



Secret

Confidential filing

Anglo / Iraq Relations

IRAQ

Pt 1 : July '79

Pt 2 : April '90

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date

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3005

PREM 19/3046



ea

cc FCO

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

17 July 1990

Dear Mrs. Parish,

I wanted to let you know how absolutely delighted and thrilled I am at your release from prison yesterday, and to welcome you back home. We have all greatly admired the courage and strength which you and your family have displayed throughout the dreadful ordeal you have all faced over the last terrible months. We have received regular reports from our Consul, and they made us all proud that you were setting such an example of calm and commonsense. Michelle has been marvellous, always poised and confident in front of the television cameras, and tremendously supportive of you.

I am sure that you wish for nothing more than a return to normality and I hope you will now enjoy that with your family. Perhaps later on we might meet and discuss your experiences.

With every good wish,

Yours sincerely  
Margaret Thatcher

Mrs. Daphne Parish

ea



CONFIDENTIAL  
FM LUSAKA  
TO DESKBY 171130Z FCO  
TELNO 362  
OF 171015Z JULY 90  
AND TO IMMEDIATE BAGHDAD, KHARTOUM, PARIS

PARIS: FOLLOWING FOR THE SECRETARY OF STATE'S PARTY.

MRS DAPHNE PARISH

1. THIS IS TO REPORT BRIEFLY THAT MRS PARISH IS IN GOOD HEALTH AND BEARING UP REMARKABLY WELL. I AM REPORTING SEPARATELY THE EXTRAORDINARY PRESS CONFERENCE AT STATE HOUSE AT WHICH SHE WAS FORMALLY HANDED OVER TO ME. HAVING CONSULTED HER AND IN ORDER TO TRY AND DO SOMETHING TO REDUCE THE PRESSURE AT YOUR END (NEVER MIND THIS EXCLAM) WE ORGANISED AN IMPROMPTU PRESS CONFERENCE ON MY LAWN WHICH MRS PARISH HANDLED VERY SKILLFULLY HAVING HAD A STEER FROM US BASED ON YOUR TELNO 269.

2. THE ONLY DANGEROUS GROUND THAT SHE VENTURED NEAR WAS THE EVENTS LEADING UP TO HER AND BAZOFT'S ARREST BUT WE MANAGED TO STEER THE BBC AWAY BEFORE THEY WENT TOO FAR. I JUDGE THAT THERE IS NOTHING THAT SHE SAID THAT IS LIKELY TO UPSET THE IRAQIS AND THEREFORE TO ENDANGER RICHTER. SHE MENTIONED HER CONCERN FOR HIM AND IN REPLY TO PERSISTENT QUESTIONING SAID THAT SHE WAS INNOCENT OF ANY OFFENCE AND SHE HOPED THAT THE IRAQI PEOPLE WOULD ACCEPT HER INNOCENCE AS A FACT. SHE ALSO SAID THAT WHILE SHE HAD LITTLE EXPERIENCE OF JOURNALISTS SHE ASSUMED THAT WHAT BAZOFT WAS ENGAGED IN WAS NORMAL JOURNALISM. HE HAD MADE NO ATTEMPT TO HIDE WHAT HE HAD BEEN DOING, IN FULL VIEW OF AN IRAQI SOLDIER AND PASSERS-BY.

3. I CAN CONFIRM THAT MRS PARISH WILL BE ON THE BRITISH AIRWAYS FLIGHT TONIGHT. WE HAVE ASKED BRITISH AIRWAYS TO DO ALL THEY CAN TO ENSURE HER PRIVACY WILL BE RESPECTED - THE FACT THAT THOSE JOURNALISTS WHO WERE AFTER HER AND SOME OF WHOM ARE ON THE FLIGHT HAVE ALREADY SPOKEN TO HER, WILL HAVE HELPED IN THIS RESPECT.

HINCHCLIFFE  
YYYY

DISTRIBUTION

58

MAIN 56

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PS/PUS  
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MR TOMKYS  
MR GORE-BOOTH  
MISS SPENCER

ADDITIONAL 2

~~PS/NO. 10~~  
MR APPELYARD, CAB. OFF.

NNNN





Foreign and Commonwealth Office

London SW1A 2AH

16 July 1990

*Dear Charles*

Mrs Daphne Parish

I enclose two draft messages for the Prime Minister to send to Presidents Saddam Hussain of Iraq and Kenneth Kaunda of Zambia following the release of Mrs Daphne Parish from prison in Iraq.

Mrs Parish, a British nurse, was sentenced to 15 years' imprisonment in March for assisting Farzad Bazoft, who was convicted of spying and executed. We understand that President Saddam Hussain agreed to release Mrs Parish following representations from President Kenneth Kaunda of Zambia. Mrs Parish is being flown to Zambia, and we are in touch with our Embassy there to organise her onward flight to London.

I recommend that the Prime Minister should write to thank both Presidents.

(S L Gass)  
Private Secretary

C D Powell Esq  
10 Downing Street

SUBJECT WOPS  
MASTER

Cite

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who



10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

16 July 1990

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T1628/90

Dear Kenneth,

I wanted to write straight away to express my very warm thanks for the role you have played in securing the release of Mrs. Daphne Parish, the British nurse who was imprisoned in Baghdad.

I am extremely grateful that you felt able to intervene on behalf of Mrs. Parish with President Saddam Hussain. Your concern for Mrs. Parish will, I know, be deeply appreciated by her family and by the British people. We are all in your debt.

Warm regards

Yours ever

Raymond

His Excellency Dr. Kenneth David Kaunda

FROM : The Prime Minister

TO : His Excellency President Kenneth Kaunda

*Sincerely*  
I wanted to write to express my very warm thanks for the role you have played in securing the release of Mrs Daphne Parish, the British nurse who was imprisoned in Baghdad.

*extremely*  
I am grateful that you felt able to intervene on behalf of Mrs Parish with President Saddam Hussain. Your concern for Mrs Parish will, I know, be deeply appreciated by her family and by the wider British public.

*people. we are all in your debt*

PA5AAR(2)



SUBJECT COAS  
MASTER



File M

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10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

16 July 1990

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T162A/90

Your Excellency,

I was very pleased to hear of Your Excellency's decision to release Mrs. Daphne Parish on humanitarian grounds. I am writing immediately to thank you both, on behalf of the British Government and of Mrs. Parish's family. I hope very much that Mrs. Parish's release will prove to be the first step towards the resumption of a more constructive relationship between our two countries. We have long-standing ties, and there are many positive aspects to our relations on which we can build.

Yours sincerely  
Nagana Shalita

His Excellency President Saddam Hussain



FROM : The Prime Minister

TO : His Excellency President Saddam Hussain

I was <sup>very pleased</sup> ~~delighted~~ to hear <sup>of</sup> ~~the news that~~ Your Excellency <sup>is</sup> ~~is~~ <sup>delighted</sup> has agreed to release Mrs Daphne Parish on humanitarian grounds. I am writing immediately to thank you <sup>for</sup> ~~on~~ behalf of the British Government and Mrs Parish's family.

I hope <sup>very much</sup> ~~that~~ Mrs Parish's release will prove to be the first step towards the resumption of a more constructive relationship between our two countries. We have long ~~and~~ <sup>standing</sup> close ~~historical~~ <sup>relations</sup> ties, and there are many positive aspects to our links on which we can build.

PA5AAR(1)

CAR  
1/6

SECRET AND MARKET SENSITIVE

B.0456

Private Secretary/Foreign and Commonwealth Secretary

cc Sir Robin Butler

THE ARMADALE STEEL WORKS: EVIDENCE TO THE  
MONOPOLIES AND MERGERS COMMISSION

Purpose

This minute seeks the Foreign and Commonwealth Secretary's agreement that the FCO should give evidence to the Monopolies and Mergers Commission (MMC) about the Iraqi interest in acquiring the Armadale Steel Works. It reflects discussion with officials of the interested Departments: FCO, DTI, Scottish Office and MOD.

