that he had been warmly welcomed in Iraq and that there had been more agreement than disagreement in his talks with the Foreign Minister that morning. Mr Saddam Hussain said that Lord Carrington's visit was a short one. Lord Carrington agreed, but he had been anxious to come to Iraq as soon as possible to turn over a new leaf in Anglo/Iraqi relations. From his conversations that morning, he had gained the impression that it would be quite possible to do so. Mr Hussain agreed. We should spare no effort to achieve this improvement where our interests met on common ground. It was his habit to deal frankly and directly with other countries. He recalled meeting the British Ambassador in 1969 at the Ambassador's request to discuss Anglo/Iraqi relations. He had made it clear then that Iraq would respond to any positive programme or improvement, but that Iraq had an ideology which could not be changed.
2. Now, ten years later, the Iraqi people no longer had the same allergy towards the British which they had had in

Baghdad



and which had come from history. The Iraqi people confident in the leadership of their regime. If our relations faltered historical factors would again predominate. New opportunities existed and we should adopt a positive approach to the improvement of relations. The former British Foreign Secretary had made harmful statements which had taken our relations a step backwards in history. Iraq was a small country of some 12,250,000 people, according to the 1977 census. The area and potential of the country were well-known. Iraq was totally independent, and there were few such countries in the Third World. The Iraqis knew the price of real independence in the modern world where the basic trend was towards increasing the influence of the big blocs. Iraq was not prepared to be flexible when her independence was at stake. The Soviet Union had 250 million people and could destroy Iraq with one atom bomb. American power was similar. But in bilateral dealings with such countries, where sovereignty was concerned, Iraq regarded Russians and Americans as having the same population and area as Iraq. He was aware of the difficulty of implementing this concept in practice; but this was the way of thinking in which his party had been educated and it would not change. The people of Iraq accepted his party on this basis.

3. Such an outlook was not, however, harmful to the legitimate interests of European countries with whom Iraq had relations.

/Foremost

Foremost amongst these was France. Euro/Arab relations were a dominant feature in this relationship. Iraq wished to establish better relations with all the countries of Europe, including Britain. We could not expect complete compatibility between our policies. We should be clear about the basis for developing our relationship. We should try to avoid collision on small routine matters which damaged our relationship. In monitoring British attitudes to the Arab/Israel conflict, Iraq followed the principle that countries who wanted friendship would be clear about the right lines <sup>to take</sup> and would not ~~work in a way~~ to damage ~~the~~ Arab interests. He hoped that Britain was on the right side. At the very least he hoped that we would not stand <sup>out</sup> against right even if we could not be on the proper side.

4. It was wrong to suggest that Arabs were not human. They had been obliged to defend their rights. They did not want war for its own sake and certainly not a Third World War. When people in the West spoke of Arab extremists, that probably included Iraq. But Iraq did not want war. We should differentiate between the usurpers and the usurped. He had recently rebuked a "Der Spiegel" journalist who had asked ~~him~~ whether Iraq wanted a solution in the Middle East by force. The question should have been directed at the Israeli aggressors. When the Arabs had resorted to arms in 1973, they were fending off Israeli <sup>expansionism</sup> ~~aggression~~. ~~The journalist from "Der Spiegel" had~~ also asked whether the Iraqis were going to use oil as a political weapon. He had asked the journalist if Alsace and Lorraine had been given to use as a weapon against them. ~~The answer had been no.~~ Today the Arabs were not what they had been ten years ago. Whoever wanted a balanced and legitimate relationship with ~~the~~

onship with the ~~Arabs~~ should help them to progress.

Europe should seek <sup>such</sup> relations with the Arabs, ~~in this way~~. In the past Europe had achieved ~~these~~ <sup>her</sup> interests by imperialism. ~~He~~ <sup>now</sup> asked how we saw our interests today. Did we wish to increase commercial exchanges and economic relations in a balanced way in accordance with a long term plan? Europe could achieve this in their relations with the Arabs if she freed herself from the old outlook. The Arabs retained some sensitivity in their relations with the Americans and with some others. Europe had advanced technology. Most Arabs spoke European languages. There were cultural and civilisational ties which were well-known. Why should Europe miss this opportunity to improve her relations with the Arabs? Such an improvement would not be directed towards any other countries.

(At this point Mr Hussain asked his Foreign Minister who the members of the EEC were. The Foreign Minister did not seem quite certain).

H.P.

The French understood this situation best. The British were in the second rank. 5. Lord Carrington thanked the Vice Chairman for his frankness. He would be equally candid. The general principles of <sup>Iraqi</sup> ~~the~~ policy were the same as those on which British policy was based. Britain was a free country and had been for some thousand years. Although we were ~~now~~ only a small country geographically, it would take two atom bombs to destroy us and we would not be diverted from our beliefs by threats from anyone. When we observed the policies of other Governments, we asked ourselves whether they were right and whether they were in British interests, just as the Iraqis did in their own case. He could see no reason for Britain and Iraq to quarrel. Our interests <sup>could be</sup> ~~were~~ reconciled and we should be friends. Both countries were, however, handicapped to some extent by their past history.

