

15/11

Confidential Filing

Visit by the PM of Bahrain, Sheikh Khalifa.

BAHRAIN

S  
3007

May 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<b>See Relations / Internal sit</b>							
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PREM 19 / 3613

**CLOSED**





10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

20 August 1992

*Dear Richard,*

**PROPOSAL FOR A VISIT BY THE AMIR OF BAHRAIN: 1993**

Thank you for your letter of 19 August about a possible visit to Britain by the Amir of Bahrain in 1993.

When the Prime Minister spoke to the Amir of Bahrain this morning he said that he very much hoped that the Amir would be able to come to London. We would greatly look forward to receiving him here.

The way is therefore clear for our Ambassador, on his return to Bahrain, to take soundings as suggested in your letter. Indeed, and in the light of our wish to get the Bahrainis on board for basing, I suggest that our Chargé should straight away follow up the conversation with the Amir. He could say that when the Prime Minister spoke to the Amir about a possible visit to London, he had in mind that the Amir might come here when he visits Ireland next year. We look forward to making detailed arrangements.

I am copying this letter to Simon Webb (Ministry of Defence).

*J. S. Wall*  
*J. S. Wall*  
(J. S. WALL)

Richard Gozney, Esq.,  
Foreign and Commonwealth Office.

aa





Foreign &  
Commonwealth  
Office

19 August 1992

London SW1A 2AH

*Jean Stepher*

Proposal for a Visit by the Amir of Bahrain: 1993

Except for a brief transit stop en route to the US in 1990 the Amir of Bahrain, Shaikh Isa bin Sulman Al-Khalifa, has not visited the UK since his 1984 State Visit. His plans for an official visit to Ireland some time in 1993 provide an opportunity to invite him to stop off in London.

The Amir is a close friend of Britain, and Bahrain has been a staunch supporter of UN resolutions on the Iraq/Kuwait crisis. It provided extensive facilities and support for allied forces in the Gulf during the crisis. The Foreign Secretary believes that an invitation to the Amir to make a short private visit would be useful, especially as we hope to position UK aircraft in Bahrain as a contingency plan for further action against Iraq.

The Foreign Secretary hopes that the Prime Minister might be able to offer the Amir a working lunch, and that he might also call on Her Majesty The Queen.

If the Prime Minister can agree in principle, subject to the timing of the Amir's visit to Ireland, our Ambassador would be instructed to take preliminary soundings on his return to Bahrain in September.

*I am copying this letter to Simon Webb (MOD)*

*1/mr see, R. Chand.*

(R H T Gozney)  
Private Secretary

J S Wall Esq  
10 Downing Street





10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

7 November 1991

*Handwritten notes:*  
Wahid  
(meeting fixed for 1130 on 16/12)  
SP  
S 8/11

*Dear Christopher,*

PRIME MINISTER OF BAHRAIN

Sheikh Khalifa of Bahrain is planning to be in London in December and the Prime Minister has agreed to see him on Monday 16 December. I should be grateful if you could let me have a brief. Could it please reach me by noon on Friday 13 December?

Sheikh Khalifa's visit appears to be a private one. By all means tell our Ambassador that he is coming to London but we shall probably need to hear of the visit from the Bahrainians before we say anything to them about it.

*Jans,*

*Stephe*  
J. S. WALL

Christopher Prentice, Esq.,  
Foreign and Commonwealth Office.



PRIME MINISTER

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*Pax to pm*  
SHEIKH KHALIFA

When you had dinner with Hector Laing he suggested that it would be helpful to the Party for you to see Sheikh Khalifa, the Prime Minister of Bahrain (the No. 2 in their government). I have asked Mr. Patten to confirm this and he would like you to see him. As a valuable ally in the Gulf there is also a policy justification.

Sheikh Khalifa was going to be in London in the third week of November but will now be in Kuwait for the ceremonial extinction of the final fire. He would now like to come in the first two weeks of December. You will want to be devoting your energies to Maastricht. We could find a slot on Monday 16 December.

Content?

*AT*

ANDREW TURNBULL

6 November 1991

c:\pps\khalifa (slh)





*Bahrain*

Foreign and Commonwealth Office

London SW1A 2AH

*Encl in box, M*

24 September 1980

*MAR*

*Dear Michael,*

VISIT OF THE PRIME MINISTER OF BAHRAIN

I enclose a letter from Shaikh Khalifa bin Sulman al Khalifa to Mrs Thatcher, expressing his gratitude for the warm reception he was given when visiting this country recently.

*Yours ever,*

*Myles*

M A Wickstead  
Assistant Private Secretary  
to the Lord Privy Seal

M O'D B Alexander Esq  
10 Downing Street

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PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 182/80

182/80  
2

19th September, 1980.

Dear Prime Minister,

kg  
Muf

MTJ

Upon my departure from the United Kingdom, it gives me great pleasure to extend to you, Prime Minister, to the Privy Council, to the Cabinet, and to all officials of Her Majesty's Government, my cordial thanks and sincere gratitude for the true hospitality we found in your country, and for the good will that made our visit and our exchange of views so fruitful. I look forward to meeting you next time in our country, hopefully in the nearest future.

On behalf of myself and all members of the delegation accompanying me I would like to wish you and Mr. Thatcher good health, great happiness and success in all your endeavours.

*Khalifa bin Salman Al Khalifa*

Khalifa bin Salman Al Khalifa,  
Prime Minister of the State of Bahrain.

The Rt. Hon. Margaret Thatcher, P.C., M.P.,  
The Prime Minister,  
10 Downing Street,  
London S.W.1.

**CONFIDENTIAL**

cc D/T

HS

*Bahrain*

18 September 1980

Call by the Prime Minister of Bahrain

I enclose a record of the plenary discussion between the Prime Minister and the Prime Minister of Bahrain which took place on Tuesday 16 September.

I am sending a copy of this letter and its enclosure to Stuart Hampson (Department of Trade).

MICHAEL ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

**CONFIDENTIAL**

*DSG*



**CONFIDENTIAL**

RECORD OF CONVERSATION BETWEEN THE [REDACTED] PRIME MINISTER AND THE  
PRIME MINISTER OF BAHRAIN: TUESDAY, 16 SEPTEMBER, 1980

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Present:

Prime Minister	H.E. Shaikh Khalifa bin Salman al Khalifa, Prime Minister
Rt. Hon. John Nott	
Hon. Douglas Hurd	H.E. Shaikh Muhammad bin Mubarak al Khalifa, Foreign Minister
Sir John Graham	H.E. Mr. Tariq al Moayyed, Minister of Information
Mr. H.B. Walker	
Mr. M.O'D.B. Alexander	H.E. Mr. Habib Ahmad Qasim, Minister of Commerce
Mr. H.D.A.C. Miers	H.E. Mr. Ali Ebrahim al-Mahroos, Bahraini Ambassador to London

Mrs. Thatcher, after welcoming the Bahraini Prime Minister and his party, said that it was necessary to use the friendship between Bahrain and Britain for the greater stability of the Gulf - and the greater stability of the whole Western world. There was a need to increase that friendship, to increase trade links and to keep in touch through personal contact. The Gulf was at present a focus of world affairs. Shaikh Khalifa said that the Ruler of Bahrain had asked him to convey special greetings to Mrs. Thatcher and to affirm his interest in strong political and economic relations between Bahrain and Britain. Bahrain had more confidence in Britain since Mrs. Thatcher's assumption of office. The two countries needed each other more than ever in the present period of rapid change. Bahrain needed technology: Britain was able to supply it. Bahrain was very happy with the good results of Lord Carrington's visit to Saudi Arabia. Bahrain also admired Britain's solution of the Rhodesian problem: an important contribution to stability. The present close and frank relations between the two countries must continue in future. British views on the Palestinian problem as expressed at the UN, and also on Jerusalem were welcome to Bahrain.

/ Mrs. Thatcher**CONFIDENTIAL**



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- 2 -

Mrs. Thatcher asked for Bahraini views on this and on Iran. There was a need to clothe the ideas in the Venice Declaration with reality. The ideas on Palestinian self-determination were still very vague. There was a need for more precision and more speed.

Shaikh Khalifa said that stability in Iran was important for Bahrain. It was not Bahrain's concern what regime the Iranians chose for themselves; but attempts at expansion were dangerous. So was the export of instability. Bahrain was worried about current relations between Iran and Iraq. Iran should concentrate on sorting out its internal problems. Mrs. Thatcher said that much of the language coming out of Iran was very similar to the language to be expected from the Tudeh Party. How much influence did the Tudeh have? If only the hostages could be released, the UK would like to develop closer relations with Iran. Shaikh Khalifa said that the Tudeh was not the only danger. There were many other parties, some of them more extreme than Tudeh. The situation in Iran was a shambles, politically and economically. Mrs. Thatcher said that the break-up of Iran into its constituent parts was an alarming possibility. Shaikh Khalifa said that stability was needed in all the states of the region, not just Iran. Saudi Arabia, Kuwait and Iraq were all important for the West. The Americans should look with greater interest at their relationships with all the Gulf States, and especially Saudi Arabia, and not concentrate their attention solely on Iran. Mrs. Thatcher said that Britain shared this view. We recognised the threat from the East. We were doing our best with Saudi Arabia. We had a problem with the media. She wished to emphasise that the view of the media was not necessarily the view of HMG. We were grateful for the help we had received from friends over our difficulty with Saudi Arabia. Shaikh Khalifa said there was growing understanding in the Gulf about the position of the media in the UK, and repeated that Lord Carrington's visit had been very important in this context.

/ Mr. Nott

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- 3 -

Mr. Nott said that Iraq was a crucially important country. We were trying to improve our relations with Iraq. But there were one or two small 'individual problems'. Anything our friends could do to help would be very useful. Shaikh Muhammad bin Mubarak said that Bahrain's relations with Iraq were better than they had ever been. Present Iraqi policies were very encouraging. He hoped that this would continue. Bahrain would be prepared to use her influence in the right direction.

Until recently Iran had formed a barrier. But now the Gulf States were in the front line. The Gulf States were rich and not over-populated. But development was still in an early stage in Iraq and Saudi Arabia. Extremists flourished, and the communists seemed to be well organised everywhere. They had no leverage on economic issues so they always came back to the question of Palestine. In Bahrain's view it was necessary to solve the Palestine question in the interests of the Arabs, the Jews and the West. At present only the East was benefitting. The Venice Declaration had been a large step forward. But the Israelis were intransigent on settlements and on Jerusalem. Conflict between the Arabs and Europe, through Israel, was harmful. The Israelis should solve the problem now - from a position of strength. The Arabs could not wait another 30 years. The Soviet Union did not wish the problem to be solved. Its continuance was to their benefit. Syria was shortly going to sign a Treaty of Friendship with the USSR. Israeli intransigence over Jerusalem, the occupied territories and Lebanon was driving countries like Syria into Soviet arms.

Mrs. Thatcher asked whether the PLO, or a Palestinian State, would be able to free itself from dependence on the Soviet Union. Shaikh Muhammad said that present circumstances encouraged extremism all over the Middle East. But a Palestinian State would be able to escape from Soviet influence. Those paying for Palestinian development would be the moderate Arabs, not the

/ Soviet

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- 4 -

Soviet Union. Mrs. Thatcher commented that the Russians rarely paid for development; they only offered arms. Shaikh Khalifa agreed that Palestine need not be under Russian influence. But present trends were dangerous. A timetable should be set for progress on the Arab/Israel problem. The proposed Friendship Treaty could provide a pretext for Russian intervention in Syria. The Arabs did not wish to have to spend their money on arms: they wished to spend it on economic development. Bahrain needed stability. Some of its neighbours were jealous of the stability and prosperity it had created for itself as a financial and communications centre. There was, for instance, competition from neighbours to attract those airlines - e.g., Cathay Pacific and Caledonian, that were currently competing to obtain landing rights at Bahrain. Shaikh Khalifa repeated that there was not much time to find a solution to the Arab/Israeli problem. The Arabs could not wait another 30 years. It was wrong that the US elections, followed by the Israeli elections, should provide an excuse for delay.

Shaikh Khalifa invited Mrs. Thatcher to pay a visit to Bahrain, perhaps after her proposed visit to the Sudan. Mrs. Thatcher said that she looked forward to paying a proper visit to Bahrain one day.

*Ph...*

17 September, 1980.

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Foreign and Commonwealth Office

London SW1A 2AH

16 September 1980

M O'D B Alexander Esq  
No 10 Downing Street  
LONDON

*Type to me*

*See Michael*

VISIT OF THE BAHRAINI PRIME MINISTER

I enclose a draft record of the public part of this morning's talks. It is done in FCO format which you will no doubt wish to change, as well as incorporating the private element of the two Prime Ministers' talks.

*Yours  
David*

H D A C Miers  
Middle East Department

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DRAFT RECORD OF CONVERSATION BETWEEN THE BRITISH PRIME MINISTER AND THE PRIME MINISTER OF BAHRAIN: TUESDAY, 16 SEPTEMBER 1980

Present:

Rt Hon Mrs Margaret Thatcher MP  
Rt Hon John Nott MP  
Hon Douglas Hurd MP  
Sir John Graham  
Mr H B Walker  
Mr M O'D B Alexander  
Mr H D A C Miers

H E Shaikh Khalifa bin Salman al Khalifa  
Prime Minister

H E Shaikh Muhammad bin Mubarak al Khalifa  
Foreign Minister

H E Mr Tariq al Moayyed, Minister of  
Information

H E Mr Habib Ahmad Qasim, Minister of  
Commerce

H E Mr Ali Ebrahim Al-Mahroos  
Bahraini Ambassador to London

Mrs Thatcher, after welcoming the Bahraini Prime Minister and his party, said that it was necessary to use the friendship between Bahrain and Britain for the greater stability of the Gulf - and the greater stability of the whole Western world. There was a need to increase that friendship, to increase trade links and to keep in touch through personal contact. The Gulf was at present a focus of world <sup>affairs</sup> ~~force~~. Shaikh Khalifa said that the Ruler of Bahrain had asked him to convey special greetings to Mrs Thatcher and to affirm his interest in strong political and economic relations between Bahrain and Britain. Bahrain had more confidence in Britain since Mrs Thatcher's assumption of office. The two countries needed each other more than ever in the present period of rapid change. Bahrain needed technology; Britain was able to supply it. Bahrain was very happy with the good results of Lord Carrington's visit to Saudi Arabia. Bahrain also admired Britain's solution of the Rhodesian problem: an important contribution to stability. The present close and frank relations between the two countries must continue in future. British views on the Palestinian problem as expressed at the UN, and also on Jerusalem were welcome to Bahrain.



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Mrs Thatcher asked for Bahraini views on this and on Iran. There was a need to clothe the ideas in the Venice Declaration with reality. The ideas on Palestinian self-determination were still very vague. There was a need for more precision and more speed.