Background

2. The Armadale Steel Works, which is situated near Edinburgh, was acquired in March by William Cook plc, a Sheffield-based steel manufacturer. On 3 May the Trade and Industry Secretary referred Cook's acquisition of Armadale and two other companies to the MMC on competition grounds. At the same time the Office of Fair Trading (on the Trade and Industry Secretary's behalf) sought undertakings to safeguard the ultimate possibility of requiring Cook to divest the Armdale assets following consideration of the MMC's report. The MMC were asked to report by 3 August. The case of Armadale has aroused strong political interest in Scotland, where Mr Tam Dalyell, the local MP, has alleged that Cook are asset-stripping. Cook were taken to the Scottish courts by trade unionists at the factory, and have



SECRET AND MARKET SENSITIVE

given undertakings not to remove plant pending the outcome of the MMC inquiry.

Iraqi connection

3. As the Foreign Secretary reported to Cabinet on 5 April, before its acquisition by Cook Armadale had been targetted by the Iraqis as part of their strategy for procuring sensitive technology. An Iraqi-owned company Technology Development Group (TDG) of Chiswick already owns the machine tool manufacturers Matrix Churchill and was involved in the abortive attempt last year to obtain Government assistance for the former Lear Fan factory in Northern Ireland. TDG has been identified as a possible financial backer for two Armadale executives, Mr Menzies and Mr Harris, who planned a buy-out. The castings produced at Armadale could have a wide range of potential military applications, ranging from missile parts through components for the chemical and nuclear industries to armour for fighting vehicles.

4. The Menzies-Harris bid for Armadale lapsed when Cook acquired the works. We cannot be sure that the bid would be revived even if the MMC instructed Cook to divest themselves of Armadale. The long-range gun affair may have made the Iraqis more cautious, and could lead them to shift operations to continental Europe. On the other hand the Iraqis might still regard Armadale as an attractive investment. A complicating factor is that Cook have recently admitted to DTI that within the past two years they have supplied castings for military purposes to the Brussels-based Space Research Corporation (SRC), Dr Gerald Bull's company, though it is not clear whether these castings had any connection with the long-range gun.

## SECRET AND MARKET SENSITIVE

If TDG sought financial assistance for acquiring Armadale, steps would be taken to ensure that this was refused.

Evidence to the MMC

5. The Scottish Office will be giving evidence to the MMC in support of the view that Cook's ownership of Armadale is against the public interest. The question arises whether the FCO should give evidence on the TDG aspect so that the MMC is aware of all the relevant factors in the case. There are precedents for two Government Departments giving separate evidence to the MMC on different aspects of a merger. There is no objection on security grounds. The MMC are used to handling sensitive information and have a good record of treating national security concerns with discretion. It is open to the Trade and Industry Secretary to make deletions for security reasons before publishing a MMC report, though it would be difficult to remove all mention of the Iraqi connection from the published version if this factor were decisive in influencing the MMC's judgement one way or the other. I understand from FCO officials that this would be acceptable.
6. Officials of interested Departments have met under Cabinet Office chairmanship to consider whether the FCO should give evidence. The fact that we cannot be sure TDG would revive the bid tells against doing so. Any evidence would need to be very carefully prepared and presented.
7. Officials concluded that there is one overriding argument in favour of the FCO presenting evidence. If they do so, the MMC will cover the Iraqi connection in their report to the Trade and Industry Secretary. If their report is adverse it will then be open to him to give this factor



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SECRET AND MARKET SENSITIVE

whatever weight he thinks fit. If however the MMC do not report on the Iraqi aspect, the Trade and Industry Secretary would not wish to take account of it in reaching his decision. I am advised that for the Trade and Industry Secretary to take account of new considerations after the MMC had reported would open up the possibility of legal challenge, and would cut across the general thrust of competition policy.

Recommendation

8. The Foreign Secretary is accordingly recommended to agree that the FCO should give evidence to the MMC on the Iraqi aspect. The evidence would be written in the first instance, though the MMC might subsequently seek supporting oral evidence. The Secretary of State for Scotland is content. In line with his constitutional position the Trade and Industry Secretary has not been asked to express a view at this stage.

10. I am copying this minute to Mr Powell (No 10) and to the Private Secretaries to the Lord President, the Chancellor of the Exchequer, the Defence Secretary, the Trade and Industry Secretary and the Secretary of State for Scotland.

*L V Appleyard*  
L V APPLEYARD

31 May 1990

SECRET AND MARKET SENSITIVE



RESTRICTED  
FM BAGHDAD  
TO PRIORITY FCO  
TELNO 433  
OF 270859Z MAY 90

FOR MED : MRS PARISH

1. THE CONSUL VISITED DAPHNE PARISH ON 23 MAY FOR JUST OVER ONE AND A HALF HOURS. THE MFA INTERPRETER, MIZHIR, WAS IN ATTENDANCE. MRS PARISH WAS IN GOOD FORM AND REPORTED THAT SHE HAD BEEN VERY WELL SINCE THE LAST VISIT. QUANTITIES OF FRUIT/VEGETABLES, VITAMIN PILLS, TOILETRIES, A PAIR OF SHEETS ETC WERE TAKEN IN, TOGETHER WITH LETTERS FROM HER FAMILY AND OVER SEVENTY OTHERS FROM WELL-WISHERS AND FRIENDS. MRS PARISH IS ALSO RECEIVING MAIL DIRECT AT THE PRISON, AND ON THE DAY THE CONSUL VISITED SHE HAD RECEIVED TWO COPIES OF THE NEW TESTAMENT AND A LETTER FROM DR DICK RICHARDS, PHYSICIAN AND AUTHOR (KENT PRIVATE CLINIC, SANDWICH, KENT CT13 9DL - TEL 0304 61290). SHE ASKED IF YOU COULD CONTACT DR RICHARDS AND THANK HIM FOR HIS INSPIRING LETTER : SHE WAS DEEPLY TOUCHED BY THE STORY OF THE WIDOW'S MITE. MRS PARISH HOPES TO WRITE HERSELF IN DUE COURSE BUT MEANWHILE IF DR RICHARDS WISHES TO SEND ANYTHING MRS PARISH SUGGESTS A FEW BACK COPIES OF THE BRITISH MEDICAL JOURNAL. MRS PARISH HAS ALSO RECEIVED LETTERS AND BOOKS FROM A MR M HENSON, A SPIRITUALIST.

2. MRS PARISH ASKED FOR HER LOVE AND BEST WISHES TO BE PASSED TO HER FAMILY. SHE IS LOOKING FORWARD TO HER SISTERS' VISIT NEXT MONTH. THE MFA HAVE CONFIRMED THEY HAVE AUTHORISED VISAS FOR MS CHIVERS AND MS ROGERS (MFA TELEX TO THE IRAQI EMBASSY NO 228 OF 20 MAY).

3. THE PRISON AUTHORITIES RETURNED TO CONSUL THE AIR-CONDITIONER WE HAD TAKEN IN AT THE BEGINNING OF THIS MONTH. INSTEAD THEY SUPPLIED AN AIR COOLER OF THEIR OWN WHICH MRS PARISH CONFIRMED HAD BEEN INSTALLED THE DAY BEFORE THE VISIT EXCLAM. THE CONSUL ALSO DISCUSSED WITH THE PRISON AUTHORITIES THE RADIO FOR MRS PARISH THAT HAD BEEN RETURNED TO THE EMBASSY FROM THE MFA BECAUSE THEY SAID IT WAS AGAINST PRISON REGULATIONS FOR MRS PARISH TO HAVE ONE. THE SOCIAL WORKER IN CHARGE TOLD THE CONSUL THAT IF THE MFA GAVE THE NECESSARY INSTRUCTIONS MRS PARISH WOULD BE ALLOWED THE RADIO. WE HAVE RETURNED TO THE CHARGE



RESTRICTED

17 537  
MDLIA 4257

WITH THE MFA.