6. Mr Hussain had said that Europeans must change their way of thinking. It took two to repair a quarrel and both sides needed to make an effort to repair the damage. Britain was

was an outward looking country, which historically had been less true of some other European countries. When we joined the EEC we found it too inward looking; and we had tried to make the Community more active in international affairs, politically as well as economically. The Conservative Party and Government had always thought of the Arab/Israel dispute not only as a danger to peace but as an injustice to the Arab people. ~~Britain was very experienced in the Arab world.~~ <sup>Britain</sup> she had consistently pressed for a just and comprehensive solution. ~~Britain~~ <sup>she</sup> was to a large extent responsible for the condemnation of the Israeli settlement policy and her claims to the West Bank, in the EEC communique.

The Israeli position was intolerable. This statement should be seen as evidence of increased Community interest in a just and comprehensive peace. The Iraqis should feel encouraged by ~~this new evidence of~~ closer involvement in Europe by Britain. It was in this context that he had come to Iraq to solve our bilateral differences. ~~Lord Carrington said that~~ It was important to remove the small irritants in ~~xxxxxxx~~ our relations if we were to get the big things right. The Foreign Minister had told him that morning of irritants on the Iraqi side and he had explained that some of these matters were not wholly within our control. However he had promised to do what he could. We on our side had two irritants. The first was the trade boycott, which was the result of bad relations. He had decided with the Foreign Minister to think of ways to move forward on this front, perhaps by an economic agreement which would give a formal basis to our economic and trading relationship. He would press this idea hard when he returned home.

h.p.

The second irritant may seem unimportant to the Iraqis, at it was important to us. <sup>This was the case of Mr Sparkes.</sup> He quite understood that it would be impertinent to comment on Iraqi law, justice and penalties, just as it would be impertinent of the Iraqis to interfere in British affairs. He wanted to make an appeal to the Vice President about Mr Sparkes not on the grounds of what he had done but on a humanitarian and political basis. Our Consul had seen Mr Sparkes recently and was worried about his physical and mental health. Iraq was the last country to put at risk the health and sanity of a man. We wished for a new start to our relations. But the British press and Parliament were very vigorous on these small matters, and were inclined to say things of which Lord Carrington did not necessarily approve. They were bound to take up this case. This would make it difficult to start a new chapter in our relationship. We had identical interests in many areas and, though we may disagree on methods of achieving a Middle East solution, we did not disagree on the objective. Mr Hussain said he was pleased by what Lord Carrington had said, and even by his remarks on the two irritants in our relations. He agreed that we should turn over a new page and when he said this he was speaking on behalf of the whole leadership. We should not look backwards but forwards. He would not wish to damage the mental or physical health of anyone, regardless of the legal aspect. He agreed with what Lord Carrington had said about interference in each others' legal affairs. From today Mr Sparkes would be given all the care and psychological attention he needed to lighten the burden of his imprisonment. The Ambassador could check on this.

N.P.