*internal problems.*

Shaikh Khalifa said that stability in Iran was important for Bahrain. It was not Bahrain's concern what regime the Iranians chose for themselves; but attempts at expansion were dangerous. <sup>so was the export of instability.</sup> Bahrain was worried about current relations between Iran and Iraq. <sup>Iran should concentrate on solving out its</sup> Mrs Thatcher said that much of the language coming out of Iran was very similar to the language to be expected from the Tudeh Party. How much influence did the Tudeh have? If only the hostages could be released, <sup>the U.K.</sup> we would like to develop closer relations with Iran. Shaikh Khalifa said that the Tudeh was not the only danger. There were many <sup>some of them more extreme than Tudeh</sup> other parties. The situation in Iran was a shambles, <sup>politically & economically</sup> ~~Bahrain was exporting many items to Iran such as food and spare parts, which demonstrated the parlous situation there and the need for stability.~~ Mrs Thatcher said that the break-up of Iran into its constituent parts was an alarming possibility. Shaikh Khalifa said that stability was needed in all the states of the region, not just Iran. Saudi Arabia, Kuwait and Iraq were all important for the West. The Americans should look with greater interest at their relationships with all the Gulf States, and especially Saudi Arabia, and not concentrate their attention solely on Iran. Mrs Thatcher said that Britain shared this view. We recognised the threat from the East. We were doing our best with Saudi Arabia. We had a problem with the media. She wished to emphasise that the view of the media was not necessarily the view of HMG. We were grateful for the help we had received from friends over our difficulty with Saudi Arabia. <sup>Shaikh Khalifa said there was growing understanding in the Gulf about the position of the media in the UK & repeated that Lord Carrington's visit had been very important in this context.</sup> Mr Nott said that Iraq was a crucially important country. We were trying to improve our relations with Iraq. But there were one or two small 'individual problems'. Anything our friends could do to help would be very useful. Shaikh Muhammad bin Mubarak said that Bahrain's relations with Iraq were better than they had



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ever been. Present Iraqi policies were very encouraging. He hoped that this would continue. *Bahrain would be prepared to use its influence in the right direction.*

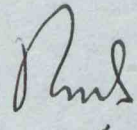
~~He continued that~~ <sup>U</sup> until recently Iran had formed a barrier. But now the Gulf States were in the front line. The Gulf States were rich and not over-populated. But ~~nevertheless~~ development was still in an early stage in Iraq and Saudi Arabia. Extremists flourished and the communists seemed to be well-organized everywhere. *They had no* ~~the~~ *average on economic issues so they* ~~extremists~~ always came back to the question of Palestine. In Bahrain's view it was necessary to solve the Palestine question in the interests of the Arabs, the Jews and the West. At present only the East was benefitting. The Venice Declaration had been a large step forward. But the Israelis were intransigent on settlements and on Jerusalem. Conflict between the Arabs and Europe, through Israel, was harmful. The Israelis should solve the problem now - from a position of strength. The Arabs could not wait another 30 years. The Soviet Union did not wish the problem to be solved. Its continuance was to their benefit. Syria was shortly going to sign a Treaty of Friendship with the USSR. Israeli intransigence over Jerusalem, the occupied territories and Lebanon was driving countries like Syria into Soviet arms. Mrs Thatcher asked whether the PLO, or Palestinian State, would be able to free itself from dependence on the Soviet Union. Shaikh Muhammad said that present circumstances encouraged extremism all over the Middle East. But a Palestinian State would be able to escape from Soviet influence. Those paying for Palestinian development would be the moderate Arabs, not the Soviet Union. Mrs Thatcher commented that the Russians rarely paid for development; they only offered arms. Shaikh Khalifa agreed that Palestine need not be under Russian influence. But present trends were dangerous. A timetable should be set for progress on the Arab/Israel problem. The proposed Friendship Treaty could provide a pretext for Russian intervention in Syria. The Arabs did not wish to have to spend their money on arms: they wished to spend it on economic development. Bahrain needed stability. Some of its neighbours were jealous of the stability and prosperity it had ~~found~~ <sup>created</sup> for itself as a financial and



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communications centre. There was, for instance, competition from neighbours to attract those airlines - eg, Cathay Pacific and Caledonian, that were currently competing to obtain landing rights at Bahrain. Shaikh Khalifa repeated that there was not much time to find a solution to the Arab/Israeli problem. The Arabs could not wait another 30 years. It was wrong that the U.S. elections, followed by the Israeli elections, should provide an excuse for delay. ~~Mrs Thatcher pointed out that elections in Britain only lasted three weeks.~~

Shaikh Khalifa invited Mrs Thatcher to pay a visit to Bahrain, perhaps after her proposed visit to the Sudan. Mrs Thatcher said that she looked forward to paying a proper visit to Bahrain one day.





PHILADELPHIA  
SEP 16 1980

16 SEP 1980







10 DOWNING STREET

*From the Private Secretary*

16 September 1980

Call by the Prime Minister of Bahrain

The Prime Minister of Bahrain called on the Prime Minister this morning. Before the plenary session, a separate record of which is being prepared, the two Prime Ministers had a tête-à-tête lasting 15 minutes.

Having welcomed Shaikh Khalifa, the Prime Minister said that she was determined to try to maintain Britain's special position in the Middle East. Britain had been involved with Arab affairs long before the oil issue had acquired its present overriding importance. The links between the United Kingdom and Bahrain were, of course, of especially long standing.

Shaikh Khalifa welcomed the Prime Minister's words. He agreed that Britain had a special role and hoped that the present British Government would continue to give priority to the search for a solution to Middle East problems. The activities of the media had not been helpful but there was growing recognition in the Gulf that the policies of HMG were not accurately reflected in the coverage given by the British press. Lord Carrington's visit to Saudi Arabia had been of great value in reassuring not only the Saudi Arabians but also the Gulf States.

Shaikh Khalifa referred to his recent visit to Iraq and said that the wish of the Iraqi Government to improve relations with the West was increasingly obvious. The Prime Minister said that she too would like to see relations between the United Kingdom and Iraq improve. But there was a real problem over the British subjects imprisoned in Iraq. Moreover it would be impossible for us to release the Iraqi who had been imprisoned here for murder.

/The Prime Minister

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The Prime Minister recalled her meeting with Shaikh Khalifa at Bahrain Airport in August 1979. Shaikh Khalifa had said to her then that Colonel Qadhafi, whom the Shaikh was then entertaining in Bahrain, was anxious to improve relations with Britain. There had been little evidence of this in the following year. How did Shaikh Khalifa interpret Colonel Qadhafi's present intentions? Shaikh Khalifa said that he recalled his conversation with the Prime Minister with some embarrassment. He had conveyed the message from Colonel Qadhafi at the latter's specific request. However, the Libyans' policies since then had been quite inconsistent with Colonel Qadhafi's words. Shaikh Khalifa said that he regarded the Libyan leader as entirely untrustworthy.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

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E. R. 1

PRIME MINISTER

Dinner for the Prime Minister of the  
State of Bahrain on Tuesday, 16 September

I attach the list of guests who will be attending your Dinner tomorrow evening, together with a draft seating plan.

Do you agree the seating plan please?

Sue Goodchild  
—

15 September 1980

c.c. Mr. Denis Thatcher

LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE PRIME MINISTER AND MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY SHAIKH KHALIFA BIN SALMAN AL KHALIFA, PRIME MINISTER OF THE STATE OF BAHRAIN ON TUESDAY, 16 SEPTEMBER 1980, AT 8.00 PM FOR 8.15 PM BLACK TIE OR NATIONAL DRESS

The Prime Minister  
and Mr. Denis Thatcher

His Excellency Shaikh Khalifa bin Salman Al Khalifa  
Prime Minister of the State of Bahrain

His Excellency Shaikh Mohamed bin Mubarak Al Khalifa  
Minister of Foreign Affairs

His Excellency Mr. Tariq Abdul Rahman Al Moayyed  
Minister of Information

His Excellency Mr. Habib Ahmed Kassim  
Minister of Commerce and Agriculture

His Excellency the Ambassador of the State of Bahrain

Mr. Ghazi al Gosaibi  
MFA Chief of Protocol

Mr. Mohamed al Mutawa  
Private Secretary to the Prime  
Minister of the State of Bahrain

HM Government

The Rt. Hon. Patrick Jenkin, MP  
Visiting Bahrain at end of September

The Rt. Hon. Norman Fowler, MP

The Hon. Douglas Hurd, MP

Members of Parliament

The Rt. Hon. Julian Amery, MP

Mr. John Biggs-Davison, MP

Mr. Peter Temple-Morris, MP

COMMERCE AND INDUSTRY

Banks

The Rt. Hon. Lord Barber  
Chairman, The Standard and Chartered  
Bank Ltd.

Mr. N.J. Robson  
Chairman, Grindlays Bank Ltd.

The Lord Denman  
British Bank of the Middle East  
(member of London Advisory Committee)

Airlines

Mr. J.R. Stainton  
Chairman, British Airways (Concorde  
uses Bahrain en route for Far East)

Mr. J. Mulkern  
Chairman, British Airports  
International (have won a major  
consultancy project in Bahrain airport)



Communications

Mr. P.A. McCunn Group Managing Director, Cable & Wireless

Construction Companies

Mr. H.W.A. Francis Cleveland Bridge & Engineering Co. Ltd.  
(a construction company interested in the Bahrain/  
Saudi Arabia causeway)

Sir John Howard Chairman and Managing Director, John Howard & Sons  
International

Mr. G.H. Coates Sir Alexander Gibbard Partners

General

Admiral Sir Rae McKaig Deputy Chairman, Gray Mackenzie & Co. Ltd.

Sir George Middleton Chairman, Bahrain Society

Mr. J.C. Burgh Director General, British Council

Diplomatic

His Excellency the Ambassador of the Syrian Arab Republic (Dean of  
Arab Ambassadors in London)

Officials

Mr. H.B. Walker HM Ambassador, Bahrain

Sir John Graham Deputy Under Secretary of State, Foreign and  
Commonwealth Office

10 Downing Street

Mr. Ian Gow, MP

Mr. Michael Alexander



DRAFT SEATING PLAN FOR DINNER ON TUESDAY, 16 SEPTEMBER 1980

Mr. Michael Alexander      Mr. Peter Temple-Morris

Admiral Sir Rae McKaig

Sir George Middleton

Sir John Graham

Mr. N.J. Robson

Mr. J.R. Stainton

Rt. Hon. Julian Amery

HE The Ambassador of the State of  
Bahrain

Mr. Ghazi al Gosaibi

The Hon. Douglas Hurd

The Rt. Hon. Norman Fowler

HE Shaikh Mohamed bin Mubarak  
Al Khalifa

HE Mr. Tariq Abdul Rahman  
Al Moayyed

THE RT. HON. THE PRIME MINISTER

MR. DENIS THATCHER

HE SHAIKH KHALIFA BIN SALMAN AL KHALIFA

HE Mr. Habib Ahmed Kassim

The Rt. Hon. Patrick Jenkin

The Rt. Hon. Lord Barber

HE The Ambassador of the Syrian  
Arab Republic

Mr. Mohamed al Mutawa

The Lord Denman

Mr. John Biggs-Davison

Sir John Howard

Mr. J. Mulkern

Mr. H.B. Walker

Mr. H.W.A. Francis

Mr. P.A. McCunn

Mr. John Burgh

Mr. G.H. Coates

Mr. Ian Gow

ENTRANCE



CONFIDENTIAL

*briefs altered accordingly*  
TKR  
15-g  
p.a.



Foreign and Commonwealth Office

London SW1A 2AH

15 September 1980

*Dear Michael,*

Visit of the Prime Minister of Bahrain

Stephen Gomersall sent you on 12 September two copies of the briefing we have prepared for the visit of the Prime Minister of Bahrain. Since its completion one amendment has become necessary to Brief No B4 (Civil Aviation). In the Points to Make No 1(b) should now read:-

"British Airways have been reviewing the economies of the Far Eastern Service and have reluctantly concluded that its continuation can no longer be justified. I believe our Embassy in Bahrain have already told you of this. We are as disappointed as I believe you will be."

And accordingly the Essential Facts should now have a new final sentence, to read:-

"British Airways announced their decision to discontinue the Far Eastern Service at a press conference on Monday 15 September."

The Brief B1 refers to the ten-year Treaty of Friendship which was signed in 1971. The question of whether this Treaty which is identical with treaties made in the same year with Qatar and the UAE, should be renewed, will come up for decision by Ministers between now and next summer. Our preliminary view is that the treaties should be renewed as they provide a useful framework for co-operation without committing us to military or political support that we might not be able to deliver. In any case, it would be as well to have a reply ready in case the Bahrainians ask about renewal. We propose, therefore, a new Brief, numbered B1: Points to Make, to be inserted before the existing Background Brief B1, to read as follows:-

Points to Make

1. (If raised) We see no difficulty in renewing the Treaty of Friendship in its present form if you so wish. We will be in touch with you in due course to discuss its renewal. We naturally wish to maintain our efforts to encourage Gulf stability where possible. But we rely on the advice of those concerned to say how we can best complement current efforts towards Gulf co-operation.

*Jan*  
*29/9*

M O D'B Alexander Esq  
10 Downing Street  
LONDON

(G G H Walden)  
Private Secretary

CONFIDENTIAL





DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

PS/Secretary of State for Industry

15 September 1980

Michael Alexander,  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON  
SW1

*Dear Michael,*

CABLE AND WIRELESS : BAHRAIN

Thank you for your letter of 8 September enclosing a letter from the Chairman of Cable & Wireless for the purpose of the Prime Minister's meeting with the Prime Minister of Bahrain.

2. The Department has provided the FCO with a brief (which you will already have) for the same purpose which covers the issues raised by Lord Glenamara.

3. We would not want the Government to be drawn into a debate with the company at this stage about their suggestion of the sale of shares to the Government of Bahrain. The new Chairman, who takes over on 14 October, will want to consider whether this is the best course for the company to recommend. We ourselves are doubtful that it is, given the risks of foreign political interference in company policy and of setting an attractive precedent for other Governments who have granted concessions to Cable & Wireless. Above all, we would not want to narrow down our options for the successful sale of Cable & Wireless shares which are still under consideration. We suggest therefore that you should send no more than an acknowledgment to Lord Glenamara's letter.

4. I am sending a copy of this letter to Stephen Gomersall (FCO).

*Yours ever,  
Peter Stredder*

PETER STREDDER  
Private Secretary





*Mike - I'm sure any  
hope of my being able  
to meet him at the  
Sawg - so - cannot.  
I do want it in  
important.  
I will try to keep  
it short.  
1) not - we must keep  
these matters in mind  
of future - could we start  
2.4.81*

Foreign and Commonwealth Office

London SW1A 2AH

12 September 1980

Dear Michael,

VISIT OF PRIME MINISTER OF BAHRAIN

Stephen Gomersall's letter of 1 September put to you the Bahrainis' suggestion that the Prime Minister might invite other British Ministers to be present at the session of talks she will have with Shaikh Khalifa at 10 am on Tuesday 16 September, since he will be accompanied by three Bahraini Ministers. You replied that the Prime Minister would be content to rely on the advice of the Foreign and Commonwealth Office. Accordingly, after contact with their Private Offices, I confirm that the Secretary of State for Trade and Mr Douglas Hurd will attend.

*In folder attached to file*

I enclose a copy of the programme, and of the briefing for the Prime Minister. I have also enclosed some speaking notes the Prime Minister may like to use when, after the toasts to The Queen and the Amir of Bahrain, she makes a short speech of welcome at the dinner she is giving for Shaikh Khalifa on Tuesday 16 September.