4. PLEASE INFORM MISS DE VRIES OF THE ABOVE.

WALKER

YYYY

DISTRIBUTION

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MAIN 80

BAZOFT/MRS PARISH  
LIMITED  
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NENAD  
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PUSD

PS  
PS/MR WALDEGRAVE  
PS/MR SAINSBURY  
PS/PUS  
MR GORE-BOOTH  
MISS SPENCER  
MR TOMKYS

ADDITIONAL 5

PS/NO 10  
MR APPELYARD CAB OFFICE

NNNN

dti

the department for Enterprise

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

The Rt Hon Douglas Hurd MP  
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  
Our ref  
Your ref  
Date

071-215 5622  
PE2ATM

18 May 1990

can.

Dear Douglas

IRAQ : TRADE PROMOTION

Thank you for your minute of 11 May. I am grateful for your agreement to the issue of our letter inviting interest from British companies in exhibiting at Baghdad Fair in November. The letter has now issued; it would not have been practicable to delay it further and still achieve the strong presence at the Fair we both want.

We should know well before the end of July, when DTI would incur firm financial commitments, whether sufficient companies are interested and whether the Iraqis want a British pavilion at the Fair. The possibility of some further subsequent upset in bilateral relations cannot be entirely excluded but it is not in our interest to allow recent events to interfere with normal civil trade and we must hope the Iraqis will take a similar view. The outcome of ECGD's recent discussions with them on credit suggest that there is no wish on their side to interfere with the credit relationship.

I am copying this minute to the Prime Minister and to Sir Robin Butler.

James  
Hawes





1KAO : Anglo Siam Kets pr 2.



file L16  
23  
a S.P.C.

SECRET



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

15 May 1990

UK/IRAQ: RETURN OF HM AMBASSADOR

Thank you for your letter of 14 May conveying the Foreign Secretary's proposal to send Mr. Walker back to Baghdad on 17 May. The Prime Minister agrees - which is just as well, since she read in this morning's Times that the decision had already been taken before she had even seen your letter.

CHARLES POWELL

J. S. Wall, Esq., L.V.O.,  
Foreign and Commonwealth Office.

SECRET





Foreign and Commonwealth Office

London SW1A 2AH

14 May 1990

*Dear Charles,**Yes Mr**Rich Richter**Content?**CPA 14/5.*UK/Iraq: Return of HM Ambassador

It was agreed at the Foreign Secretary's bilateral with the Prime Minister on 2 May that we should aim to send Mr Walker back to Baghdad on or around 11 May, but that we should try to find out first how Prince Bandar was getting on in his contacts with the Iraqis.

Following that meeting we informed Prince Bandar of the proposed timing. We heard from him over the weekend. I enclose a copy of Washington telno 1115. The gist is that the Saudis have made no progress over our prisoners in Baghdad but agree that it is now right for the Ambassador to return. They will continue to work for the release of Mr Richter and Mrs Parish.

The Foreign Secretary therefore intends to send Mr Walker back to Baghdad on 17 May.

In answer to press questions, we shall say that Mr Walker is returning to Iraq this week. It was always our intention to bring him out temporarily. The difficulties in our relations with Iraq make his presence more, rather than less, necessary, and especially in the interests of Mr Richter and Mrs Parish.

*Jans,*  
*Stephen Wall*

(J S Wall)  
Private Secretary

C. D. Powell Esq  
10 Downing Street



SECRET

DEDIP

FM WASHINGTON

TO DESKBY 140830Z FCC

TELNO 1115

OF 122121Z MAY 90

INFO IMMEDIATE RIYADH, BAGHDAD

FCC PERSONAL FOR HEAD, MED

MY TELNO 1070: PRINCE BANDAR/IRAQ

## SUMMARY

1. BANDAR SAID THAT THE SAUDIS HAD BEEN INITIALLY ENCOURAGED BY THE IRAQI REACTION. BUT BOTH SIDES HAD THEN BEEN DISTRACTED BY DIFFERENCES OVER THE ARAB SUMMIT. THE SAUDIS HAD THEREFORE JUDGED IT BEST NOT TO PRESS THE ISSUE FOR THE PRESENT. BUT THEY WOULD GO ON WORKING FOR THE RELEASE OF THE BRITISH PRISONERS. MEANWHILE THEY SAW NO DIFFICULTY WITH OUR GOING AHEAD STRAIGHTAWAY WITH THE RETURN OF OUR AMBASSADOR. THEY WOULD IMPRESS UPON THE IRAQIS THAT THIS WAS AN INDICATION THAT BRITAIN WANTED A CONSTRUCTIVE DIALOGUE WITH IRAQ.

## DETAIL

2. I WAS AT LAST ABLE TO SPEAK TO PRINCE BANDAR ON 12 MAY. I SAID THAT THE PRIME MINISTER AND THE SECRETARY OF STATE HAD ASKED ME TO CONFIRM WITH HIM PERSONALLY THAT THE RETURN OF OUR AMBASSADOR TO BAGHDAD WAS THE RIGHT THING TO DO AT THE PRESENT TIME. THEY WOULD NOT WANT TO GO AHEAD IF THERE WAS STILL HOPE THAT, BY KEEPING HIM IN BRITAIN, WE COULD SECURE THE RELEASE OF OUR PRISONERS.

3. BANDAR SAID THAT HE AGREED THAT THE TIME WAS NOW RIGHT FOR MR WALKER TO RETURN. THE SAUDIS HAD BEEN INITIALLY ENCOURAGED BY THE IRAQI REACTION TO THEIR PROPOSAL THAT THE BRITISH PRISONERS BE RELEASED AS A SIGN OF GOODWILL. BUT BOTH SIDES HAD THEN BEEN DISTRACTED BY DIFFERENCES OVER THE ARAB SUMMIT. THE SAUDIS HAD THEREFORE JUDGED IT BEST NOT TO PRESS THE ISSUE WITH THE IRAQIS AT THAT TIME. BUT THE CROWN PRINCE HAD NOT SUBSEQUENTLY ENCOUNTERED ANY DISCOURAGING SIGNS ON THE ISSUE, WHEN HE HAD BEEN IN BAGHDAD LAST WEEK FOR SUMMIT DISCUSSIONS. BANDAR SAID THAT THE SAUDI GOVERNMENT WOULD CONTINUE TO WORK FOR THE RELEASE OF THE BRITISH PRISONERS, AND HE THOUGHT THAT HE MIGHT HAVE SOME NEW INFORMATION ON THE SUBJECT IN A FEW DAYS. BUT THIS WAS NOT/NOT A REASON TO DELAY MR WALKER'S RETURN FURTHER.

4. I SAID THAT THERE MUST BE NO QUESTION OF LINKAGE WITH THE BRITISH PRISONERS. BUT I HOPED THAT THE IRAQIS WOULD SEE THE RETURN OF OUR AMBASSADOR AS INDICATIVE OF THE SERIOUSNESS OF OUR DESIRE FOR A CONSTRUCTIVE DIALOGUE. BANDAR SAID THAT THE SAUDIS WOULD BE MAKING PRECISELY THIS POINT FIRMLY WITH THE IRAQIS.

ACLAND

NO DISTRIBUTION.

HA/MED

AS

AS/M. Walgrave.

PS/AUS

Mr. Tomkys

Mr. Gore - Booth.



C.P.C.  
WFCS/90/101SECRETARY OF STATE FOR TRADE AND INDUSTRYIraq: Trade Promotion  
- IraqC.P.C.  
14/5

1. Thank you for your letter of 25 April about our policy on trade missions to Iraq.
2. I agree that, despite our continuing problems with Iraq, we want to ensure a strong British presence at the Baghdad Fair this November.
3. Our approach should, none the less, be circumspect. There have been a number of recent indications that the Iraqis intend to take some limited measures against British companies in "retaliation" for recent events. The Ministry of Industry and Military Manufacturing has said that new contracts for UK companies will not be possible in the present circumstances. This week's talks between ECGD and a delegation of Iraqi officials may give us further indications of Iraqi intentions.
4. Despite these uncertainties, I am content that a routine invitation from the DTI to potential British exhibitors at the Baghdad Fair should now issue. But our relations with Iraq are likely to continue to cause us difficulties. It would therefore be prudent to take no final decisions about British participation, and to avoid

/committing



committing substantial funds to a British presence, while our future trade relations with Iraq remain uncertain. We understand from your officials that the DTI will not incur any significant expenses in connection with the Fair until 8 July. That should give us ample opportunity to review the question of British participation if we are forced to by damaging Iraqi trade measures.