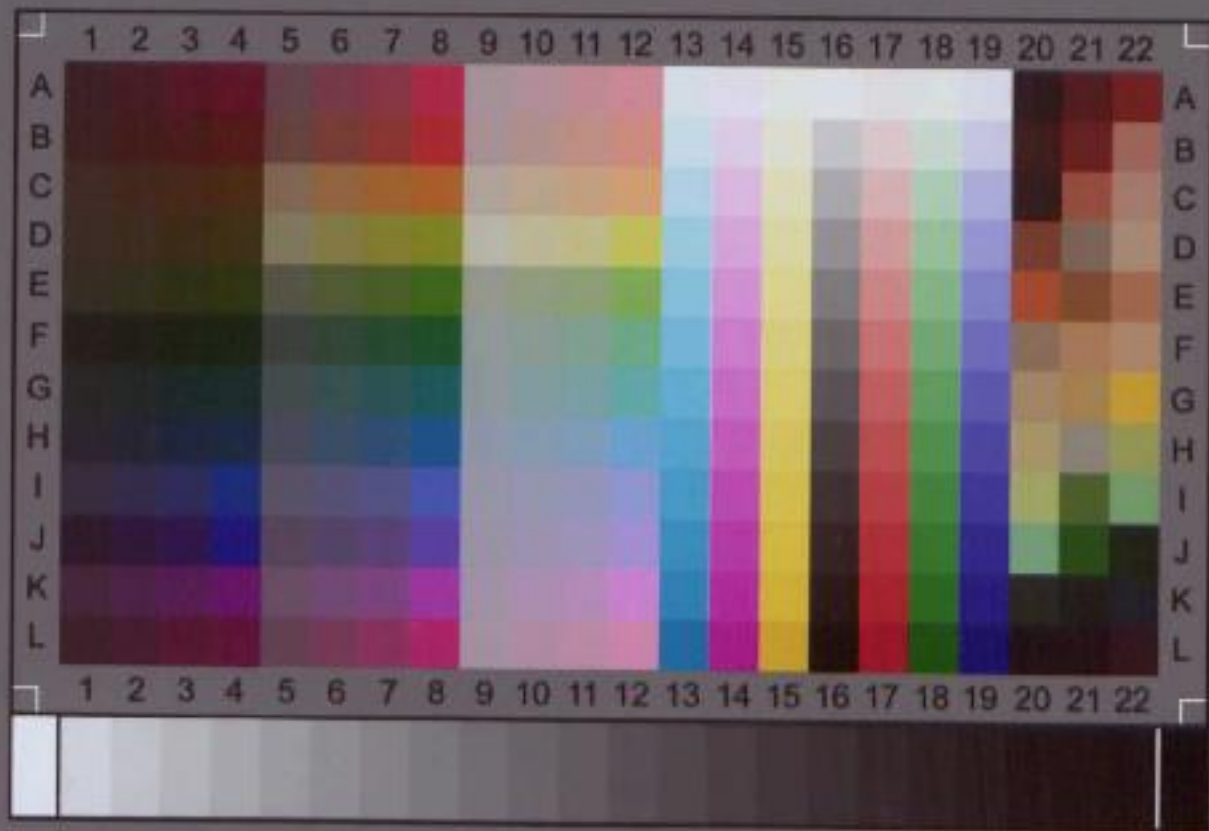
10. There was also an Arab in British custody. ~~Laws had been laid down for the good of mankind, but they were not above humanitarianism.~~ British laws had developed through

our ~~our~~ constitutional institutions and the same was true of Iraq. He agreed that we should remove small irritants. An Arab who had killed <sup>Naif</sup> ~~Naif~~ was in prison <sup>in Britain</sup> ~~there~~. ~~Naif~~ Naif had been sentenced to death and was killed in Britain. The fact that this person was not a British citizen "made it easier to take measures". The man was "a commando with a Fedayeen identity." <sup>Mr Hussain</sup> ~~He~~ wanted to remove the obstacles between us and could give a promise in the name of the leadership that all restrictions and sanctions on commercial relations would be lifted. We could state this publicly. The Iraqi economy was under public control but the removal of the sanctions which had been exceptionally imposed would not in itself be enough to develop our relations. The link between political and economic relations was constant and he was glad <sup>about</sup> at what Lord Carrington had said about politics. <sup>12</sup> The Iraqis knew about the ~~position and the~~ freedom of the press in Britain. But where the interests of the UK were concerned, official influence could do a lot. The Government could influence trends when public opinion was running contrary to national interests. If the behaviour of some bodies ran contrary to the British interests in closer UK/Arab relations we should correct this by public statements, or even intervention within the law. British law did not grant freedom only to citizens; the Government too had prerogatives. Lord Carrington said he was afraid that the British Government did not possess the prerogatives Mr Hussain had in mind. Mr Hussain said he was not urging the Government to take new prerogatives. Lord Carrington said the Government did what they could to influence the Press but had no control over it. If it had, he would not allow it to

criticise the Government ~~of~~ <sup>by</sup> himself the way it did. He was grateful for what Mr Hussain <sup>had</sup> said about <sup>the trade embargo</sup> ~~the~~. The problem of Mr Sparkes remained. He would be asked about the case by the Press. He saw that the <sup>Iraqis</sup> ~~Arabs~~ could not make a decision on the ~~xxxx~~ case now, but he hoped that they would review the matter in the light of what he had said.

13. Mr Hussain said that he would not like to make any hints which could not be followed up. The case of Mr Sparkes was connected with the Arab in jail in London. The <sup>Iraqis</sup> ~~Arabs~~ were ready to find ways of solving both. Lord Carrington said that he would be bound to say something to the Press. Mr Hussain agreed that he could say <sup>that there was a connection between the two cases</sup> ~~this~~. Lord Carrington said that such a statement would lead to adverse publicity in our Press. Mr Hussain asked what prevented us from letting the Arab spend the rest of his present sentence in an Arab country. Lord Carrington said that he was very doubtful about this, though he would enquire. The Government could not interfere in judicial matters. Mr Hussain said that we should avoid giving the impression ~~that~~ in public statements that Mr Sparkes <sup>had been</sup> ~~was~~ sentenced because of the Arab case in London: he was sentenced for legal reasons. The Iraqis were looking for a way round this problem, and he had submitted his suggestion to Lord Carrington for him to think about. Lord Carrington agreed not to give this impression. But he had to disclaim responsibility for any lurid interpretation that the Press might put on the affair. Mr Hussain said that this was to be anticipated. ~~expected~~.

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