*Yours ever,*

*Myles*

M A Wickstead

M O'D B Alexander Esq  
10 Downing Street

VISIT OF H.E. SHAIKH KHALIFA BIN SALMAN AL KHALIFA,  
PRIME MINISTER OF THE STATE OF BAHRAIN, 15-17 SEPTEMBER 1980

ADMINISTRATIVE ARRANGEMENTS  
(TO BE READ IN CONJUNCTION WITH GHF PROGRAMME ATTACHED)

MONDAY 15 SEPTEMBER

Arrival

As soon as the aircraft doors open H.E. Mr Ali Ebrahim Al-Mahroos, Ambassador of Bahrain will board the aircraft and escort the Prime Minister and his official party to the tarmac. There the Ambassador will present the following to the Prime Minister:

The Hon Douglas Hurd, Minister of State for Foreign and Commonwealth  
Affairs

Mr H B Walker, HM Ambassador, Bahrain

Mr C Taylor, Deputy Secretary, Government Hospitality Fund

Mr Taylor will present Mr Neville Coppel, Escort Officer, to the Prime Minister.

An Officer of the British Airports Authority will also welcome the Prime Minister.

The Party will proceed to the Alcock & Brown suite by car where other members of the Embassy will be presented to the Prime Minister

Transport

Government Hospitality Fund will provide cars for the official party. Government Hospitality Fund will also arrange for luggage of the official party to be transferred to the Hotel Savoy.



TUESDAY 16 SEPTEMBER

Talks with Prime Minister, The Rt Hon Margaret Thatcher

The following will be present:

Bahrain

The Prime Minister

The Minister of Foreign Affairs

The Minister of Information

The Minister of Commerce & Agriculture

Record-Taker

United Kingdom

The Prime Minister

The Secretary of State for Trade

Minister of State for Foreign and Commonwealth Affairs

Deputy Under-Secretary, Foreign and Commonwealth Office

Private Secretary to the Prime Minister

Mr H B Walker, HM Ambassador, Bahrain.

Luncheon at Bank of England

The Prime Minister of Bahrain will be accompanied by the Minister of Foreign Affairs, the Minister of Information, the Minister of Commerce and Agriculture and the Ambassador

The Bank of England is providing a buffet lunch for the remainder of the official party accompanying the Prime Minister.

Official cars are directed to use the Lothbury entrance to the Bank of England.

Tea with HRH The Princess Anne

The Prime Minister of Bahrain will be accompanied only by the Bahraini Minister of Foreign Affairs.

Dinner given by Her Majesty's Government

The Prime Minister of Bahrain will be accompanied by:

The Minister of Foreign Affairs,  
The Minister of Information,  
The Minister of Commerce & Agriculture  
Director of Protocol & Legal Affairs  
Director of the Prime Minister's Office  
The Ambassador

After dinner The Prime Minister, The Rt Hon Margaret Thatcher will toast Her Majesty The Queen and The Amir of The State of Bahrain. She will then welcome H.E. The Prime Minister of Bahrain to the UK. The Prime Minister of Bahrain will respond briefly to the speech of welcome.

WEDNESDAY 17 SEPTEMBER

Call on The Secretary of State for Foreign and Commonwealth Affairs

The following will be present:

Bahrain

The Prime Minister  
The Minister of Foreign Affairs  
The Minister of Information  
The Minister of Commerce & Agriculture  
Director of the Prime Minister's Office  
The Ambassador

United Kingdom

The Secretary of State for Foreign and Commonwealth Affairs  
Private Secretary to the Secretary of State  
Minister of State for Foreign and Commonwealth Affairs  
Deputy Under-Secretary  
Assistant Under-Secretary  
HM Ambassador, Bahrain

Call by the Minister for Trade

the following will be present



Bahrain

The Prime Minister  
The Minister of Foreign Affairs  
The Minister of Information  
The Minister for Commerce & Agriculture

United Kingdom

Minister for Trade  
Private Secretary to Minister for Trade  
Assistant Secretary, Department for Trade.

Luncheon given by Her Majesty's Government

The following will accompany the Prime Minister:  
The Minister of Foreign Affairs  
The Minister of Information  
The Minister of Commerce and Agriculture  
Director of Prime Minister's Office  
Director of Protocol MFA  
The Ambassador

Mr H B Walker HM Ambassador Bahrain will accompany the Prime Minister throughout the programme with the exception of the call on Princess Anne.

FRIDAY 19 SEPTEMBER

Departure

The following will be present at London Heathrow Airport to bid farewell:  
Sir Donald Logan, Special Representative of the Secretary of State for Foreign and Commonwealth Affairs  
Mr C Taylor, Deputy Secretary Government Hospitality Fund.  
Mr H B Walker HM Ambassador, Bahrain will be returning to Bahrain by the same flight.

Protocol & Conference Department  
Foreign and Commonwealth Office

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**Visit of  
Shaikh Khalifa Bin Sulman Al Khalifa  
Prime Minister of Bahrain  
15th. - 17th. September 1980**

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VISIT OF THE PRIME MINISTER OF BAHRAIN,  
SHAIKH KHALIFA BIN SULMAN AL KHALIFA, 15 - 17 SEPTEMBER 1980

BRIEFS

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- A. Steering Brief
- B. Bilateral matters
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  3. Military - Defence Sales, Loan Service Personnel
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  5. Cable and Wireless
  6. Educational: the British Council and the Gulf University
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- C. Multilateral matters
1. Bahrain in the Gulf (internal and external political)
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  6. Energy
  7. EC/Gulf Dialogue
  8. Possible expansion of the UN Security Council
- D. Personality notes, programme

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A STEERING BRIEF

1. Although no longer an oil-rich state, Bahrain has an importance out of proportion to its size and wealth which are small compared to other Gulf States. Its longer tradition as a commercial centre, the greater sophistication of its inhabitants, and the enterprise of its government have made it a focus for Gulf commercial activity, a communications centre, and an attractive base for international firms. In addition, its strategic position in the centre of the Gulf, its large Shi'a population, and its susceptibility to influence from Iran, make it politically important.

2. We cannot therefore afford to ignore Bahrain in preference to the richer Gulf States. Additional reasons for the visit are:

- (a) The hospitality shown by Bahrain to The Queen in 1979, Mr Hurd and Mr Eyre (PUSS, DOT) this year; Mr Jenkin may go there later this year and Mr Howell in January 1981.
- (b) The personal attention shown by Bahraini Ministers to British visitors on stop-over at Bahrain airport (The Queen in April 1980, Mrs Thatcher in July 1979, and Lord Carrington in January this year).
- (c) The need not to seem to be taking Bahrain's friendship for granted. The Bahrainis are very pro-British for historical and other reasons: yet the last Bahrain visitor officially invited was the Minister of Works in 1978.
- (d) The need to cultivate the Bahraini markets. We remain Bahrain's largest supplier of goods (£124 million exports in 1979, more than to China and twice as much as to Morocco) despite strong competition - eg from France, which cultivates the Bahrainis, particularly the Crown Prince, assiduously.

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3. Shaikh Khalifa is the most important political personality in Bahrain. His brother, the Amir, is a traditional Gulf ruler, accessible to his people and performing the traditional tasks of Head of State, but takes little interest in day-to-day political affairs. Khalifa by contrast conducts government business briskly and with close interest and knowledge. He expresses himself clearly and forthrightly to British visitors; he often sees visiting Ministers with the Amir and usually dominates the conversation on political topics - Mr Hurd's call on the Amir in January 1980 was a case in point. (Personality Note on Shaikh Khalifa at D.)

UK OBJECTIVES

4. Our main objectives will be:

- (a) To show that we wish to retain our traditional friends in the Gulf and that we do not take Bahrain for granted.
- (b) To discuss Bahrain's political preoccupations, to explain our own policies (eg on Palestine), and to dispel Bahrain's suspicions that the West is indifferent to the interests and wishes of the moderate Gulf States and reluctant to stand by its allies in this vital region.
- (c) To convince Shaikh Khalifa that unfriendliness or a lack of understanding towards the Arabs on the part of the Western news media does not represent Governmental hostility or indifference.
- (d) To promote our already substantial commercial interests in Bahrain, particularly in the major projects in which British companies are contenders.  
(Brief B2)

PROBABLE BAHRAINIAN OBJECTIVES

5. For their part, Shaikh Khalifa and his accompanying Ministers of Foreign Affairs, Information and Commerce (Personality Notes

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at D) will welcome the opportunity of so much contact with British Ministers in a short period; they will want:

- (a) To engage the British Prime Minister in the sort of frank and wide-ranging talks suitable for old friends.
- (b) To present their views - and those of the moderate Arabs - on the Arab-Israel dispute (Brief C3) and other topics close to their regional interests.
- (c) To enquire closely into the steps we and the EC are taking on the Arab-Israel dispute.
- (d) Possibly, to argue at a high level the Bahrainis' case with us on civil aviation matters (see Brief B4).

As far as we know, there are no other major bilateral problems they will wish to raise; relations are about as harmonious as they could be.

THE TALKS

6. The opening session will be attended by Mr Nott and Mr Hurd. The Prime Minister may wish (following the Bahraini custom) to begin with a very brief tête-à-tête with Shaikh Khalifa before inviting in the other Ministers. She could speak of the importance we continue to attach to our relations with the Gulf and our traditional friends, as exemplified by The Queen's visit. She could also give a hint of the discussions of world and regional problems to come, and stress the need to stay closely in touch.

7. The Ministerial session, chaired by the Prime Minister, could then review the whole range of our bilateral relations (Briefs B) covering political, commercial and defence matters, drawing attention to the major commercial projects such as those connected with the Saudi-Bahrain causeway. She could at the same time refer to the meetings the following day with Lord Carrington and Mr Parkinson at which these questions could be discussed in greater detail. She could then go on to discuss the multilateral

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political subjects (Briefs C), in particular Arab/Israel and Afghanistan.

8. She will give a dinner that evening for the Bahraini party, at which Shaikh Khalifa will reply to her short speech of welcome after the toasts. Shaikh Khalifa may wish to discuss with the Prime Minister matters close to his own heart, eg his suspicion of our media (paragraph 4(c) above).

B1: UK/BAHRAIN RELATIONS

POINTS TO MAKE

1. (If raised) We see no difficulty in renewing the Treaty of Friendship in its present form if you so wish. We will be in touch with you in due course to discuss its renewal. We naturally wish to maintain our efforts to encourage Gulf stability where possible. But we rely on the advice of those concerned to say how we can best complement current efforts towards Gulf co-operation.

BACKGROUND

1. The Brief B1 (behind) refers to the ten-year Treaty of Friendship which was signed in 1971. The question of whether this Treaty which is identical with treaties made in the same year with Qatar and the UAE, should be renewed, will come up for decision by Ministers between now and next summer. Our preliminary view is that the treaties should be renewed as they provide a useful framework for co-operation without committing us to military or political support that we might not be able to deliver. In any case, it would be as well to have a reply ready in case the Bahrainians ask about renewal.



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B1: UK/BAHRAIN RELATIONS

BACKGROUND

1. From 1820 until 1971 Bahrain was in a special treaty relationship with Britain, which kept the peace at sea and was responsible for foreign relations. It exercised its influence through the Government of India, whose Political Agency was established in 1900. From 1946 until 1971 the Political Resident, the senior British official, was also established in Bahrain (having previously been in Iran), and Bahrain was the main base in the military forces of all three services which the UK maintained in the Gulf. By mutual agreement, the special treaty relationship was replaced in 1971 by a Treaty of Friendship which lasts for 10 years and which commits both parties to consult in time of mutual need. In 1971 Bahrain became a member of the United Nations and of the Arab League; the Political Agent became HM Ambassador and British forces were withdrawn.

2. Through this long historical relationship, which excluded other European powers, the Bahrainis have come to know us probably better than any non-Arabs. In the last decade other Western countries have made determined inroads into the commercial market of the Gulf. The French have cultivated Bahrain, in particular the Crown Prince, as they have cultivated other Gulf states. But Bahrainis are still more drawn to this country than to others in the West and are frequent private visitors. The Amir speaks with regret of the departure of the British from the Gulf. The other Bahraini ministers feel able to speak to us with perhaps a greater frankness than they would to other countries. They value our opinions and welcome our frank speaking.

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B2: COMMERCIAL MATTERS

POINTS TO MAKE

1. The strength of sterling has posed a challenge to our exporters. But we intend to be fully competitive in price, delivery and quality.
2. We are impressed by your balanced development and the success you have achieved as a Gulf service centre.
3. We are particularly interested in the causeway to Saudi Arabia. When he calls on Wednesday 17 September, Mr Parkinson will wish to go into more detail. But we would be interested to know how soon you see the tender evaluation being completed. When do you hope the causeway will come into operation?
4. We are also interested in the expansion of Bahrain International Airport. British Airports International have recently submitted to the Minister for Development and Industry their master plan for long term development of the airport.

/ESSENTIAL FACTS



## B2: ESSENTIAL FACTS

## UK TRADE

Visible trade figures	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	(7 months figures
UK exports to Bahrain	£114m	£120m	£124m	£116m	at an annual rate)

Bahrain is eighth in importance among the UK's Middle Eastern markets, much smaller than Saudi Arabia (£894m) but larger for example than Morocco (£68m). Invisible earnings are substantial. Our market share is holding up well in a market which is shrinking as Bahrain's role as an entrepot declines. Despite fierce competition, our market share has increased from 15% in 1974 to a current rate of approximately 20%.

2. We import a small amount of refined oil from Bahrain but the import figures (£23m in 1979) are artificially swollen by the inclusion of aircraft sent back to the UK for servicing and overhaul.

3. The Bahrainis know us well and like us. 181 UK companies maintain offices there and some 7,500 UK citizens, many of whom fill managerial and technical posts, are resident. In addition UK standard specifications are widely used, mainly as a result of the success of our consultants and contractors. Our reputation for quality, fair dealing, reliability and for providing a broad range of goods at competitive prices remains high but this does not stop Bahraini Ministers and merchants complaining about UK price increases failure to keep delivery dates or poor design.

4. In the long term commercial prospects in Bahrain seem sound, because it has prepared so well for the post oil period. They will however depend on Bahrain's continuing success as a service centre, the viability of its industrial development and good relations with its wealthier neighbours: Saudi Arabia gives substantial financial aid and the planned causeway will draw Bahrain closer into the Saudi orbit, economically and also perhaps politically and socially (see Brief C1). We will be hard pressed to maintain our leading position as our competitors intensify their efforts, and inflation and the exchange rate continues to erode our price competitiveness.



5. Major Projects

a) Saudi/Bahrain Causeway

The project is for a 25 kilometer road link from Bahrain to the mainland of Saudi Arabia for which the Saudis are to pay the total estimated cost of £500m. The project has a long history, but with 16 bids from international consortia now being analysed by consultants it looks as if it will now go ahead, with work likely to start in 1981 and be completed within 3 to 4 years. The only British interest is provided by Cleveland Bridge which is in consortia with a Dutch company, Royal Bos Kalis Westminster. It is yet to be decided whether a steel or concrete design will be preferred and the lowest bids are reported to have come from West Germany (steel) and the Netherlands (concrete).