5. I am copying this minute to the Prime Minister and to Sir Robin Butler.

A handwritten signature in dark ink, appearing to be 'DH', is located in the lower right quadrant of the page.

(DOUGLAS HURD)

Foreign and Commonwealth Office

11 May 1990



IRAQ: Anglo Iraqi War

pr2



21  
Rte

SECRET



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

3 May 1990

*Dear Ben,*

I have seen a copy of your letter of 2 May to Stephen Wall about William Cook plc. I think the Prime Minister would be content for your Secretary of State to announce his decision by the end of the week, provided others are similarly content.

I am copying this letter to Stephen Wall (Foreign and Commonwealth Office), John Gieve (HM Treasury), Simon Webb (Ministry of Defence), Sonia Phippard (Cabinet Office) and Jane Andrews (HM Customs and Excise).

(C. D. POWELL)

Ben Slocock, Esq.,  
Department of Trade and Industry.

SECRET



RESTRICTED

FM BAGHDAD

TO IMMEDIATE FCO

TELNO 354

OF 030900Z MAY 90

INFO IMMEDIATE ANKARA, DTI OTTER, MODUK, ECGD, MIDDLE EAST POSTS

SIC Z8G/U2H

MYTELNO 341 : IRAQI ATTITUDE TO TRADE WITH BRITAIN

## SUMMARY

1. UNDER SECRETARY AT MINISTRY OF INDUSTRY AND MILITARY MANUFACTURING SUMMONS BRITISH BUSINESSMEN AND EXPLAINS HIS MINISTRY'S PRESENT ATTITUDE.

## DETAIL

2. IN THE EVENT, ADNAN ABDUL MAJID AL ANI, AND UNDER SECRETARY AT THE MINISTRY OF INDUSTRY AND MILITARY MANUFACTURING, SPEAKING THROUGH AND INTERPRETER, ADDRESSED HEADS OF BRITISH COMPANIES RESIDENT IN IRAQ IN THE MINISTRY BUILDING THIS MORNING ON BEHALF OF HIS MINISTER. HE BEGAN WITH A REHEARSAL OF IRAQ'S WELL KNOWN POSITION ON THE CAPACITORS, INSISTING THEY WERE FOR CO2 LASER RESEARCH PURPOSES. HE SAID THAT IT WAS NOT IRAQ'S RESPONSIBILITY TO OBTAIN EXPORT LICENCES. THAT WAS THE DUTY OF THE COMPANIES CONCERNED IN THE UNITED KINGDOM AND IN THE UNITED STATES. PHOTOCOPIES OF DOCUMENTS RELATING TO THE SUBJECT WOULD BE DISTRIBUTED TO THE BUSINESSMEN SHORTLY.

3. AL ANI SAID THAT THE ANTI-IRAQI CAMPAIGN BEING PURSUED BY THE UNITED KINGDOM NOW INCLUDED THE ISSUE OF THE PIPES. HE QUOTED PHILIP WRIGHT OF FORGEMASTERS AS SAYING THAT THE PIPES COULD NOT BE USED FOR A GUN BARREL AND THAT QUOTE IRAQ HAD ASKED FOR A CANNON BUT THE COMPANY HAD REFUSED ON THE ADVICE OF THE BRITISH GOVERNMENT UNQUOTE. AL ANI SAID THAT IRAQ HAD THEREUPON CLOSED THE SUBJECT.

4. HE SAID THE CAMPAIGN WAS STILL ON AND 'THERE WAS A NEW STORY EVERY DAY'. HE COULD NOT SPEAK FOR OTHER IRAQI MINISTRIES, BUT HIS OWN MINISTRY HAD TO TAKE A CAUTIOUS ATTITUDE TOWARDS THE UNITED KINGDOM ALTHOUGH ALL THEY WANTED WAS COOPERATION AND



MUTUAL TRUST. ACCORDING TO DAVID SMITH OF NEI PARSONS, WHO GAVE US HIS ACCOUNT OF THE MEETING, AL ANI WENT ON TO SAY QUOTE WE HAVE THE RIGHT TO TAKE THE DECISION TO STOP COMMERCIAL DEALS WITH UNITED KINGDOM COMPANIES UNTIL MATTERS RETURN TO NORMAL. WE WILL NOT HAVE CONTRACTS AND THEN HAVE THEM STOPPED. MANY CONTRACTS ARE UNDER NEGOTIATION. WE CANNOT SAY WHETHER THEY WILL BE STOPPED. THEY WILL BE CONSIDERED ON A CASE BY CASE BASIS BUT DO NOT EXPECT TO GET NEW CONTRACTS UNTIL THE CLOUDS DISPERSE UNQUOTE. HE THEN WENT ON TO CRITICISE HIS AUDIENCE FOR NOT HAVING SHOUTED LOUDLY ENOUGH, AS HE PUT IT, TO THE BRITISH GOVERNMENT AND QUOTE TOLD THE TRUTH ABOUT COMMERCIAL RELATIONS UNQUOTE.

5. ONE BUSINESSMAN ASSERTED THAT THE MANUFACTURERS' ASSOCIATION WERE TODAY MAKING THEIR CASE TO THE DTI IN LONDON. SMITH HIMSELF ASKED WHETHER THERE WOULD BE A PUBLIC STATEMENT BY THE MINISTRY OF INDUSTRY AND WAS TOLD THERE WOULD NOT BE. THE MINISTRY WAS HOWEVER SENDING A LETTER TO SOME 60 INTERNATIONAL COMPANIES. THE 600 GROUP WAS MENTIONED AS ONE OF THESE. WE IMAGINE THIS LETTER WILL TAKE MUCH THE SAME FORM AS THAT ADDRESSED BY HUSSEIN KAMEL TO MR RIDLEY.

#### COMMENT

6. THE THRUST OF THIS IS PRETTY MUCH THE SAME AS THE EXPLANATION GIVEN TO US BY THE MINISTRY OF TRADE (MY TELNO OTTER 35). IT SEEMS CLEAR THAT IT IS ONLY THE MINISTRY OF INDUSTRY AND MILITARY MANUFACTURING, PRESUMABLY REGARDING ITSELF AS THE INJURED PARTY, WHICH IS TAKING RETALIATORY ACTION AGAINST US. (ALTHOUGH THEY WOULD PROBABLY NOT DESCRIBE IT AS SUCH). WE HAVE HAD NO REPORTS OF OTHER MINISTRIES OR ORGANISATIONS ACTING OTHER THAN NORMALLY. WE MAY EXPECT, HOWEVER, THE COMPANIES AND ORGANISATIONS UNDER THE MINISTRY OF INDUSTRY AND MILITARY MANUFACTURING WILL INTERPRET THE NEW CODE IN WIDELY DIFFERING WAYS, EITHER BECAUSE OF THEIR UNDERSTANDING OF WHAT IS MEANT OR BECAUSE OF THE EXTENT TO WHICH THEY NEED PARTICULAR BRITISH GOODS AND SERVICES AND CANNOT OBTAIN THEM ELSEWHERE.

7. FROM WHAT WE KNOW OF THE AGENDA FOR NEXT WEEK'S MEETING BETWEEN ECGD AND AN IRAQI TEAM ON THE ALLOCATION OF NEW PROTOCOL MONEY, IT DOES NOT LOOK AS THOUGH ANY NEW REPEAT NEW CONTRACTS IN THE GIFT OF THE MIMM ARE DOWN FOR DISCUSSION. IN VIEW OF THAT AND GIVEN HUSSEIN KAMEL'S REPORTED COMMENT TO THE IRAQI MINISTER OF TRADE THAT THE DEPARTURE OF THE DELEGATION WAS



RESTRICTED

057410  
MDHIAN 9044

AN EXPRESSION OF HIS WISH FOR IRAQI COOPERATION TO CONTINUE,  
I HOPE THAT THE TALKS WILL TAKE PLACE AS PLANNED.