When the causeway and associated works is built it will provide a vast amount of sub-contract work for which UK firms will compete.

b) Methanol and Ammonia Plants

Bahrain, Kuwait and Saudi Arabia have joined together to establish a plant which will exploit Bahrain's gas resources to produce ammonia and methanol. The plants will have a capacity of 1,000 tonne a day and will cost over US \$350m. Our two main contenders for the work are Davy McKee (Oil and Chemicals) Ltd and Humphreys & Glasgow Ltd which is in joint venture with French and Japanese companies. Severe competition is expected from the USA, West Germany, Japan and Italy. Time scale is uncertain but it is hoped that the plant will be completed by the end of 1983.

c) Bahrain International Airport

A group led by British Airport International has proposed a master plan and feasibility study for expansion of Bahrain airport to 1995. The final report was submitted to the Bahrain Government at the end of August. The Minister for Development and Industry is reported to be impressed by the report and the fact that it was prepared on time against a tight timetable. We hope that BAI's work will pave the way for UK contractors and equipment suppliers when work is undertaken.



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6. A representative of British Airport International and the leading British firm interested in the causeway (Cleveland Bridge) will attend the Prime Minister's dinner for Shaikh Khalifa on Tuesday 16 September.

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B3: MILITARY AND POLICE: (Defence Sales, Loan Service Personnel,  
Police training)

POINTS TO MAKE

Defence Sales

1. Disappointing that Vosper Thornycroft were unsuccessful in their bid for the four fast patrol boats especially as they had held such detailed and technical negotiations with the Bahrain Defence Force over a period of some three years. Although the order for the first two smaller boats has been awarded to the German firm of Lurssen Werft, the order for the two larger boats has yet to be negotiated. Hope that Vospers will be considered favourably for these. The firm has recently been awarded the contract for a similar type of boat for Oman.

Naval base

2. We understand a naval base is proposed for late 1981 and negotiations will begin in early 1981. International Military Services Ltd (IMS Ltd) have wide experience in developing this type of facility and would welcome the opportunity to compete should the Bahrainis wish HMG to become involved.

Loan Service Personnel

3. (If raised) We are considering possibility of increasing our medical advisory team from six to nine.

Riot control training

4. (If raised) We hope to provide such training at a mutually convenient time.

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OF THE PUBLIC RECORDS ACT.**

/ESSENTIAL FACTS



B3: ESSENTIAL FACTS

Fast Patrol Boats

1. For over three years Vosper Thornycroft worked closely with the Bahrain Defence Force on their requirement to establish a naval force. The Bahrainis being satisfied that two 37-metre and two 56-metre boats were necessary, Vospers quoted for these vessels. The competition was opened to international tender and we understand that funds were made available to Bahrain by another Gulf state, probably Kuwait. The Kuwaitis might have suggested that the requirement should be met by the German shipbuilders Lurssen Werft but there is no firm evidence to indicate that the funding was conditional upon the suggestion being accepted. Some six months later the Kuwaitis bought six Fast Patrol Boats from the German firm. The Bahrainis have bought the two smaller craft but we understand that they have only taken options on the two cargo boats. Vospers, having just won a contract from the Oman for a 56-metre boat cover, submit an attractive quotation for such modern craft for Bahrain.

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Naval base

2. When it was decided to establish a naval force in Bahrain some thought was given to the development of a naval base as a separate establishment from the civilian port facility. There have been difficulties over funding and the allocation of land; but the former should be overcome in early 1981 and the latter awaits the Amir's decision. The Bahrainis want advice and assistance from HMG. We have suggested to them International Military Services Ltd (IMS), a wholly owned subsidiary of MOD, as consultant and prime contractor. IMS Ltd was the prime contractor for the Bandar Abbas Naval Complex in Iran and have considerable expertise in developing this type of facility.

Loan Service Personnel

3. A small number of LSP (currently six) provides advice to the Bahrain Defence Force Medical Services. The Bahrainis bear the full costs. A formal request has been made for an additional

/three



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three personnel to advise on the requirements of Bahrain's Field Medical Services. This proposal is under consideration but we cannot yet commit ourselves.

Riot Control Training

4. The Bahrainis have asked for riot control training for their police. An offer of an assistance visit by a British Army team was turned down by the Bahrainis, as it would have come in Ramadan. Other commitments prevented the team from going at another time. We have agreed with the Bahrainis to review the idea in due course.

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OF THE PUBLIC RECORDS ACT.

General

6. The RAF has the right to overfly and stage through Bahrain without prior diplomatic clearance, subject only to air traffic control procedures. A RAF movements officer is posted to Bahrain. It is planned that a frigate and a RFA from RN task group 318.0 will call at Bahrain during the period 7 to 13 November. Diplomatic clearance has been sought. 21 Bahrainis trained in the UK in 1979 on courses totalling 444 student weeks. More are expected this year. We give ad hoc police training also.

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B4: CIVIL AVIATION

POINTS TO MAKE (defensive)

1. (a) Possibility of additional British Airlines serving Bahrain

Premature to comment. The Civil Aviation Authority have still to decide on the merits of the applications and their decision could be subject to an appeal to the Secretary of State for Trade.

(b) Future of Concorde Services via Bahrain

"British Airways have been reviewing the economies of the Far Eastern Service and have reluctantly concluded that its continuation can no longer be justified. I believe our Embassy in Bahrain have already told you of this. We are as disappointed as I believe you will be."

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B4: ESSENTIAL FACTS

1. Bahrain has, for a country of its size, an unusually strong interest in civil aviation. Its position is good as a staging point along the main trunk routes between Europe and points further East. It intends to develop still further its international airport as a revenue earning asset (Brief B2). But it also wishes to safeguard its interest in Gulf Air (see below).

Additional British Airlines into Bahrain

2. A total of four British airlines (British Airways, British Caledonian, Laker and Cathay Pacific) have licences for London-Hong Kong services. Hitherto British Airways have been the only British carrier on the London/Bahrain route. Now the three new airlines have applied to the CAA for permission to carry traffic to and from a number of intermediate points in the Gulf, in order to be able to increase earnings on their London/Hong Kong flights. Two of the airlines, Cathay Pacific and British Caledonian, have included Bahrain in their applications but the CAA is unlikely to reach a decision before October.

3. Bahrain dominates Gulf Air, the airline it shares with three partner States, Qatar, the UAE and Oman, and is concerned about the risk of commercial damage if Gulf Air has to face extra competitors on its London route. It has been made clear by the Bahrainis that they will resist the introduction of further UK carriers.

Concorde

4. Bahrain has valued the prestige of being served three times weekly by the Joint British Airways/Singapore Airlines Concorde service to the Far East. The Prime Minister may

/ask

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ask whether we have yet overcome the problems in certain Middle Eastern countries about supersonic overflight. These problems have now been overtaken by events. The route has proved uneconomic and BA wish to abandon it. They are currently discussing the timing of this with Singapore Airlines. However, unless a public announcement has been made, a direct confirmation of the BA decision should be avoided.

*British Airways announced their decision to discontinue the far Eastern Service at a press conference on Monday 15 September.*

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B5: CABLE AND WIRELESS LTD

POINTS TO MAKE

Possible sale of shares in Cable and Wireless

1. We are considering selling shares in the company as part of our overall review of public holdings. Before reaching a final decision we would naturally like to have discussions with governments concerned, including Bahrain. Since the issue is commercially sensitive, grateful if you regard this discussion as private and confidential.

2. (Defensive: If there are detailed questions on HMG's policy) Until final decisions are taken we ought to keep all our options open. So we cannot yet give firm answers in detail.

The future of the Bahrain concession

3. Are you happy with C & W's performance in Bahrain? Are you thinking of granting C & W an extension to the concession after July 1982? Are you considering any form of local participation with the company in its Bahrain activities? Would there be local interest in buying C & W shares?

/ESSENTIAL FACTS



B5: ESSENTIAL FACTS

Possible sale of Cable and Wireless

1. HMG has been the sole shareholders in C & W since 1947. The present Government has been considering the feasibility of a sale of shares. Consideration is now being given, with merchant bank advice, to the possibility of a sale of shares in the current financial year in order to reduce the PSBR. Ministers are due to review the position in October. Enabling legislation is due to be introduced in the coming Parliamentary session.

The Bahrain Concession

2. Cable and Wireless Ltd (C & W) have a concession from the Government of Bahrain to own and operate the country's internal and international telecommunications network. In return the Company pay a nominal, annual royalty.

3. Bahrain is the Company's second most important concession after Hong Kong (which is by far the Company's biggest single operation). The importance of Bahrain lies in the value of the local assets - around £52m - and the plans for further capital investment of nearly £100m over the next 5 years, mainly on a second satellite receiving (earth) station, new buildings and a Gulf cable.

4. The Bahrain concession expires in July 1982. Although formal negotiations for an extension have not yet begun, it is understood that the Bahrain Government have considered some form of joint company (possibly 60% owned by Bahrain) with arrangements for local profit sharing with the Company. DOI have reservations about such a suggestion and would prefer Bahrain to take a minority holding in a Cable and Wireless subsidiary.

/5.



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5. The future of the Bahrain concession and the possible sale of shares are interlinked; any uncertainty about the future of a major concession soon to expire will depress the value of the shares. Also, the possibility of a flotation is known to the Bahrain Government and might well influence their attitude towards a new concession, particularly if HMG relinquish control of the company.

6. A Director of the Company (Mr Richard Cannon) broached the issue of the sale of shares on an informal basis at recent meetings in Bahrain with the Ruler and the Prime Minister. Mr Cannon's impression is that the Government of Bahrain do not want to withhold an extension of the concession or to make unreasonable conditions but that, should there be an opportunity to do so, the Bahrain Government might be interested in acquiring shares in the main company. The Bahrain Prime Minister may well therefore want to raise these matters himself during his visit. Lord Glenamara the outgoing Chairman has referred to the likelihood of this in his letter to the Prime Minister's Private Secretary (copy attached).

7. DOI Ministers are not in favour of overseas governments, such as Bahrain, purchasing shares in the main company. They consider that the best solution would be for governments to take shares in local subsidiaries set up by Cable and Wireless; and that Cable and Wireless should be expanding their business away from the present concentration on concessions from governments. Shareholding by concessionary governments could inhibit this and may insert a political dimension into the operations of the company. The agreement to the purchase of shares by Bahrain could set a dangerous precedent for other governments. Mr Sharp, the new Chairman from 14 October 1980, shares these views.

8. As no final decision about the sale of shares has yet been taken and will depend critically on the outcome of events

/involving

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involving the future of the Hong Kong concession, it is not possible to give detailed answers to questions the Bahraini Prime Minister might have.

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CABLE AND WIRELESS LIMITED  
COURT ROOM

MERCURY HOUSE THEOBALDS ROAD LONDON WC1X 8RX TELEPHONE 01-242 4434

From: The Rt Hon The Lord Glenamara CH

5 September 1980

R8/9

*from Private Secretary:*

It is possible that the Prime Minister of Bahrain may raise with Mrs Thatcher the question of the C&W operation in Bahrain.

The Company provides and operates both the external and internal telecommunications on a franchise which is due to terminate in July 1982. At the moment we are carrying out a considerable investment programme there.

Over a number of years there has been indeterminate discussion between the Government of Bahrain and the Company about the future, and we understand that the Ruler might find it politically difficult to grant an extension to the franchise, although it is fully recognized there that the economy of the country rests significantly on an efficient telecommunications service. The latter point definitely moderates their wish for a change in the status of the C&W branch.

There has been a good deal of talk and press speculation about the setting up of a joint company with a majority holding resting in Bahrain - probably with the Government, although the possibility of local business investment cannot be entirely ruled out.

During a recent visit by the MD responsible for that part of the business, Mr Cannon, a further possibility was aired by the Ruler and Prime Minister, of Bahrain having an investment in the total Group rather than setting up a separate company in Bahrain.

The line followed by Mr Cannon was that it was something that could be pursued, but there had as yet been no firm decision with regard to the Group's shareholding but if shares were put on the market, participation by Bahrain would be a matter for the shareholder, ie British Government, who would be marketing part of their equity holding.

*[Handwritten mark]*

Should this not prove to be the Bahrain Prime Minister's (or HMG's) preferred course, then we are very anxious to avoid the stereotyped 60/40 local joint company with a C&W minority interest, since this would be expensive for us in several ways.

The Principal Private Secretary to  
The Rt Hon Margaret Thatcher MP  
Prime Minister



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REGISTERED OFFICE MERCURY HOUSE THEOBALDS ROAD LONDON WC1X 8RX



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- 2 -

The Principal Private Secretary to  
The Rt Hon Margaret Thatcher MP

5 September 1980

Possibly the only alternative which might be mutually attractive is that the Bahrain Government should fund all new capital expenditure and lease back the assets to C&W for a commercial rental or a share of Bahrain Branch profits (with no local company formation).

*Yours sincerely,*

*Yusuf*

Chairman

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B6: EDUCATIONAL: THE BRITISH COUNCIL, THE GULF UNIVERSITY  
POINTS TO MAKE

1. We have unfortunately had to make world-wide cut-backs. But the British Council operations in Bahrain have a high priority. We will do our best to maintain the present level of activity.
2. Hope British firms and expertize may be useful to Gulf University project.

/ESSENTIAL FACTS

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B6: ESSENTIAL FACTS

1. British Council activities in Bahrain, in order of priority, are:
  - (a) English language teaching, both on our own premises and in support of the local education and training systems;
  - (b) The provision of British manpower to develop and maintain local education and training and the development of local manpower through training in Britain or in-country;
  - (c) Information work, including the running of a library and the arranging of cultural exchanges;
  - (d) Arts work in mounting artistic events as specified in the official Memorandum of Agreement.

There are three London-appointed and 23 locally engaged staff. The important English language teaching employs 40 teachers.

2. \* In 1979-80 the Council recruited 25 teachers for Bahraini educational establishments and sent 12 Bahrainis on training or scholarship to the UK.
3. The Council library in Bahrain has a membership of more than 3000.

The Gulf University

4. The Arabian Gulf University is funded by the UAE (15%), Bahrain (2.5%), Kuwait (25%), Saudi Arabia (25%), Iraq (21%), Oman (2.5%) and Qatar (9%).
5. Dr Abdulla Mubarak Al-Rifa'i of the University of Kuwait has been appointed Project Director and a suitable site has been made available in Bahrain.
6. The University will consist of three colleges, of medicine (maximum 150 students), of science (300 students) and of education (450 students).
7. The Gulf University Project Office has requested a short list of prominent UK (and French, German and American) firms who could master plan the project. A list of eight British firms has

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been submitted by the Projects and Export Policy Division of the Board of Trade through our Embassy in Bahrain and it has been confirmed that the British Council are willing and prepared to cooperate with any British firm selected.

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B7: A NOTE ON THE BAHRAIN SHERATON COMPLEX

1. Taylor Woodrow International Ltd (TWI) are the main contractors building the Bahrain Sheraton Hotel complex. They are owed £9m for work undertaken since January 1980. ECGD have guaranteed two loans (£7.6m and £3.3m respectively), both of which are fully drawn. Following default on two parallel Eurodollar loans (also fully drawn) both ECGD and the banks have agreed to extend repayment period on initial loans, but not to provide further loans. The extension makes a supplementary loan agreement necessary, one of the conditions of which would be that TWI are paid within 90 days. Failing this, the loans would go into default and Notices of Default would have to be served on the Amir and his five sons, who are the guarantor and the owners of the hotel complex respectively.