8. IN THE LIGHT OF THE ABOVE, THE PRESS LINE CONTAINED IN  
YOUR TELNO 236 PRESUMABLY NO LONGER APPLIES. GRATEFUL TO KNOW  
WHAT LINE YOU NOW PROPOSE. I HOPE IN ANY CASE THAT WE CAN  
AVOID USING LANGUAGE THAT WILL PROVOKE THE IRAQIS INTO  
TAKING WIDER OR MORE FORMAL MEASURES AGAINST BRITISH COMPANIES.  
WE WILL OF COURSE REPORT FURTHER ANY INDICATIONS OF HOW MIMM'S  
GUIDANCE IS WORKING OUT IN PRACTICE.

KEALY

YYYY

DISTRIBUTION 126

MAIN 113

IRAQI PROCUREMENT  
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MR BROOMFIELD  
MR TOMKYS  
MR GORE-BOOTH  
MR GOULDEN  
MR SLATER  
MR GREENSTOCK

ADDITIONAL 13

IRAQI PROCUREMENT

NNNN

PAGE 3  
RESTRICTED

Meeting Record  
subject CC MASTER

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116(a-b)

file

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

26 April 1990

Dear Hugh,

UK-IRAQ: PRINCE BANDAR

Prince Bandar came to see the Prime Minister at his own request this evening, but asked for a meeting with me first. He appears to have flown in from Washington just for the occasion, and is returning there tomorrow, before going to Saudi Arabia on Monday 30 April, and thereafter to Iraq.

In his talk with me, Prince Bandar said that the King had asked him to come and establish very precisely the parameters within which he should conduct any discussions with the Iraqis. There was no question of trying to negotiate any deals (but see below). The King wanted to try and help bring about a return to normality in relations between Britain and Iraq and believed that Saudi Arabia could play a positive part. He needed to have a clear idea of when we intended to return our Ambassador to Baghdad: how we saw the additional problem of the super-gun affecting matters: how the Saudis should respond if the Iraqis were looking for some sort of gesture from us. On this last point, President Saddam Hussain had in the past mentioned the Iraqi who was in prison in the United Kingdom for the murder of a former Iraqi Prime Minister. Was he reaching the end of his sentence? Was there any possibility that something could be said about his prospects of release, without any concession of substance?

I said there was absolutely nothing to be done on this last point and I strongly counselled him not to raise it with the Prime Minister. The Iraqi in question had committed cold blooded murder in full daylight. He had been given a deservedly long sentence and we were simply not able to bargain about his release. Turning to the other matters, I said that we had been more than a little sceptical of the Iraqi account of their attempts to obtain nuclear capacitors: and we were very sure of our ground on the super-gun affair. At the same time we had been deliberately low key in our response, and trade was still continuing normally. There was no question of an anti-Iraqi campaign. All things being equal, we would probably want to return our Ambassador to Baghdad within the next two or three

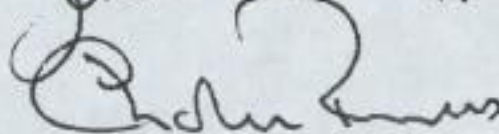
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weeks. That should leave Prince Bandar sufficient time to see if the Iraqis could be persuaded to release one or other of the British prisoners.

The Prime Minister joined the meeting at this point and we went over much the same ground. Prince Bandar said that he wished to be sure that he comprehended our position on Iraq. I had given him a general outline. The Prime Minister confirmed that we wanted to send our Ambassador back fairly soon, by which she had in mind the next two or three weeks. We needed him there to look after the interests of the British community. Prince Bandar said it would be important to make the Ambassador's return look like a goodwill gesture. The Prime Minister said that it must be absolutely clear there was no linkage involved in any of these matters. We were not willing to conduct any sort of negotiation. Prince Bandar said that he understood this point very clearly. He would be going to Iraq next week and would be in touch with us thereafter. The Prime Minister said that we had no wish to see matters escalate with Iraq and were acting in a deliberately restrained manner. Prince Bandar should underline this to President Saddam Hussain.

Prince Bandar seemed satisfied with this, and spent the rest of his time treating us to his views on world affairs and reminiscences about Cranwell.

*your friend,*  


Charles Powell

Stephen Wall Esq  
Foreign and Commonwealth Office





Foreign and Commonwealth Office

London SW1A 2AH

SECRET

26 April 1990

*Alan Charles,*

*CDD 26/4*

*OSFC  
IS(a-e)*

UK/Iraq: Prince Bandar

You asked for an up-date on relations with Iraq in advance of Prince Bandar's call this afternoon.

Following your letter of 19 April we instructed Sir Antony Acland to contact Prince Bandar to give him advance notice of Mr Walker's return to Baghdad. I enclose a copy of FCO telno 684 to Washington. Our aim is to give the Saudis a chance to use Mr Walker's return to try to secure Mr Richter's release, but without encouraging them to become involved in a negotiation which might well fail and unnecessarily delay the Ambassador. Sir Antony Acland has spoken to Prince Bandar, who said that he fully understood the constraints under which we were operating but that he would do his best. We hope the Prince will have something substantive to report this afternoon.

In the unlikely event that Prince Bandar is on the verge of a breakthrough, the time for Mr Walker's return (envisaged in FCO telno 684 to Washington) is clearly not absolute. But we do not want the timing to slip simply in the hope that something will turn up.

Prince Bandar may have found the Iraqis in a belligerent and self-righteous mood. He may need to be reminded that responsibility for the latest deterioration in UK/Iraqi relations lies squarely in Baghdad. The nuclear capacitors and supergun incidents were both attempts by Iraq to circumvent British law. We had to act as we did. There is no "anti-Iraqi campaign" in the West, simply a series of justifiable responses to unacceptable Iraqi activities, mainly in the procurement field. Our bilateral response to the gun affair has been deliberately low-key and restrained. We have not protested (yet) to the Iraqi Government: the Iraqi Ambassador is still in place in London: we continue to resist pressure for eg trade sanctions. We have a shared interest with Saudi Arabia in trying to get our relations with Iraq on to an even keel and in restraining Iraqi rhetoric which could release dangerous forces in the Middle East. We remain most grateful to the Saudis for

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their efforts to help achieve this.

Mr Appleyard's minute of 25 April reported the latest domestic developments on the Iraqi gun. We are not aware that Prince Bandar is having any defence sales contacts during his visit.

*June,*  
*Stephen Wall*

(J S Wall)  
Private Secretary

C D Powell Esq  
10 Downing Street

SECRET

**SECRET** / *best*

SECRET

DIP

FM FCO

TO IMMEDIATE WASHINGTON

TELNO 684

OF 202208Z APRIL 90

INFO IMMEDIATE RIYADH, BAGHDAD

YOUR TELNO 879: UK/IRAQ: PRINCE BANDAR

1. MINISTERS HAVE AGREED THAT, DEPENDING IN PART ON DEVELOPMENTS OVER THE IRAQI GUN, HMA BAGHDAD SHOULD IN PRINCIPLE RETURN TO IRAQ IN ABOUT 2 WEEKS. THEY WISH TO GIVE PRINCE BANDAR A CHANCE TO SECURE THE RELEASE OF (OR COMMUTATION OF THE SENTENCES ON) RICHTER AND MRS PARISH, BUT WITHOUT ENCOURAGING THE SAUDIS TO BECOME INVOLVED IN A NEGOTIATION WHICH COULD BOTH DELAY MR WALKER'S RETURN AND PROVE ULTIMATELY FRUITLESS.

2. PLEASE SPEAK AGAIN TO PRINCE BANDAR AND MAKE THE FOLLOWING POINTS TO HIM:

(I) THE PRIME MINISTER AND I WERE GRATEFUL FOR THE REPORT OF YOUR DISCUSSION ON 14 APRIL. SAUDI INTEREST IN TRYING TO IMPROVE RELATIONS BETWEEN THE UK AND IRAQ IS VERY WELCOME.