2. We will try to ensure that this stage does not need to be reached. The Amir probably is not aware of the extent of his personal involvement. Nor is it likely that the Lebanese project managers or the Amir's Chamberlain (who has power of attorney) will keep him informed. HMA Bahrain will draw the problem to the attention of the Amir's eldest son. Meanwhile TWI's own efforts to secure payment by a direct approach to the Amir or his sons would, if successful, make the problem less pressing.

3. Since the problem does not affect Shaikh Khalifa, it is unlikely that it will be on his mind any more than on that of his brother and nephew.

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C1: BAHRAIN IN THE GULF

POINTS TO MAKE

Shi'a minority

1. How far is Bahrain affected by Iranian "export" of their Revolution? How susceptible are Bahraini Shi'as to Iranian influence?

Constitutional change

2. The Kuwaitis have said they will revive their National Assembly next January. Will you come under pressure to do the same?

Saudi influence

3. Do you see the causeway, when completed, bringing the influence of Saudi Arabia's social and political system as well as the economic benefits?

Dissident groups

4. (If asked) The Islamic Front for the Liberation of Bahrain has not, as far as we know, undertaken any violent action here. If it did so, we would show the same firmness as against any violent group seeking to import the Middle East's quarrels to London. We understand your concern; we will keep our eyes open.



C1: ESSENTIAL FACTS

1. By Gulf standards Bahraini society is urbanised and sophisticated. Education has been for many years better developed than elsewhere in the Gulf and the student population is relatively large; many students attended universities elsewhere in the Arab world, particularly Egypt and Iraq. Iraqi-backed revolutionary Arab nationalism has in the past two decades been perceived as the largest threat to stability.

2. But in recent years Bahrain - like the rest of the Muslim world - has felt the effects of an Islamic renaissance. This has led to popular demands for a tightening of Bahrain's relatively liberal system; this tendency could well grow if Bahrain is drawn more closely into the Saudi orbit by the completion of a causeway linking the two countries (see Brief B2). More importantly the religious revival, taken with the ascendancy of revolutionary Shi'a Islam in Iran, has had a more profound popular effect than the Iraqi-backed Ba'athists could hope for. The majority of Bahrainis are Shi'as, many of whom have never liked the rule of the Sunni Muslim Al Khalifa family, who arrived in Bahrain some 200 years ago. With clear evidence of incitement from Iran - in particular hostile broadcasts in Arabic from Iran against the Bahraini ruling family - there have been demonstrations by Bahraini Shi'a during the past year. So far the demonstrations have not caused Sunni counter-moves (there were confessional clashes between Sunnis and Shi'as in Bahrain in the 1950s). The government has handled the demonstrations on the whole with a judicious blend of tolerance and dissuasion, although the death of a young Shi'a, apparently at police hands, last spring has given the Shi'as a martyr. The revival by certain Iranian clergy of the Iranian claim to Bahrain (which the Shah dropped in 1970) has probably made many Arab Shi'a suspicious of Iran. Nevertheless the Iranian dimension is important both because Iran is a source of propaganda and because it is an example.

/The Islamic



The Islamic Front for the Liberation of Bahrain (IFLB)

3. Iranians in Bahrain number perhaps 100,000, and constitute a further Shi'a element in the population. In 1979 a local "Islamic Revolutionary Committee" was set up on instructions from Tehran, and with the co-operation of the Iranian Embassy. The son of Khomeini's senior representative in Bahrain laid the foundations of the IFLB before his expulsion in August 1979. The IFLB has been active - no doubt with professional Iranian help - in distributing anti-Government propaganda in Bahrain. Many of the leaflets have been posted from London, where the IFLB appear to have an office and many sympathisers. Shaikh Khalifa may have it in mind to ask for our co-operation in keeping up surveillance on the IFLB. In response to Bahraini requests we have investigated the activities in London of the IFLB. Members of the Bahraini Students' Islamic League, presumably supporters of the IFLB, have demonstrated peacefully outside the London Embassies of Bahrain, Iraq (which also has a Sunni-dominated Shi'a majority), Saudi Arabia and the USA.

National Assembly

4. In the mid-1970s Bahrain had a short-lived National Assembly, which proved a source of comment critical of the government. Shaikh Khalifa led the moves to have the Assembly disbanded. This was similar to the closing in 1976 of the Kuwaiti National Assembly, which had performed a broadly similar function. In fulfilment of a long-standing promise, the government of Kuwait announced on 24 August 1980 that the Kuwaiti Assembly would be revived and that elections would be held in January 1981. This seems certain to lead to calls in Bahrain for the revival of the Bahraini Assembly.



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C2: IRAQ AND THE ARABIAN PENINSULA

POINTS TO MAKE

Iraq/Arabian Peninsula

1. Since you have just visited Iraq, glad to hear your views. Is the improvement in Iraq's relations with Saudi Arabia and the Gulf a real long-term shift in position? Could you rely on Iraq in face of any threat from Iran?

Iraq/Syria

2. Why have Iraq's relations with Syria deteriorated so sharply in recent months?

Iraq/Iran

3. Do you think the Iraqis would go as far as to try to destabilise Iran by military confrontation?

UK/Iraq

4. We genuinely want better relations with the Iraqis. But they are difficult and suspicious of us.

UK/Saudi Arabia

5. Very glad that the Saudis have made clear the disagreement over the TV film. It is now a thing of the past.

Western Policy

6. Understand why American policies in the Middle East as a whole do not go down well in the Arabian peninsula. What should they do to improve their image? We take seriously the Soviet threat to the Gulf region. We think the USA must have military facilities in the Indian Ocean, because of their great distance from the Gulf and the Russians' closeness. Do you find the US naval facilities in Bahrain an embarrassment? Solution to the Tehran hostage question would make things much easier (see Brief C 4).

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C2: ESSENTIAL FACTS

1. Shaikh Khalifa visited Iraq from 2 to 4 September. The Iraqis may have offered him assistance in the event of increased Iranian pressure on Bahrain. The small Gulf states have good reason to be wary of the Iraqis, but the Iraqis seem to have halted their subversive activities against the traditional regimes of the peninsula. This is because they wish to make common cause against Camp David, against Khomeini and against super-power expansionism (Iraqi condemnation of the Soviet invasion of Afghanistan has marked a cooling in USSR/Iraq relations).

2. Border clashes between Iraq and Iran have been reported throughout the summer. Iraq, with a Shi'a majority susceptible to Iranian incitement but with a Sunni-dominated government and a secular ideology, is concerned to weaken the Tehran government. Hence Iraqi stirring up of the non-Persian communities in Iran, in the first place the Arabs of Khuzestan.

3. Iraqi/Syrian relations reached a new low with the expulsion of Syrian diplomats from Baghdad, following an alleged discovery of arms in the embassy. The Iraqis may have been seeking a pretext to stop contributions to Syria as a front-line state, as agreed at the Baghdad summit in 1978.

4. The Bahrainis' relations with Saudi Arabia are very close. They will be glad that the Saudis' quarrel with us now seems to be over. But it would be prudent to assume that any comments we make to the Bahrainis about the Saudis could well find their way back to Saudi ears.

Western Policy

5. Although worried by events in Afghanistan, the Gulf states have been uneasy about accepting American help. They do not like US sponsorship of the Egypt/Israel peace treaty. Iran has been reasonably successful in presenting US/Iran tension to its neighbours as a case of American aggressiveness towards a fellow Muslim state. The abortive mission to rescue the hostages in April caused alarm.

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The Bahrainis were quick to deny that Bahrain had been used as a base. The Bahraini government are privately understanding of the Americans' position on Iran but dare not defy their public opinion by saying so publicly. American military facilities in Oman, Somalia and Egypt (as well as Diego Garcia) have been too widely seen in the Gulf as the positioning of forces for a possible intervention in the Arabian peninsula and even a take-over of the oil fields. There is little awareness in the Gulf of the strategic facts of life after Afghanistan, or acceptance of the need for an increased US presence to deter Soviet adventurism. The Americans, however, do not seem to have been successful in persuading Gulf governments of their case's merits. Oman has, as far as we know, been uncommunicative to its Arab neighbours about the facilities granted to the US.

6. US Gulf naval squadron has used facilities at Bahrain, with fixed number of ship-days, since early 70's. Decision was taken in 1979 to increase squadron from 3 to 5 ships, against background of fall of Shah and demise of CENTO. In early 1980 Bahrain was asked slightly to increase quota of ship-days to help accommodate the increase. Though discreet, the US presence in Bahrain is useful propaganda for Iran and others hostile to the Americans and the Al Khalifa.

7. The small Gulf states' instinct, when facing the dangers of Iran and Afghanistan, is to keep close to Saudi Arabia. Where possible we have encouraged Gulf co-operation; but no practical steps have yet resulted from their expressions of intent to co-operate. The field of information looks the most fruitful for Gulf co-operation; we have offered assistance in monitoring Iranian broadcasts, but the Bahrainis are relying on US help for this.

C3: ARAB/ISRAEL

POINTS TO MAKE

1. Concerned by recent developments. Provocative Israeli actions over Jerusalem are regrettable, but worried by apparent absence of flexibility on Palestinian side. Can Bahrain exert any influence on the PLO? Need for progress towards a comprehensive settlement more urgent than ever.
2. Nine wish to contribute without repudiating US efforts. Thorn's talks a basis on which the Nine are considering how to proceed further. European action will continue.
3. 1981 an important year for the Middle East. Wish to work with new US Administration and perhaps new Israeli Government. Does Bahrain see any possibility of Jordan acting for PLO in negotiation with Israel?

/ESSENTIAL FACTS



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C3: ESSENTIAL FACTS

1. Bahrain is generally content to go along with the Arab consensus, and will usually follow the Saudi lead. They have in recent months been publicly critical of Camp David and President Sadat's policies, but, at least in the early stages, were privately ready to see what Sadat could achieve and were understanding of his motives. They have shown interest in and sympathy for a European contribution to peace efforts and reacted favourably to the Venice declaration. The Prime Minister may press us to go further, in particular to put pressure on Israel and to move the US away from Camp David.

Autonomy Talks

2. Mr Linowitz' visit to Israel and Egypt at the beginning of September resulted in agreement in principle to resume the talks. No date has formally been set and the Egyptians remain unwilling to enter into substantive discussion while Mr Begin remains unrepentant over Jerusalem etc. But Linowitz appears to have managed to persuade President Sadat that Mr Begin is now prepared to show restraint over the move of his office to East Jerusalem and the annexation of the Golan Heights. We have been told that if the Israelis refrain from provocative actions, the talks could resume in late October. The Egyptians would see them as primarily preparation for the tripartite Summit after the US elections, to which they remain committed.

European Action

3. M. Thorn will report to his colleagues on his tour of the parties on 15/16 September. It remains unclear how the Nine will proceed subsequently. There is general agreement that continuing and visible activity is needed, but it is not clear whether this should be undertaken by M. Thorn (who will be increasingly preoccupied as his term as President of the

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Commission approaches) or through some other device. The  
Nine also need to consider further their objectives.  
Foreign Ministers are due to have a further discussion  
in New York on 23 September.

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C4: IRAN

POINTS TO MAKE

US Hostages

1. US/Iran relations still threaten Middle East stability. Death of Shah has not defused situation but refocussed Iranian opinion against the USA. Hope Iranian Parliament will soon consider hostage question. Any trial of hostages would be very serious. Anything more the Islamic states might do?

UK/Iran relations

2. Our relations with Iran worsened after detention of Iranian student demonstrators at US Embassy. Excited reaction in Tehran led us to withdraw our Embassy staff temporarily, but no break in relations.

Internal disorder

3. Internal struggle for power in Iran continues. Bani Sadr is losing to the extremists. Will the regime Khomeini has set up survive his death?

Iran/USSR

4. How serious is recent decline in Iran/Soviet relations? Does it mark end of Soviet attempts to win favour with the new regime?

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C4: ESSENTIAL FACTS

US/Iran

1. Death of the Shah has led to renewed demands for return of his wealth as price for release of hostages. Some signs that the moderates, eg Bani Sadr, now see hostages as having outlived their usefulness. But no definite sign of when Parliament will discuss question. US patience short, but hard to see what they can do.

Iran/UK

2. Students arrested in the 4 August demonstration in London have alleged police brutality and many have refused to co-operate. Magistrates have so far recommended 42 for deportation. Embassy in Tehran now closed but 1 UK-based officer remains in British Interests section of Swedish Embassy.

Iran Internal

3. Bani Sadr's power further eroded by nomination as Prime Minister of religious revolutionary Rajaie, though with Khomeini's help he has managed so far to block some of Rajaie's more extreme nominations to cabinet posts. Growing extremism of Revolution fuelled by Khomeini's recent more active intervention. Iranian economy continues to deteriorate; oil production continues low (c. 1.5 mbpd). But difficult to assess any effect of present conditions on level of discontent.

Iran/Soviet Union

4. Contributory factors to recent cooling of relations: Iranian demand for price of natural gas to be linked to price of crude; criticism of Soviet role in Afghanistan and its public support for Afghan rebels; general suspicions of Soviet-supported subversion, and demand that Soviets close one of their consulates in Iran. In a recent speech Khomeini himself has condemned USSR. We have no evidence of Soviet military build-up on Iran's border.

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C5: AFGHANISTAN

POINTS TO MAKE

1. UNGA is next opportunity to keep up pressure on Soviet Union.
2. Glad that Afghanistan is on provisional agenda. Hope that as many countries as possible will renew condemnation of Soviet occupation.
3. Understand Islamic Foreign Ministers may consider setting up of a conference. We see risks if representative of Babrak Karmal Government were sole Afghan representative invited to such a meeting.

Resistance

4. Which does Bahrain regard as the most effective resistance group?

Arms Supplies (Defensive)

5. Important that resistance should have the arms to operate against Soviet invaders and money to pay for them.
6. Arms are undoubtedly reaching some of those fighting. Does Bahrain think they are being used effectively?

/ESSENTIAL FACTS

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C5: AFGHANISTAN

ESSENTIAL FACTS

1. There will be an emergency session of Islamic Foreign Ministers Conference in New York before the General Assembly. This will meet a commitment made at the Islamic Conference in May. We expect Afghanistan will be one of the subjects to be discussed.
2. When Agha Shahi, Pakistan's Foreign Minister, saw Lord Carrington at Dorneywood on 28 July he mentioned the idea of a General Assembly resolution calling for a conference between the countries of the region, the United States, the USSR, the Babrak Karmal regime and perhaps some other non-aligned and the three other permanent members of the Security Council. Agha Shahi thinks a constructive element will be necessary in the resolution this time if it is not to attract less support than in January. We suggested to Agha Shahi that any conference which included the Babrak Karmal regime but excluded the resistance would enhance the status of the regime and play into Russian hands.
3. Saudi Arabia shares our view of such a conference and we have asked the Saudis to lobby Agha Shahi, who remains keen on a conference.

Internal Scene

4. The regime of Babrak Karmal still has no popular support. Without the backing of Russian forces it would fall. Resistance to the Soviet occupation continues throughout the country. The Russians have incurred significant losses (around 4,000 casualties) but not as great as the Press would suggest. Resistance fighters have suffered heavy casualties. They face helicopter gunships with primitive weapons.