(II) AS PRINCE BANDAR WILL HAVE SEEN, WE HAVE NOW ESTABLISHED BEYOND ANY DOUBT THAT THE CONSIGNMENT OF 8 TUBES, SEIZED BY CUSTOMS AND EXCISE IN TEESPORT LAST WEEK, WAS PART OF A VERY LARGE-CALIBRE LONG-RANGE GUN BEING DEVELOPED BY IRAQ. CUSTOMS ARE STILL INVESTIGATING HOW FAR THE COMPANIES CONCERNED WERE AWARE OF THE NATURE AND PURPOSE OF THE GOODS THEY WERE MANUFACTURING. THEIR ENQUIRIES ARE EXPECTED TO LAST SEVERAL WEEKS.

(III) HOWEVER, WE DO NOT WANT TO DELAY MR WALKER'S RETURN INDEFINITELY. HE HAS AN IMPORTANT JOB TO DO IN BAGHDAD, NOT LEAST IN GETTING ACROSS TO THE IRAQI AUTHORITIES THE SERIOUSNESS WITH WHICH WE VIEW THEIR PROCUREMENT ACTIVITIES IN THE UK AND THE DANGERS FOR EVERYBODY OF INCREASED TENSION IN THE MIDDLE EAST.

(IV) WE GREATLY APPRECIATE SAUDI WILLINGNESS TO CONTINUE THEIR EFFORTS TO TRY TO MAKE PROGRESS ON RICHTER AND MRS PARISH, AND TO USE THE PROJECTED RETURN OF OUR AMBASSADOR IN THIS CONTEXT. BUT GIVEN THE TWO-WEEK TIME-SCALE WE HAVE IN MIND FOR MR WALKER'S RETURN, WE HOPE THE SAUDIS WILL NOT THINK IT UNREASONABLE IF WE GIVE THEM UNTIL 1 MAY TO SEE WHAT THEY CAN ACHIEVE. PRINCE BANDAR SHOULD BEAR IN MIND THAT WE HAVE NOT GIVEN THE IRAQIS ANY INDICATION OF DATES.

(V) WE NOTE WHAT THE IRAQIS SAID TO PRINCE BANDAR ABOUT RICHTER'S RELEASE (PARA 4 OF TUR). WE DO NOT OF COURSE KNOW WHOM PRINCE BANDAR CONTACTED. BUT THE IRAQIS ARE ALREADY WELL AWARE OF THE IMPORTANCE OF RICHTER TO OUR BILATERAL RELATIONSHIP WHICH I STRESSED PERSONALLY TO TARIQ AZIZ WHEN I MET HIM IN PARIS IN DECEMBER. WE HOPE THAT PRINCE BANDAR WILL DEAL FIRMLY WITH ANY SUGGESTION (AS MADE BY THE IRAQIS ON MANY PREVIOUS OCCASIONS) THAT WE SHOULD IN RETURN RELEASE SALIM HASSAN, AT PRESENT SERVING A LIFE SENTENCE IN THE UK FOR MURDERING A FORMER IRAQI PRIME MINISTER IN LONDON IN 1978. (HIS EARLIEST LIKELY RELEASE DATE IS 1998, AND THERE IS NO QUESTION OF OUR BEING ABLE TO INTERFERE WITH THAT.)

(VI) WE HOPE THAT THE SAUDIS WILL SPEAK FOR BOTH RICHTER AND MRS PARISH. BUT WE RECOGNISE THAT IT MAY BE

**SECRET** / *best*

①

*EASIER* / *—*



**SECRET** (Secret) d

EASIER FOR THE IRAQIS TO RELEASE RICHTER (AND REDUCE  
MRS PARISH'S SENTENCE) IN VIEW OF THE FACT THAT HE HAS ALREADY  
SERVED THREE AND A HALF YEARS IN JAIL.

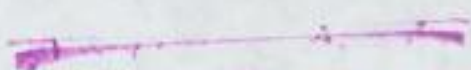
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NO DISTRIBUTION O  
HEAD/MED  
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MR GORE-BOOTH  
MR SLATER

**SECRET** (Secret)

(2)

IRAQ: Relations (1/2)





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e RAR

SECRET  
DEDIP  
FM WASHINGTON  
TO IMMEDIATE FCO  
TELNO 940  
OF 242326Z APRIL 90  
INFO IMMEDIATE RIYADH, BAGHDAD

PERSONAL FOR SLATER

YOUR TELNO 684: UK/IRAQ: PRINCE BANDAR

1. I HAVE SPOKEN TO PRINCE BANDAR AS INSTRUCTED IN TUR. BANDAR SAID THAT HE FULLY UNDERSTOOD THE CONSTRAINTS UNDER WHICH WE WERE OPERATING, AND THAT HE WOULD DO HIS BEST. THE 'ID IN 2 DAYS TIME WOULD PUT A LOT OF PEOPLE OUT OF ACTION, BUT HE WOULD GIVE IT A GO. HE THOUGHT OUR POSITION, INCLUDING THE POINTS ABOUT SALIM HASSAN AND MRS PARISH, VERY REASONABLE. THE IMPORTANT THING IN HIS VIEW WAS NOT TO LINK ANYTHING WITH ANYTHING, BUT TO MAKE SOMETHING HAPPEN. I SAID THAT WE WOULD BE VERY GRATEFUL IF HE COULD GIVE US AN INDICATION OF HOW THE POSSIBILITIES WERE LOOKING BY 1 MAY.

ACLAND

No Distribution

③ HD/MED  
PS  
AS/Mr Waldgrave  
AS/PUS  
Mr Tomkins  
Mr Gore-Booth  
Mr Slater

AS/WORO Downing St

SECRET /DEDIP

[Tel. received in MED lunchtime 26/4/90]

ccpc  
**dti**

the department for Enterprise

CONFIDENTIAL

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

Rt Hon Douglas Hurd CBE MP  
Secretary of State for  
Foreign and Commonwealth Office  
Downing Street  
LONDON  
SW1

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

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Fax 01-222 2629

Direct line 01 215 5622  
Our ref JW2AQL  
Your ref  
Date 25 April 1990

*CM*  
*2176*

*Dear Douglas*

IRAQ: TRADE PROMOTION

*file into AF*

Thank you for your minute of 4 April.

We have told BEAMA that our proposed support for their mission in May has been withdrawn. The public reason given is the insufficient number of members taking part although BEAMA will understand the real background.

I agree we want a strong British presence at Baghdad Fair in November but we shall not achieve it if our offer letter to prospective exhibitors is indefinitely delayed and if it fails to indicate the level of support available. We shall have to announce cancellation of DTI support for the event if the offer letter does not go out by 14 May. It is essential that the letter sets out the terms of the support offered. Participation involves costs for exhibitors who must know what support they will get from DTI. Companies who have taken part in fewer than three events in Iraq get 50% of estimated direct costs plus a travel grant for two representatives. Other companies are offered space in the British Pavilion on a full cost basis.

The offer letter is a routine communication sent to previous exhibitors, selected trade associations and bodies representing British exporters to Iraq. I would not expect it to attract criticism but if it does it will have to be answered in the same admirably robust terms as William Waldegrave used in replying to David Winnick's Easter Adjournment Debate on 5 April. Although since you wrote we have had the further episode of the gun this largely concerns





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our domestic export licensing procedures and I hope you will agree that it should not affect the way we approach trade promotion with Iraq. I therefore hope you can agree to the offer letter's issue by 14 May at the latest. If circumstances allow it to go sooner this would be helpful.

I am copying this minute to the Prime Minister and to Sir Robin Butler.

*Johnson*

*Nielsen*



Recycled Paper

ILAQ : Anglo - Iraqi Relations Pt 2





MEETING RECORD

SUBJECT MATTER

SECRET



10 DOWNING STREET  
LONDON SW1A 2AA

4  
fue at

(A: 1 Foreign /  
Iraq. des)

bc: pc

*From the Private Secretary*

19 April 1990

IRAQ

The Prime Minister and the Foreign Secretary had a brief exchange this morning about Iraq. It was agreed that it would not be appropriate for our Ambassador to return to Baghdad for the time being, indeed for at least two weeks (depending in part on developments over the gun). But we should give Prince Bandar advance notice of his return, so that he could try to obtain the release of at least one of the two British prisoners in Iraq. In practical terms, we were more likely to secure the release of Ian Richter than Daphne Paris at this stage, and should concentrate on that.

C. D. POWELL

Stephen Wall, Esq.  
Foreign and Commonwealth Office

SECRET



3

Mr. Powell ✓  
(Copies passed other recipients).

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TO IMMEDIATE FCO  
TELNO 879  
OF 150210Z APRIL 90  
INFO IMMEDIATE BAGHDAD, RIYADH

FCO ADVANCE POWELL NO 10  
FCO PERSONAL FOR PRIVATE SECRETARY, PS/PUS AND SLATER  
BAGHDAD PERSONAL FOR KEALY  
RIYADH PERSONAL FOR AMBASSADOR

UK/IRAQ: CONTACTS WITH PRINCE BANDAR

SUMMARY

1. I TOLD BANDAR THAT WE CONTINUED TO KEEP KING FAHD'S OFFER TO HELP IMPROVE OUR RELATIONS WITH IRAQ VERY MUCH IN MIND, BUT WE NEEDED TO SORT OUT THE NEW COMPLICATION OF THE SUSPECTED GUN BARREL BEFORE WE COULD DETERMINE THE WAY AHEAD ON OUR RELATIONS. BANDAR SAID THAT HE UNDERSTOOD, BUT HE URGED US NOT TO RETURN OUR AMBASSADOR WITHOUT GIVING HIM SUFFICIENT ADVANCE WARNING TO ENABLE HIM TO WORK ON THE IRAQIS FOR A MATCHING MOVE. THE INITIAL IRAQI REACTION TO HIS PROPOSAL THAT THEY RELEASE RICHTER - BEFORE THE SEIZURE OF THE GUN BARREL - HAD BEEN ENCOURAGING.

DETAIL

2. AS INSTRUCTED BY THE PRIME MINISTER IN BERMUDA, I TELEPHONED TO PRINCE BANDAR

ON MY RETURN TO WASHINGTON ON 14 APRIL, I CONVEYED HER VERY BEST WISHES AND WARM APPRECIATION FOR BANDAR'S MESSAGES ON BEHALF OF KING FAHD. THE PRIME MINISTER HAD BEEN CONSIDERING THEM CAREFULLY, IN PARTICULAR THE KIND OFFER TO HELP BRING ABOUT AN IMPROVEMENT IN BRITAIN'S RELATIONS WITH IRAQ. BUT NOW A FURTHER COMPLICATION HAD ARISEN FOLLOWING THE SEIZURE OF WHAT WERE SUSPECTED TO BE SECTIONS OF AN ENORMOUS GUN BARREL. THESE WERE NOW BEING RIGOROUSLY EVALUATED. IF IT BECAME CLEAR THAT THEY WERE INDEED PARTS OF A GUN, THEN THEY WOULD BE SUBJECT TO AN EXPORT LICENSE AND THE BRITISH COMPANY CONCERNED SUBJECT TO PROSECUTION. NO IRAQIS WERE INVOLVED, BUT DELIVERY WOULD PROBABLY BE STOPPED. IF HOWEVER, THE OBJECTS TURNED OUT TO BE SEGMENTS OF PIPELINE, THEN THAT WOULD BE THE END OF THE MATTER AND THE SHIPMENT WOULD BE ALLOWED TO PROCEED. IN THAT CASE, WE HOPED THAT THE IRAQI GOVERNMENT WOULD UNDERSTAND WHY WE HAD TO MAINTAIN A RIGOROUS EXPORT LICENSE REGIME. MEANWHILE, THE PRIME MINISTER'S MESSAGE TO BANDAR AND KING FAHD WAS THAT WE WERE KEEPING THEIR KIND OFFER VERY MUCH IN MIND, AND WOULD BE IN TOUCH AS SOON AS THE NATURE OF THE OBJECTS WAS DETERMINED AND WE COULD SEE OUR WAY FORWARD ON OUR RELATIONS WITH IRAQ.

3. BANDAR SAID THAT HE WAS GRATEFUL FOR THIS MESSAGE, BUT HE UNDERSTOOD THAT 38 SECTIONS HAD ALREADY BEEN SANCTIONED BY THE BRITISH AUTHORITIES AND SHIPPED. I SAID THAT WE TOO WERE LOOKING INTO THIS, AND INTO WHY THIS SHIPMENT WAS THOUGHT TO BE DIFFERENT. THE LAST THING THAT WE WANTED WAS TO MAKE OUR RELATIONS WITH IRAQ ANY MORE DIFFICULT WITHOUT GOOD CAUSE.

4. BANDAR SAID THAT HE QUITE ACCEPTED THIS. IMMEDIATELY ON HIS RETURN TO WASHINGTON, HE HAD STARTED TO WORK FOR THE RELEASE OF RICHTER. THE INITIAL IRAQI REACTION HAD BEEN POSITIVE. THEY HAD SAID THAT IF BANDAR THOUGHT THAT RICHTER'S RELEASE WOULD HELP RELATIONS WITH BRITAIN, THEY WOULD SEE WHAT THEY COULD DO. THEN THE GUNBARREL COMPLICATION HAD INTERVENED. BANDAR URGED US NOT TO TAKE ANY ACTION WITH THE IRAQIS BEFORE GIVING HIM A CHANCE TO GET THE BRITISH PRISONERS OUT. HE REPEATED THAT WE SHOULD NOT SEND BACK OUR AMBASSADOR WITHOUT TRYING TO EXTRACT A CONCESSION FROM THE IRAQIS. HE HOPED THAT WE WOULD GIVE HIM SUFFICIENT ADVANCE WARNING OF ANY DECISION TO RETURN MR WALKER TO ENABLE HIM TO WORK ON THE IRAQIS.

5. I SAID THAT WE WERE MOST GRATEFUL. I DID NOT THINK THAT WE WOULD BE ABLE TO DELAY TOO LONG OVER MR WALKER'S RETURN - SUBJECT TO THE FINDINGS ON THE GUN BARREL - BUT THAT WE WOULD GIVE HIM AS MUCH ADVANCE WARNING AS WE COULD.

ACLAND

YYYY

ORWBAN 5377

NNNN





FCS/90/082

SECRETARY OF STATE FOR TRADE AND INDUSTRYIraq: Trade Promotion

1. Thank you for your letter of 2 April about our policy on trade missions to Iraq following the execution of Farzad Bazoft.
2. I agree that we have a considerable commercial presence to protect in Iraq. We specifically excluded measures against trade or the withdrawal of credit when we discussed in Cabinet how we should react to Bazoft's execution. That policy must still be right, even with the further difficulty in our relations with Iraq created by last week's successful Customs operation.
3. We cannot, however, ignore the political aspects. The limited measures I announced on 15 March were intended to show both to Iraq and to opinion at home the seriousness with which we regard the Bazoft affair. Those measures remain in place. I do not believe that we can immediately return to 'business as usual'. Opinion here has been deeply shocked by Iraq's behaviour and there will have to be a decent interval before we can begin to improve relations again.
4. For these reasons I think it would be wrong for us to show too quickly that we are ready to reinstate normal Government support to all aspects of our trade with Iraq. I am therefore against announcing now that we are allowing the BEAMA Mission to go ahead in May with Government support. This will be the first trade mission to visit Iraq since Bazoft's execution. It will attract particular attention. Our support for the mission would become public on 5 April, while our Ambassador is still in the UK and less than three weeks after the execution and two days after

/Saddam



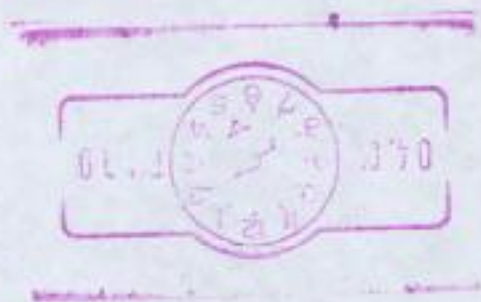
Saddam Hussein's threat to use CW against Israel. I hope that you will be able to agree that BEAMA should be told that we will not be able to subsidise its visit to Iraq, although we would not object if the mission wished to go ahead without financial support. I understand that the Committee for Middle East Trade showed considerable understanding for this point of view at its last meeting on 20 March.