C6: ENERGY MATTERS

POINTS TO MAKE

Oil Producer/Consumer Contacts

1. Behaviour of oil market in last 18 months matter of serious concern to all.
2. Essential for world economy to avoid further price shocks and to bring element of predictability to future oil supplies and price.
3. Need for some form of direct contact between producers and consumers of oil. UK fully supports Venice Summit call for constructive dialogue between producers and consumers of oil.

Visit of Mr Lamont (PUSS Department of Energy) to the Gulf (27 September - 9 October) [If raised]

4. Regret Mr Lamont's very tight programme means he cannot visit Bahrain on this occasion. The Secretary of State for Energy, Mr Howell, will, however, be visiting Bahrain in January 1981 to address the Bahrain Society of Engineers.

/ESSENTIAL FACTS

C6: ESSENTIAL FACTS

Bahrain

1. Very small oil producer (50,000 bpd). Relies on Saudi Arabia for crude to run oil refinery.

Producer/Consumers

2. Venice Economic Summit communiqué said "we would welcome a constructive dialogue on energy and related issues between energy producers and consumers in order to improve the coherence of their policies".

3. Bahrain in favour of increased contacts, particularly between the West and the Arab world. Sheikh Khalifa emphasized this when he saw the Prime Minister at Bahrain Airport in July 1979.



C7: EC/GULF DIALOGUE (If raised)

POINTS TO MAKE

1. UK welcome exploratory visits to Gulf States by Presidency/Commission. Understand Commission is planning a visit to Bahrain later this month. We are in favour of developing EC/Gulf relations but only if Gulf States want this.
2. Agreements already exist with Maghreb/Mashraq countries and Community wishes to consolidate its relations with those Arab countries with which it does not have agreements.
3. Aim of proposed exploratory talks is to discuss possible content of Cooperation Agreements and scope of associated dialogue.
4. (If raised) We have told our Community partners that we are in favour of the inclusion of political as well as economic subjects.
5. (If coverage of energy is discussed) Energy is vitally important element in EC/Gulf relations and discussion of energy issues could be helpful to both sides.

/ESSENTIAL FACTS

C7: ESSENTIAL FACTS

1. Community has agreed to send joint Commission/Presidency mission to the area to explore possibility of concluding individual commercial cooperation agreements with the various states. Visit to Oman has already taken place and visits to Bahrain and Abu Dhabi are planned for end of September. This initiative, originally proposed by the Germans, is intended as an expression of greater European interest in the area following events in Afghanistan and Iran.

2. Gulf reactions to preliminary soundings of the Community have been cautious though not, except in the case of Iraq, totally negative. Apart from the visits mentioned above, other States have yet to agree to exploratory talks.

3. UK have always said that without a political element the EC/Gulf proposal would be unlikely to prove sufficiently attractive to Gulf States and their reactions to date have tended to confirm this. We consider that discussions should concentrate on such topics as Iran and Afghanistan, though the Gulf would doubtless concentrate on the Arab/Israeli dispute. We hope discussion on Arab/Israel could be confined to a ritual exchange.



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C8: POSSIBLE EXPANSION OF THE SECURITY COUNCIL

POINTS TO MAKE

1. UK seriously concerned at implications of proposals to enlarge Security Council.
2. Security Council has a unique role as UN organ with special responsibility for maintenance of peace and security. Only body empowered to take decisions which may be binding (under Chapter VII) on member states. Responsibilities for crisis management mean that it must be able to act quickly and decisively. Small numbers essential for swift reaction.
3. It would be in no-one's interest to see the Council become a scaled-down version of the General Assembly.
4. Composition of the Council reflects international realities. The Security Council was never intended to be proportionately representative of UN member states.
5. Many countries appear to have reservations on the desirability of enlargement. We hope that proposals to enlarge the Council will not be put to the vote at the forthcoming General Assembly. If they are, we hope Bahrain will oppose them.

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C8: ESSENTIAL FACTS

1. The Security Council was enlarged from 11 to 15 in 1963 (in force in 1965) through amendment of the Charter. (Amendment of the Charter requires agreement of a two-thirds of the membership including the five permanent members). The ten non-permanent seats are allocated among regional groups in accordance with a General Assembly resolution.
2. India and 12 co-sponsors tabled at the 1979 General Assembly a draft resolution to enlarge the Security Council from 15 to 19, with additional seats going to the African, Asian and Latin American groups. Ecuador, with 8 co-sponsors, tabled an amendment to enlarge the Council to 21; 5 of the extra seats would go to the African, Asian and Latin American regional groups and the sixth to alternate between the Eastern Europeans and Western groups.
3. After strong lobbying by UK, US, France and USSR, with support from Western countries, and with little prospect of agreement on a formula for enlargement, the Indians agreed to defer the item until 1980. The item is on this year's GA Agenda. The Philippines have also put forward a different formula for enlargement to 21.
4. Efficiency apart, we oppose enlargement because:
  - (a) The relationship of the majority required for adoption of a resolution to the total membership of the Council would be such under any of the current formulae that Western and Soviet bloc members of the Council would be unable jointly to block undesirable moves to modify the Rules of Procedure.
  - (b) Enlargement could force the permanent members into more frequent use of the veto, since they would be less able to muster sufficient negative or abstaining votes to prevent adoption of a resolution.

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5. (NOT FOR USE) There is concern among many Western governments that opposition to enlargement may provoke retaliation in the form of a General Assembly resolution re-distributing the existing non-permanent Council seats, which could involve the loss of one of the two Western non-permanent seats. This would not involve amendment to the Charter and could not be blocked by the permanent members.

A. 6. When, as part of a 'large-scale' lobbying campaign against enlargement by France, UK and US, the Charge d'Affaires called on the Foreign Minister of Bahrain on 16 July, the Minister indicated that he would not decide which way to vote until the debate in the General Assembly (which he will be attending) but he personally opposed the idea of enlargement.

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SHAIKH KHALIFA BIN SULMAN AL-KHALIFA

First brother of the Amir of Bahrain, he was born in 1936. Private education including some time in London with tutors. He entered political life in 1957, when he was appointed the first President of the Education Council. He then held a variety of other posts until 1970, when he was appointed President of the State Council on its establishment. When this body became the Council of Ministers in 1971, the year of the ending of Britain's special treaty relationship and of her withdrawal, Shaikh Khalifa became Prime Minister.

While allowing ministers to run their own departments, he is very much the head of the Government. He would not go against any strongly held views by his brother the Amir, but takes a closer interest in political matters and the business of government than his brother. He is intelligent and hard working, conscious of his position, but avoids sharing the limelight with his brother. Conducts official business briskly, and brought about the abolition without incident of the National Assembly when he came to the conclusion that it was making government impossible. Bahrain, like Kuwait, had a national assembly which, though having little real power, was an elected body. Shaikh Khalifa has in the past expressed ideas about replacing the assembly by some other means of expressing popular opinion, but the promised revival of the Kuwaiti assembly might act as an example for Bahrain in spite of him.

In foreign affairs, like Amir, he is at heart not much of an Arab nationalist, but goes along with the ideas of the Foreign Minister which command general support among the Bahrain government. He greatly valued the British connection and was sad to see the decline of British influence in the Gulf, but of late he has shown sensitivity and suspicion towards the reporting of the Western media on events in the Middle East.

He speaks English fluently. He is married, though on this visit not accompanied by his wife. He has several children, the eldest son of whom died of an incurable disease in 1974.

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SHAIKH MOHAMMED BIN MUBARAK BIN HAMAD AL KHALIFA - Minister for Foreign Affairs since 1971

Born about 1935. After secondary education in Bahrain he spent five years at the American University of Beirut. He then studied history for 18 months at Oxford and Law for 2 years in London. On his return to Bahrain in 1961 he attended the Bahrain Courts as a listener/candidate for the Bench but gave up the idea of becoming a judge and entered political life in 1962. In 1968 appointed Head of the newly formed Political Bureau which became the Department of Foreign Affairs in January 1969. Appointed to the State Council on its formation in January 1970. Minister 1971.

In 1968/9 he moved into the inner circle of advisers to the Ruler and since 1970 his influence has probably been second only to that of Shaikh Khalifa. He is intelligent and articulate and has rapidly developed a wide knowledge of foreign affairs. On Arab questions he thinks that Bahrain must keep up with the progressive stream of thinking; he takes a particularly strong pro-Palestinian line. But he also recognises the limitations of Bahrain's freedom to act against the mood of the conservatives and the Saudis. He too values the British connection, and sees our point of view even when he cannot go along with it against an Arab consensus.

Married. 2 children. His English is fluent and he visits the United Kingdom regularly.

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TARIQ ABDULRAHMAN AL-MOAYYED - Minister of Information (1973)

Born 1943, the eldest son of Abdulrahman Khalil Al-Moayyed, a Sunni of Persian origin. Graduate in Political Economy of Manchester University, 1967. On his return to Bahrain, joined his father to run his building supply business. A nominated member of the Constituent Assembly 1972. A dynamic and hard-working Minister, who takes a keen interest in the work of his Department, but who is suspected of wishing to leave the Government in order to devote himself full-time, instead of in the afternoons only, to his business interests.

Married (to Leila, daughter of his Uncle Yusuf) with two children. Friendly to us. Speaks good English.

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HABIB AHMED KASSIM - Minister of Commerce and Agriculture since 1976.  
Director of Aluminium Bahrain.

Born 1940. Shia.

Graduated from American University of Beirut in economics 1965.  
Joined Department of Finance 1976 and worked in the Development  
Office. Appointed Director of Commerce and Industry in the Ministry of  
Finance and National Economy 1971 and Under-Secretary in the Ministry  
of Commerce, Agriculture and Economy September 1975.

Quiet and slow-spoken, with a reputation of being little conscious  
of his position. However, when approached frankly he is fair-minded  
and ready to co-operate. Married.

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ALI EBRAHIM AL-MAHROOS - Ambassador to Britain, since 1977.

Born 1942. Shia. Educated in Egypt ,at University of Damascus (BA in Public Administration) and at American University of Beirut (diploma in Political Science).

Worked for a short period in the Bahrain Ministry of Education before joining the Department of Foreign Affairs on its foundation in 1969; he became Director of Administration there. Ambassador to Lebanon 1974. He is due to return to Bahrain at the end of his tour of duty later this year.

Has a pleasant manner and speaks English fairly well, but gives the general impression of being a lightweight. Seldom calls the FCO.

Married and has three children.

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HER MAJESTY'S GOVERNMENT IN THE  
UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND

Visit of  
His Excellency  
Shaikh Khalifa bin Salman Al Khalifa  
Prime Minister  
of the State of Bahrain

15 to 17 SEPTEMBER 1980

His Excellency Shaikh Khalifa bin Salman Al Khalifa, Prime Minister of the State of Bahrain, will be accompanied by:

His Excellency Shaikh Mohamed bin Mubarak Al Khalifa,  
Minister of Foreign Affairs

His Excellency Mr. Tariq Abdul Rahman Al Moayyed,  
Minister of Information

His Excellency Mr. Habib Ahmed Kassim,  
Minister of Commerce and Agriculture

Mr. Mohamed al Mutawa,  
Director of the Prime Minister's Office

Mr. Ghazi al Gosaibi,  
Chief of Protocol, Ministry of Foreign Affairs

*Escort Officer*

Mr. Neville Coppel—*Government Hospitality*

The visitors will be staying at:

The Savoy, Strand, W.C.2



# Programme

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## MONDAY, 15 SEPTEMBER

1455 hrs Arrive London Heathrow Airport by Flight GF 009  
*Aicock and Brown Suite, Terminal 3*

Met by Minister of State for Foreign and Commonwealth  
Affairs,  
The Hon. Douglas Hurd, M.P.

1515 Leave the Airport by car  
(approx)

1600 Arrive at the Savoy  
(approx) *Strand, W.C.2*

No official engagements

## TUESDAY, 16 SEPTEMBER

- 0950 hrs Leave the hotel
- 1000 Arrive 10 Downing Street  
Photocall  
Talks with the Prime Minister,  
The Rt. Hon. Margaret Thatcher, M.P.
- 1100 Leave 10 Downing Street and return to the hotel
- 1300 Leave the hotel
- 1315 Arrive Bank of England  
*Threadneedle Street, E.C.2*  
Luncheon given by the Bank of England  
Host: The Governor of the Bank of England,  
The Rt. Hon. Gordon Richardson  
Followed by talks
- 1515 Leave the Bank of England and return to the hotel
- 1645 Leave the hotel
- 1655 Arrive Buckingham Palace, North Gate  
*Privy Purse Entrance*
- 1700 Tea with Her Royal Highness The Princess Anne,  
Mrs. Mark Phillips
- 1745 Leave Buckingham Palace and return to the hotel  
(approx)
- 1950 Leave the hotel
- 2000 Arrive 10 Downing Street

*Continued on next page*



**TUESDAY, 16 SEPTEMBER (Contd.)**

2000 hrs Dinner given by Her Majesty's Government  
for Hosts: The Prime Minister  
2015 and Mr. Denis Thatcher  
*Dress: Black Tie or National Dress*

Return to the Savoy

WEDNESDAY, 17 SEPTEMBER

- 0950 hrs Leave the hotel
- 1000 Arrive Foreign and Commonwealth Office  
*Ambassadors' Entrance*
- Photocall
- Call on the Secretary of State for Foreign and Commonwealth Affairs,  
The Rt. Hon. Lord Carrington
- Leave the Foreign and Commonwealth Office and return to the hotel
- 1115 The Minister for Trade,  
Mr. Cecil Parkinson, M.P.,  
will call on His Excellency the Prime Minister  
*At the Savoy*
- 1250 Leave the hotel
- 1300 Arrive 1 Carlton Gardens, S.W.1
- 1300 Luncheon given by Her Majesty's Government  
for Host: The Lord Privy Seal,  
1315 The Rt. Hon. Sir Ian Gilmour, M.P.
- Return to the hotel
- 1600 The Opposition Spokesman on Foreign Affairs,  
The Rt. Hon. Peter Shore, M.P.,  
will call on His Excellency the Prime Minister  
*At the Savoy*
- 1940 Leave the Savoy  
(approx)
- 1950 Arrive the Dorchester  
(approx) *Park Lane, W.1*

*Continued on next page*



WEDNESDAY, 17 SEPTEMBER (Contd.)

2000 hrs Dinner given by His Excellency Shaikh Khalifa bin Salman  
for Al Khalifa, Prime Minister of the State of Bahrain  
2015 *The Ballroom*  
*Dress: Lounge Suit*

Return to the Savoy

End of Official Visit

His Excellency the Prime Minister of the State of Bahrain  
will remain privately in the United Kingdom until his  
departure on 19 September

**FRIDAY, 19 SEPTEMBER**

1420 hrs Leave the hotel

1500 Arrive London Heathrow Airport  
*Alcock and Brown Suite, Terminal 3*

1510 Board Flight BA 017 departing at 1530 hours for Bahrain

Special Representative of the Secretary of State for Foreign  
and Commonwealth Affairs,  
Sir Donald Logan,  
will bid farewell



## DIRECTORY

### *Government Hospitality*

2 Carlton Gardens, S.W.1

01-214 8142

### *Foreign and Commonwealth Office, S.W.1*

Protocol and Conference Department

01-233 3261

### *Embassy*

Embassy of the State of Bahrain  
98 Gloucester Road, S.W.7

01-370 5132/3

### *Hotel*

The Savoy  
Strand, W.C.2

01-836 4343

### *London Heathrow Airport*

Alcock and Brown Suite  
Terminal 3

01-759 4321  
Ext. 5276

## NOTES



NOTES

NOTES







Bahraini VS

cc FCO

10 DOWNING STREET

*From the Private Secretary*

8 September 1980

I enclose a copy of a letter which the Prime Minister has received from the Chairman of Cable & Wireless about that company's operations in Bahrain. I should be grateful if you could arrange for appropriate material to be included in the Prime Minister's briefing for her meeting with the Prime Minister of Bahrain.

I am sending a copy of this letter and enclosure to Stephen Gomersall (FCO).

~~M. A. PATISON~~

M. O'D. B. ALEXANDER

Ian Ellison, Esq.,  
Department of Industry.

VS



8 September 1980

Thank you for your letter of 5 September about the operations of Cable & Wireless in Bahrain. I will, of course, ensure that your letter is included in the Prime Minister's briefing for her meeting next week with the Prime Minister of Bahrain.

MODBA

The Rt. Hon. The Lord Glenamara, CH.

20



Bahrain  
Foreign and Commonwealth Office

London SW1A 2AH

8 September 1980

Dear Sir,

Ph  
— 8/5

VISIT OF THE PRIME MINISTER OF BAHRAIN

As I mentioned in our recent telephone conversation, Shaikh Khalifa bin Sulman Al Khalifa, the Prime Minister of Bahrain is making an official visit to this country as a guest of the Prime Minister from 15 to 17 September. He wishes the Ministers of Foreign Affairs, Information and Commerce, who will be accompanying him throughout the visit, to attend his official talks with the Prime Minister at 10 am on Tuesday 16 September. The Bahrainis have asked whether the Prime Minister is likely to ask other British Ministers to attend. We have put this question to the Prime Minister, who has replied that she is content to reply on our recommendations for the attendance of other British Ministers.

Shaikh Khalifa takes a close interest in commercial relations with Britain, which are likely to figure prominently in his discussions with Mrs Thatcher. In view of this, and in view of the attendance of the Bahraini Minister of Commerce it would clearly be advantageous for Mr Nott to attend the talks at Downing Street, and I understand that he would be free to do so. As you know, Mr Parkinson is due to call on Shaikh Khalifa and party the following day; this call, like the immediately preceding meeting with Lord Carrington, will provide the opportunity for more detailed discussion of the topics likely to be raised at No 10.

Yours ever  
S J Gomersall

S J Gomersall

S Hampson Esq  
PS/Secretary of State for Trade

cc: M Pattison Esq  
No 10



SEP 1980

SEP 1980

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SEP 1980



CABLE AND WIRELESS LIMITED

COURT ROOM

MERCURY HOUSE THEOBALDS ROAD LONDON WC1X 8RX TELEPHONE 01-242 4433

From: The Rt Hon The Lord Glenamara CH

5 September 1980

R8/9

*from Private Secretary:*

It is possible that the Prime Minister of Bahrain may raise with Mrs Thatcher the question of the C&W operation in Bahrain.

The Company provides and operates both the external and internal telecommunications on a franchise which is due to terminate in July 1982. At the moment we are carrying out a considerable investment programme there.

Over a number of years there has been indeterminate discussion between the Government of Bahrain and the Company about the future, and we understand that the Ruler might find it politically difficult to grant an extension to the franchise, although it is fully recognized there that the economy of the country rests significantly on an efficient telecommunications service. The latter point definitely moderates their wish for a change in the status of the C&W branch.

There has been a good deal of talk and press speculation about the setting up of a joint company with a majority holding resting in Bahrain - probably with the Government, although the possibility of local business investment cannot be entirely ruled out.

During a recent visit by the MD responsible for that part of the business, Mr Cannon, a further possibility was aired by the Ruler and Prime Minister, of Bahrain having an investment in the total Group rather than setting up a separate company in Bahrain.

The line followed by Mr Cannon was that it was something that could be pursued, but there had as yet been no firm decision with regard to the Group's shareholding but if shares were put on the market, participation by Bahrain would be a matter for the shareholder, ie British Government, who would be marketing part of their equity holding.

Should this not prove to be the Bahrain Prime Minister's (or HMG's) preferred course, then we are very anxious to avoid the stereotyped 60/40 local joint company with a C&W minority interest, since this would be expensive for us in several ways.

The Principal Private Secretary to  
The Rt Hon Margaret Thatcher MP  
Prime Minister





The Principal Private Secretary to  
The Rt Hon Margaret Thatcher MP

5 September 1980

Possibly the only alternative which might be mutually attractive is that the Bahrain Government should fund all new capital expenditure and lease back the assets to C&W for a commercial rental or a share of Bahrain Branch profits (with no local company formation).

*Yours sincerely,*  
*J. Hamman*

Chairman



Foreign and Commonwealth Office

London SW1A 2AH

*I have told Mr Gomersall that  
this is right. He will provide  
a draft. See check on  
15 September.*

5 September 1980

*Dear Mike,*

*Paul - 8/9*

*BF 15.9.80*

VISIT OF THE PRIME MINISTER OF BAHRAIN

During a recent private visit to this country the Bahraini Minister of Foreign Affairs, who will be accompanying Shaikh Khalifa on his visit from 15 to 17 September, asked whether Shaikh Khalifa would be expected to make a speech at the dinner which the Prime Minister is offering him on Tuesday, 16 September. He also enquired whether there would be toasts, and seemed anxious that the protocol on this occasion should conform to the normal practice at Number 10. We assured the Foreign Minister that there was no rigid formula but undertook to seek your views.

I understand that on these occasions the Prime Minister usually proposes a toast to HM The Queen, to the Head of State of the visitor, and then makes a short speech of welcome, to which the visitor replies briefly. If the Prime Minister agrees, this practice could be followed at her dinner on 16 September, in which case the toast to the Bahrainis should be addressed to : 'The Ruler of Bahrain'.

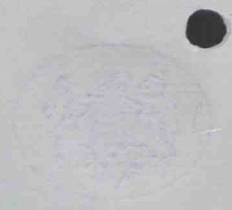
*Yours ever  
S J Gomersall*

S J Gomersall  
Private Secretary to the  
Lord Privy Seal

M A Pattison Esq  
10 Downing Street  
London



- 8 SEP 1980 -





Spoke to Stephen Gomerall.  
A Talks will now be 1000-1100  
on 16 Sept: b/n again on Monday  
Here please Foreign and Commonwealth Office

Ed. 3/9 London SW1A 2AH

A 15 min tête à tête  
1 September 1980

Dear Mike,

#### VISIT OF THE PRIME MINISTER OF BAHRAIN

In your letter of 8 August you said that the Prime Minister had agreed to see the Prime Minister of Bahrain for half an hour at 9.30 am on Tuesday 16 September. This, you will recall, will be the first engagement in Shaikh Khalifa's official visit, which the Prime Minister invited him to make.

We have recently learnt that Shaikh Khalifa is to be accompanied by three Ministers - those of Foreign Affairs, Information and Commerce. During a private visit to London last week, evidently intended as a reconnaissance, the Bahraini Foreign Minister expressed some surprise that Shaikh Khalifa's call on the Prime Minister might last only half an hour and wondered whether, notwithstanding the dinner engagement that evening, this would give time to cover the ground properly: he suggested that the call might take the form of a short tête-à-tête of about 15 minutes followed by a fuller session for 45 minutes or one hour at which a broad range of political and commercial topics could be tackled and at which both Prime Ministers would be accompanied by the relevant Ministers. This, the Bahraini Foreign Minister said, would enable the visit to begin with talks which were both comprehensive and frank.

/The

M A Pattison Esq  
10 Downing Street





The Bahrainis are clearly keen to make the fullest possible use of the visit and are making careful advance preparations. However, to take up the Foreign Minister's alternative proposal would involve a sacrifice of ministerial time which the Prime Minister may feel is not justified. If so, we would have to revert to the idea of a simple call by Shaikh Khalifa. It is probable however that in any case he would wish to be accompanied by his three Ministers.

In either event we are going to cause the Bahrainis some disappointment, and possibly risk offending Shaikh Khalifa, if we cannot offer a little more of the Prime Minister's time. Whichever format the Prime Minister prefers, it seems that an hour overall would be about right. While appreciating that the Prime Minister will be offering Shaikh Khalifa a dinner that evening, the Lord Privy Seal believes it would be to our advantage in the circumstances to try to accommodate the Bahrainis' wishes.

*Gomersall*  
*Stephen Gomersall*

S J Gomersall



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1  
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4  
5

-2 SEP 1980



*Sue Goodchild noted.*

*Bahrain*



Foreign and Commonwealth Office

London SW1A 2AH

*Dear Mike,*

22 August 1980

Visit of the Prime Minister of Bahrain: Prime Minister's Dinner

You will recall that we recently gave you warning by telephone that the Prime Minister of Bahrain would be bringing with him a certain number of ministers who ought to be invited to the dinner which the Prime Minister is giving for Shaikh Khalifa on Tuesday 16 September.

We have now heard that there will be three ministers accompanying Shaikh Khalifa and the Chief of Protocol at the Bahraini Foreign Ministry. They are:-

His Excellency Shaikh Mohamed bin Mubarak Al Khalifa,  
Minister of Foreign Affairs;

His Excellency Mr Tariq Abdul Rahman Al Moayyed,  
Minister of Information;

His Excellency Mr Habib Ahmed Kassim,  
Minister of Commerce and Agriculture;

and

Mr Ghazi al Gosaibi,  
MFA Chief of Protocol.

I hope it will be possible for them to be included in the list of invitations. The name of the Director of the Bahraini Prime Minister's Office, not supplied on the draft guest list Paul Lever sent you with his letter of 1 August, is Mr Mohamed al Mutawa.

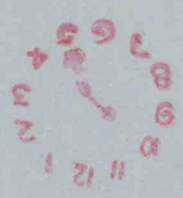
I think that by now you will have cleared with the Government Hospitality Fund the heading to the invitations. In previous correspondence I find that we have wrongly accredited Shaikh Khalifa with a KCMG; I am afraid our own records were faulty on this point, which we have now put right. You will wish to note this and correct any lists which we have caused to be altered - eg the Prime Minister's New Year and Christmas cards list.

*Yours ever*

*D J Neilands*

(D J Neilands)  
Assistant Private Secretary

Mike Pattison Esq  
10 Downing Street  
LONDON



22 AUG 1980





Foreign and Commonwealth Office

London SW1A 2AH

20 August 1980

*Dear Mike*

Visit of Prime Minister of Bahrain

I enclose a letter from Shaikh Khalifa bin Sulman Al Khalifa to the Prime Minister thanking her for her invitation to pay an official visit to this country on 16 and 17 September.

*Yours ever*

*D J Neilands*

(D J Neilands)  
Assistant Private Secretary

Mike Pattison Esq  
10 Downing Street  
LONDON



200/AUG 1981



U.S.G.

vb

Bahrain

8 August 1980

Thank you for your further letter of 6 August, about the arrangements for the visit of the Prime Minister of Bahrain.

The Prime Minister will be content to see him for half-an-hour at 0930 on 16 September.

We are in touch with Protocol and Conference Department about the timing of the dinner in the light of this change in the programme.

MAP

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

GB

T 158990

2.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T158c/80

Subject

Date: 6th August 1980

رئيس مجلس الوزراء  
البحرين

M/

Prime Minister

MAD 20/8

Dear Prime Minister,

Thank you very much for your gracious invitation extended to me to pay an official visit to your country on 16th and 17th September, 1980.

The dates are indeed convenient to me, and I have much pleasure in accepting your invitation, and in expressing my appreciation and thanks to you.

I look forward to meeting you and to visiting the United Kingdom again.

Yours sincerely

Khalifa bin Sulman Al-Khalifa

Khalifa bin Sulman Al-Khalifa

The Rt. Hon. Margaret Thatcher, P.C., M.P.,  
The Prime Minister  
10 Downing Street  
London, S.W.1  
United Kingdom.





cc S-9.

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

6 August 1980

Content to have your talks with  
Shaikh Khalifa in the morning,  
abandoning the suggested pre-dinner  
session? MAF 6/8 Yes per 1

Dear Mike,

In my letter of 4 August I asked whether the Prime Minister could set aside half an hour for official talks with Shaikh Khalifa, Prime Minister of Bahrain, immediately before the dinner she is giving for him on Tuesday, 16 September.

But Shaikh Khalifa has now asked to pay a courtesy call on the Prime Minister on the morning of 16 September in order to begin his programme by calling on his host. There seems little point in having two calls on the same day. If the Prime Minister agrees, therefore, I suggest we give up the talks before dinner and instead combine courtesy call and official talks in one call from 9.30 to 10.00 am on 16 September, at which time I understand the Prime Minister is free. Apart from being the wish of Shaikh Khalifa, this arrangement seems perhaps more convenient for the Prime Minister. It would also aid press coverage.

Yours etc

Paul

(P Lever)  
Private Secretary

M A Pattison Esq  
No 10 Downing Street

E-6 AUG 1980







Bahrain

**10 DOWNING STREET**  
**PRIME MINISTER**

You are giving a dinner for  
Shaikh Khalifa, Prime Minister of  
Bahrain, on 16 September.

Would you be prepared to have  
your talk with Shaikh Khalifa  
immediately before the dinner - say  
a talk at 7.30 pm, with dinner to  
follow at 8.00 pm for 8.30 pm?

*MAP*

*Suggest with*

4 August, 1980

*longer. He is*

*very interesting.*

*Can we do it*

*specifically ~  
start at 7.00 pm --*



10 DOWNING STREET

MR. PATTISON

Dinner for the Prime Minister  
of Bahrain on 16 September

Please see Michael Alexander's  
note to you attached.

The draft guest list will be  
submitted later today incorporating  
suggestions from Ian Gow.

Sue

4 August 1980

Please could you confirm timing  
of dinner for the card





✓ 89

① The brochures - to  
submit guest list as usual.

Foreign and Commonwealth Office

② Mr Pathon: if A is  
satisfied for the Bahrainis, perhaps  
we should agree. But the time is  
a little odd or you may prefer to  
check with P. N.

London SW1A 2AH

1 August 1980

*Paul*

Dear Michael,

Visit by the Prime Minister of Bahrain

In your letter of 1 July you asked for a draft guest list for the dinner the Prime Minister is giving for Shaikh Khalifa on 16 September. I enclose a list of 32 names listed broadly under categories, and a list of reserves.

A. | You also asked about the timing of a talk between the Prime Minister and Shaikh Khalifa. Would it be convenient for the Prime Minister to set aside half an hour before the dinner for Shaikh Khalifa? If the dinner is timed for, say, 8.00 for 8.30 pm, she might begin her talk with Shaikh Khalifa at 7.30 pm.