5. For similar presentational reasons I think it important that we should not at this stage announce HMG's support for the British pavilion at the Baghdad Fair in November. I favour a strong British presence at the Fair but I hope we can delay a public commitment of financial support until after the BEAMA mission. The DTI letter to prospective exhibitors might make clear that we have yet to decide on the level of HMG's subsidy.

6. I am sending a copy of this minute to the **Prime Minister** and to Sir Robin Butler.

(Douglas Hurd)





IRAQ  
RIS  
July 79



J B Unwin CB  
Chairman

Board Room  
H M Customs and Excise  
New King's Beam House  
22 Upper Ground  
London SE1 9PJ  
Telephone: 01-865 5001

R 3/4.

*ms* (2)

The Rt. Hon. Margaret Thatcher MP  
Prime Minister  
10 Downing Street  
London SW1A 2AA

3 April 1990

NIT GWT  
CF

*Prime Minister*  
*CB 4/4*

*Your Prime Minister.*

Thank you so much for your letter of 2 April about the Iraq operation. It was kind of you to acknowledge it in this way and I have conveyed your congratulations to all those concerned in the Investigation Division and the rest of the Department. They are rightly proud of what was an outstanding achievement and your message will be very well received.

*Yours sincerely*  
*J B Unwin*

J B UNWIN



ICAG

Anglo Iraqi Club

July 79

dti

the department for Enterprise

CONFIDENTIAL

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

Rt Hon Douglas Hurd CBE MP  
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Direct line 01 215 5622  
Our ref PB5ABV  
Your ref  
Date 2 April 1990

*Await FCO reply  
on*

*See Secretary of State*

**IRAQ: TRADE PROMOTION**

Cabinet decided on 15 March not to impose trade or credit sanctions on Iraq in retaliation for Bazoft's execution because they would be ineffective in influencing the attitude of the Iraqi Government and would inflict disproportionate damage on UK industry. You confirmed this position in your Commons statement of the same day, correctly pointing out that unilateral economic measures would have serious adverse consequences. Cabinet's decision is, I would say, further justified by Arab League members' indications of solidarity with Iraq on the Bazoft affair; and I do not believe that the recent arrests of Iraqi nationals for export control offences alters the position.

In the light of this we need to take early decisions on the planned programme of officially supported trade events for this important market, of which the Iraqis are aware. I understand your concern to avoid fresh controversy on the subject. A Birmingham Chamber mission was regrettably overtaken by the crisis but I am anxious to avoid further interruption of the planned promotional programme.

A small BEAMA trade mission is due to visit Iraq 4-11 May. I understand that our Embassy in Baghdad is satisfied that the mission members would not be at risk and should be able to conduct business normally. A final decision on DTI support (travel grant of £295 per head) is needed by 5 April. The mission is unlikely to go if support is denied but some members might visit Iraq independently and others might seek to join later missions.



Recycled Paper





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Baghdad International Fair is the major trade event in the market, traditionally well supported by UK exporters. DTI need to issue a letter of invitation to prospective exhibitors within the next two weeks to be in a position to notify the Fair authorities of the space required for the UK pavilion by the due date.

The Iraqis do not appear to have reacted to cancellation of the Birmingham mission. I do not see any real justification for withdrawal of support from future promotional events. Continued support for trade missions and exhibitions would be consistent with the Cabinet decision and your two Commons statements. In my view we should therefore confirm support for the BEAMA mission and issue the letter inviting UK industry to participate in the Fair as planned. We should also agree that the remaining missions in the programme should go ahead. If it were necessary to cancel the BEAMA mission, this should be explained publicly as due to too few members to justify support on standard terms.

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

*Yours sincerely  
Ge. Streat.*

(Approved by the Secretary of State  
and signed in his absence)





MJ

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

2 April 1990

Dear Mr. Unwin,

May I ask you to pass on my warm congratulations to all those engaged in the operation to prevent the illegal export to Iraq of components for a nuclear weapon. It must have required the highest professional standards, as well as great patience and skill, and the whole nation has reason to be grateful to those concerned.

Yours sincerely

Margaret Thatcher

---

J.B. Unwin, Esq., CB.

EU



PART 1 ends:-

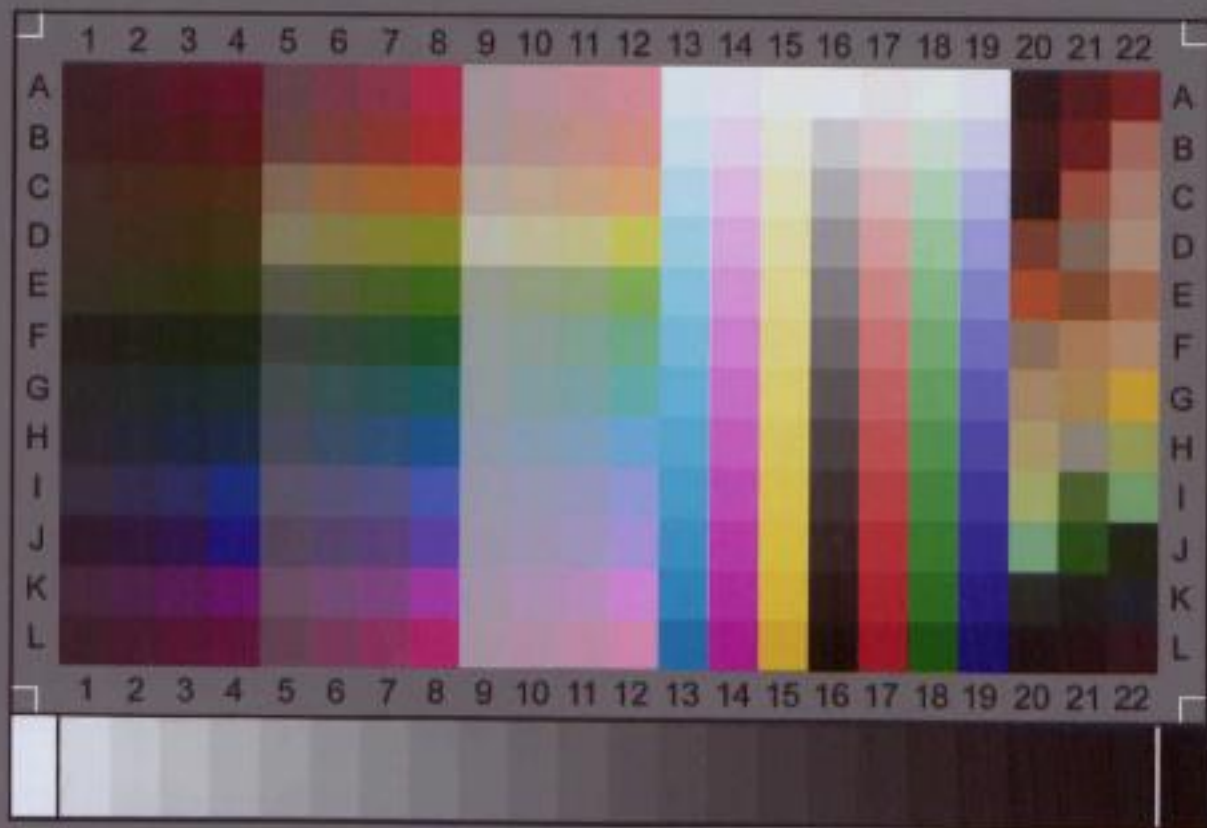
BT to AT 29.3.90

~~CDPTO FCS to SS/DTI 4.4.90~~

PART 2 begins:-

PMU to Uman 2.1.90

~~Uman to PMU 3.1.90~~



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