*Yours  
Paul*

(P Lever)  
Private Secretary

Michael Alexander Esq  
10 Downing Street

GUEST LIST FOR PRIME MINISTER'S DINNER FOR PRIME MINISTER OF BAHRAIN

1. Prime Minister
2. Private Secretary to Prime Minister
3. HE Shaikh Khalifa bin Sulman Al Khalifa, KCMG  
Prime Minister of Bahrain  
c/o Embassy of the State of Bahrain, 98 Gloucester Road, SW7 4AU
4. Private Secretary to Prime Minister of Bahrain  
c/o Embassy of the State of Bahrain

POLITICAL

5. The Hon Douglas Hurd CBE MP  
Minister of State, FCO  
  
(Mr Luce, another FCO Minister with an interest in Bahrain because his father was Political Resident there, will be absent.)
6. The Rt Hon James Callaghan MP  
House of Commons
7. John Biggs Davison MP  
House of Commons
8. Eric Deakins MP  
House of Commons  
(Recently visited Bahrain with delegation of Commons Select Committee on Foreign Affairs)

DIPLOMATIC

9. HE Mr Ali Ebrahim Al-Mahroos  
Ambassador of the State of Bahrain  
98 Gloucester Road, SW7 4AU (tel 370 5132/3)
10. Mr H B Walker CMG  
HM Ambassador to Bahrain  
c/o Heads of Mission Section, POD, FCO
11. HE Monsieur Adnan Omran  
Ambassador of the Syrian Arab Republic  
8 Belgrave Square, SW1X 8PH  
(Dean of Arab Ambassadors in London)
12. Mr A J D Stirling CMG  
c/o Heads of Mission Section, POD, FCO  
(Former Ambassador to Bahrain and recently Ambassador in Baghdad)
13. Sir J A N Graham KCMG  
Deputy Under Secretary of State, FCO

COMMERCE AND INDUSTRY

Banks

14. The Rt Hon Lord Barber  
Chairman  
The Standard and Chartered Bank Ltd, 10 Clements Lane, EC4 (tel 623 7500)



- Mr N J Robson  
Chairman  
Grindleys Bank Ltd, 23 Fenchurch Street, EC3 (tel 626 0545)
16. Lord Denman CBE MC  
British Bank of the Middle East, 99 Bishopsgate, EC2 (tel 638 2366)  
(Member of London Advisory Committee)
17. Mr A R Moore CBE  
Director  
Lloyds Bank International Ltd, 40 Queen Victoria Street, EC4  
(tel 248 9822)  
(Former adviser to the Bahrain Monetary Agency)
18. The Earl of Limerick  
Kleinwort Benson Ltd, 20 Fenchurch Street, EC3P 3DB (tel 623 8000)  
(Ex-Chairman, Committee for Middle East Trade)

#### Airlines

19. Mr J R Stainton CBE  
Chairman  
British Airways, PO Box 10, Heathrow Airport, Hounslow, Middlesex,  
TW6 2JA (tel 750 5500)  
(Concorde uses Bahrain en route for Far East)
20. Mr J Mulkern  
Chairman  
British Airways International, 2 Buckingham Gate, SW1. (tel 834 6621)  
(Have won a major consultancy project in Bahrain airport)

#### Communications

21. Mr R W Cannon  
Director of Public Telecommunications  
Cable and Wireless Ltd, Mercury House, Theobalds Road, WC1 (tel 242 4433)

#### Construction companies

22. Mr H W A Francis CBE  
Cleveland Bridge, Trafalgar House, Hammersmith International Centre,  
W6 8DN (tel 741 1644)  
(A construction company interested in the Bahrain/Saudi Arabia causeway)
23. Sir John Howard Kt  
Chairman and Managing Director  
John Howard & Sons International Ltd, Victory House, Meeting House  
Lane, Chatham, Kent (tel 0634 402040)
24. Mr G H Coates  
Sir Alexander Gibbard Partners, Earley House, 427 London Road, Earley,  
Reading, Berks, RG6 1BL (tel 0734 61061)  
(Senior Partner dealing with the Gulf States)

#### General

25. Mr J M H Millington-Drake  
Chairman  
Gray Mackenzie & Co Ltd, 40 St Mary Axe, EC3A 8EO (tel 283 4680)



26. Lord Selsdon  
Chairman  
Committee for Middle East Trade, 33 Bury Street, London (tel 839 1170)
27. J K Dick CBE  
President  
Middle East Association, Bury House, 33 Bury Street, SW1Y 6AX  
(tel 839 2137)
28. Sir G H Middleton KCMG  
Chairman  
Bahrain Society, 1 Lowther Gardens, Prince Consort Road, SW7 2AA  
(tel 589 3422)
29. Mr C Jones  
Managing Director  
Kanoo Group Ltd, 1 Balfour Place, W1Y 5RH (tel 499 7867)  
(The Kanoo family is the leading merchant family in Bahrain)
30. H G Balfour-Paul CMG  
Bradridge House, Diptford, N Totnes, South Devon (tel 036 47 3165)  
(Director of the Department of Islamic Studies, University of Exeter:  
Office tel: 0392 77911 Ext 54. This department specialises in Gulf studies.  
Mr Balfour-Paul is a former Deputy Political Resident, Bahrain)
31. Sir F J Llewellyn KCMG  
Director-General  
British Council, 10 Spring Gardens, SW1 (tel 930 8466)
32. Sir Geoffrey Arthur KCMG  
Master of Pembroke College, Oxford  
(Ex-Political Resident Bahrain and a close friend of the ruling family)



RESERVES

6. The Rt Hon Peter Shore MP  
House of Commons  
  
The Rt Hon Dr David Owen MP  
House of Commons  
(As Foreign Secretary visited Bahrain with HM The Queen in February 1979)
7. Mr D Walters MP  
House of Commons  
  
Lord George Brown  
House of Lords
8. Mr David Watkins MP  
House of Commons
11. HE Mr Mohamed Abdullah al-Eryani  
Ambassador of the Yemen Arab Republic  
41 South Street, London W1Y 5PD (tel 499 5246)  
(Since the Syrian Ambassador may, by mid-September, have left)
13. Mr J C Moberly, AUSS, FCO
14. Mr V R Winton OBE  
Chief General Manager  
Standard Chartered Bank Ltd, 10 Clement's Lane, EC4N 7AB (tel 623 7500)  
(Former Gulf Manager, based in Bahrain, where he was very well known)
- 14-17 Mr H V A Lambert  
Chairman  
Barclays Bank International, 54 Lombard Street, EC3P 3AH (tel 283 8989)
19. Mr D L Ford  
General Manager  
Passenger Services, British Airways, PO Box 10, Heathrow Airport, Hounslow,  
Middlesex, TW6 2JA (tel 750 5614)
21. Lord Glenamara PC CH  
Chairman  
Cable and Wireless Ltd, Mercury House, Theobalds Road, WC1 (tel 242 4433)
25. Mr J A W Bolt  
Director  
Gray Mackenzie & Co Ltd, St Mary Axe, EC3A 8EO (tel 283 4680)
- 21-29 Mr D A Johnson  
Deputy Director  
Confederation of British Industry, Centre Point, 103 New Oxford Street,  
WC1A 1DU (tel 379 7400)
30. Dr J B Kelly  
25 Meadowbank, Primrose Hill, NW3 (tel 586 4449)  
(An imperial historian who has just published a book on the Gulf  
criticising the British decision to withdraw in 1971)





SUBJECT



PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T147/80

10 DOWNING STREET

THE PRIME MINISTER

21 July 1980

Your Highness,

As Your Highness will know, we have been hoping it would be possible for you to visit this country soon.

I would like to extend to you an invitation to pay an official visit to this country on 16 and 17 September, since I am pleased to learn that these dates may be convenient to Your Highness.

I look forward to meeting you again in September.

Yours sincerely  
Margaret Thatcher

His Highness Shaikh Khalifa bin Sulman Al Khalifa KCMG

21



Foreign and Commonwealth Office

London SW1A 2AH

*Type for PM's signature.*

18 July 1980

*Dear Michael,*

Visit by the Prime Minister of Bahrain

Since your letter of 1 July which gave the Prime Minister's agreement to give a dinner in honour of Shaikh Khalifa bin Sulman Al Khalifa, the Prime Minister of Bahrain, on Tuesday 16 September, our Embassy in Bahrain have put the dates 16-17 September for the official visit to Shaikh Khalifa, who has accepted them.

Since Shaikh Khalifa is to be here at the Prime Minister's invitation, it would be a pleasant gesture if she would agree to send a formal letter of invitation to him. I enclose a draft.

*Yours etc*

*Paul*

(P Lever)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street



UNITED STATES POSTAL SERVICE  
FIRST CLASS PERMIT NO. 1000 NEW YORK, N.Y.



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112125

18 JUL 1961

*C/R loose type*

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final ~~P+~~

FROM:  
THE PRIME MINISTER

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

His Highness  
 Shaikh Khalifa bin Sulman  
 Al Khalifa, KCMG  
 Prime Minister,  
 BAHRAIN

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

As Your Highness will know, we have been hoping it would be possible for you to visit this country soon.

I would like to extend to you an invitation to pay an official visit to this country on 16 and 17 September <sup>since</sup> I am pleased to learn that these dates <sup>may be</sup> are convenient to Your Highness.

I look forward to meeting you again in September.

Enclosures—flag(s).....



*Bahrain*

*Paris Stephens 8/7.  
Tfg.  
Nunt*

*C No 10*

GRS 70  
RESTRICTED RESTRICTED  
FM BAHRAIN 070525Z JUL 80  
TO PRIORITY FCO  
TELEGRAM NUMBER 127 OF 07 JULY

YOUR TEL 82: VISIT OF BAHRAIN PRIME MINISTER

1. SHAIKH KHALIFA AGREES 16 AND 17 SEPTEMBER AS DATES FOR OFFICIAL VISIT. HE WILL ARRIVE IN LONDON ON 15 SEPTEMBER.
2. HE IS MOST GRATEFUL FOR SUGGESTIONS MADE FOR HIS VISIT AND EXPRESSED PARTICULAR PLEASURE AT MRS THATCHER'S OFFER TO GIVE A DINNER FOR HIM ON 16 SEPTEMBER. HE LOOKS FORWARD TO RECEIVING AN OUTLINE PROGRAMME IN DUE COURSE.
3. DO YOU WISH ME NOW TO GO AHEAD AND ISSUE FORMAL INVITATION.

COPSON

FILES  
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PS/MR HURD  
MR J C. MOBERLY

**THIS TELEGRAM  
WAS NOT  
ADVANCED**

RESTRICTED

17 JUL 1961





cc Mr. Goodchild

Bahrain <sup>SH</sup>

B/F) 31-7-80

2) 12-9-80

1 July, 1980.

Visit by the Prime Minister of Bahrain

1) // Further to your letter to me of 30 June, the Prime Minister has agreed to give a dinner for 32 guests in honour of the Prime Minister of Bahrain on the evening of Tuesday, 16 September. It would be helpful if a draft guest list could reach me by 31 July.

2) // No doubt you will be discussing with us in due course the timing of a talk between the Prime Minister and Shaikh Khalifa. We will in any case require briefing by Friday, 12 September.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

TR

*cc Mrs Goodchild*



Foreign and Commonwealth Office

London SW1A 2AH

30 June 1980

*Dear Michael,*

Visit by the Prime Minister of Bahrain

In your letter of 9 May you told me that the Prime Minister had agreed to invite Shaikh Khalifa bin Sulman Al Khalifa, Prime Minister of Bahrain to dinner on 8 July.

In the event, Shaikh Khalifa will not be able to visit Britain in early July, but has said he could manage any time after the middle of August. As Lord Carrington should be in London during the visit, we agreed on the telephone that the most promising time for a visit would be the week 15-19 September.

I understand that the Prime Minister would be able to offer Shaikh Khalifa dinner on the evening of Wednesday, 17 September. When the July visit was being discussed, you had in mind a guest list of some 64, but I know the Prime Minister has a very heavy programme at the time. I am sure that Shaikh Khalifa would not expect a dinner on so grand a scale and I suggest that if you put the new date to the Prime Minister you might like to think of around half that number. Even allowing for the many with commercial, banking and political interests in Bahrain who might like to meet Shaikh Khalifa, a maximum of 40 guests would represent a very acceptable level of entertainment.

If the Prime Minister can manage this date, we shall put it to the Bahrainis.

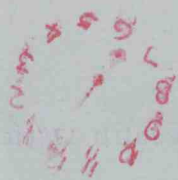
*Yours own*

*Paul*

(P Lever)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street





30 JUN 1980

i. BF 6.6.80  
Bahrain

Visit for July  
cancelled. PA  
for now. SP 6/6.

23 May 1980

Visit by the Prime Minister of Bahrain

I have seen a copy of Caroline Stephens' letter to Malcolm Adams on this subject. Since the visit will be an official one, the dinner will be a large social occasion. I should be grateful if you will let me have a draft guest list for, say, 64 guests. It would be helpful if this could reach me by close of play on Friday 6 June.

I should be grateful if the brief for the talks earlier in the day could reach me by close of play on Friday 4 July.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

AKB



Bahrain vb

2. BF 1.7.80

9 May 1980

Visit of the Prime Minister of Bahrain

Further to our conversation on the telephone this afternoon, I am now writing to say that the Prime Minister will be happy to give Sheikh Khalifa bin Sulman Al Khalifa dinner at 10 Downing Street on the evening of Tuesday 8 July. Should you require it, it will be possible to fit in a period of talks earlier in the day.

Could you please let us have a brief nearer the time?

C.S.

Malcolm Adams, Esq.,  
Foreign and Commonwealth Office.

GC.

RESTRICTED

*File*

*DSC*  
*Bahrain*

6 May 1980

VISIT BY THE PRIME MINISTER OF BAHRAIN

The Prime Minister has seen your letter to me of 2 May and has agreed that Sheikh Khalifa should be invited to Britain some time in late June, early July.

I hope you will bear in mind that the Prime Minister's programme for June and early July is now becoming extremely full. It will be difficult to fit in any further overseas visitors.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

*S*

RESTRICTED





Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

①

Alpa A?

2 May 1980

P

Yes OK

Dear Michael,

## VISIT BY THE PRIME MINISTER OF BAHRAIN

HM Ambassador in Bahrain has suggested that the Prime Minister of Bahrain, Shaikh Khalifa bin Sulman Al Khalifa, should be invited to pay an official visit to this country and Lord Carrington has agreed to this idea. As Shaikh Khalifa is a head of Government, it would be most appropriate if the Prime Minister could agree to invite him to Britain. (She met Shaikh Khalifa briefly when stopping over in Bahrain on 2 July 1979.) He is a forceful and interesting person. *Agreed.*

In the wake of Afghanistan we are particularly keen to reassure the Gulf States of our continuing support for them. Bahrain is a state with which our links have been traditionally close and which, following events in Iran, may welcome a demonstration of our support, a point on which the Bahraini Prime Minister has recently expressed doubts to Mr Hurd.

High level visits are extremely valuable in strengthening our links with the Gulf States. Although Mr Hurd visited Bahrain in January this year, and the Prime Minister, Secretary of State and Secretary of State for Defence have all made stop-over visits in Bahrain, the last Ministerial visit to Britain from Bahrain was in 1978, before the Queen's tour of the Gulf. An inward visit by a senior Bahraini Minister is therefore overdue.

A | I should be grateful to know if the Prime Minister would agree to invite Shaikh Khalifa to Britain some time in late June/early July. Her involvement with his programme need not be any more intense than it would have been had Lord Carrington invited Shaikh Khalifa. We would envisage some talks, and the Prime Minister giving lunch or dinner for him.

Yours own

(P Lever)

M O'D B Alexander Esq  
10, Downing Street

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