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See Monitor out

SUBJECT

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE FOREIGN MINISTER OF IRAQ, DR. SA'ADOUN HAMMADI, AT 10 DOWNING STREET ON 9 MARCH AT 1700

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Present

The Prime Minister	Dr. Sa'adoun Hammadi
The Hon. Douglas Hurd	H.E. Mr. Shawi
H.E. Mr. S.L. Egerton	Mr. Ahmad al Samarrai
Mr. M.O'D.B. Alexander	

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Bilateral Relations

After an exchange of courtesies, in the course of which Dr. Hammadi conveyed greetings from his President, and the Prime Minister thanked Dr. Hammadi for the action taken by his Government in the Sparkes case, the Prime Minister asked Dr. Hammadi how he viewed the general situation at present. Dr. Hammadi said that in the past there had been ups and downs in relations between Iraq and the United Kingdom. But during Lord Carrington's last visit, it had been agreed to make a new start. The Iraqi Government had decided to expand the relationship, assuming that was acceptable to the British Government. There were no impediments on the Iraqi side to such an expansion, whether in the fields of political, economic or cultural relations. Of course, improved relations should be seen as benefiting both parties. They would be based on respect for each side's political positions. But there were complementarities in the interests of both countries. The Prime Minister recalled the visit paid by Mr. John Davies to Baghdad when he had been the Opposition Spokesman for Foreign Affairs. This had opened the way to a new chapter in relations between the two countries. She was delighted to see Dr. Hammadi in London and would value closer bilateral relations, particularly in the economic field. Dr. Hammadi said that he found the Prime Minister's words very encouraging.

/Iran/Iraq War

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## Iran/Iraq War

Dr. Hammadi said that the Prime Minister was no doubt aware of the background to the conflict between Iraq and Iran. Iraq had crossed the Iranian frontier on 22 September. But the war had in fact started on 4 September with Iranian shelling of Iraqi cities. Iraq had always wanted good relations with Iran but the new regime in Tehran had thought they could overthrow other established governments, starting with that in Baghdad. They had sought to destabilise Iraq from within. They had stimulated subversive activities and had begun to play the old game of encouraging the Kurds. This last was a particularly sensitive issue for the Iraqi Government and they had resisted. Ultimately, large-scale military intervention had resulted.

As regards the longer term origin of the war, Dr. Hammadi said that in 1975 the Iraqi Government had had to accept the division of the Shatt Al Arab. This had been part of a package deal. When the Shah's regime had collapsed, his successors had wanted to hold on to their half of the package without observing the Iraqi part. Even if the war had not started in September, it would have started at some other time. The Iraqi Government was anxious to end the war, but they were very firm about regaining the Shatt Al Arab and the lands occupied by Iran. Iranian interference in Iraq would have to cease. The Iraqi Government had no ambitions in Iran. They did not want to disrupt the unity of the country. They wanted a stable and peaceful neighbour. More time would probably be needed to achieve this. Eventually the present abnormal situation in Tehran would end and the Iranians would come to their senses. At present it was impossible for the Iranian Government to take decisions.

The Iraqi Government was aware that Iran's military equipment came mainly from the West, including the United Kingdom. They knew of Iran's contacts with the British Government with a view to buying spare parts. In their view anything that was supplied to Iran would be used against Iraq. It would not help peace in the area.

/The Prime Minister

The Prime Minister said that normal relations between the UK and Iran had not yet been resumed since Mr. Pyke was still in prison. Economic sanctions had lapsed but there were still limitations on the supply of military equipment. The British Government understood the requirements of neutrality in the Iran/Iraq conflict. Iraq had already been supplied with certain non-lethal equipment - including radios. Dr. Hammadi himself would be discussing with the Foreign and Commonwealth Office other related issues, including the repair of military equipment.

The Prime Minister asked about the effect of the conflict inside Iraq. Presumably the interruption of oil supplies was having an effect on the Iraqi economy. Dr. Hammadi said that there had been no adverse effects of any significance. The oil supply would soon be restored. The country's financial position was, in any case, sound. The population as a whole was more united than ever. They were agreed that while they wanted peace, they would not surrender. This was not only a question of simple nationalism. Iraq had always been regarded by Iran as a small country lying within Tehran's sphere of influence. The Iraqi people wanted to put an end to this and to be accepted as equals. The Prime Minister commented that Iraq had always been regarded here as a powerful and influential country.

#### Arab/Israel Dispute

Dr. Hammadi said that in recent months he had seen both M. Thorn and Mr. van der Klaauw. He had explained the Iraqi reaction to the various points in the European plan. He had the impression that Europe might be thinking that a plan lying somewhere between the outcome envisaged at Camp David and the conditions laid down by the Baghdad Conference would provide a solution. He had to say that such an approach would not be acceptable to the Arab countries as a whole. The points laid down at the Baghdad Conference represented the minimum that could form the basis of a plan likely to meet with the approval of the Arabs.

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The Gulf

Dr. Hammadi said that any increase in the military presence of the United States or European powers in the Gulf area would only result in an increase in the Soviet presence and of tension. There was already a Soviet presence in South Yemen. The Arab countries hoped that it might be possible to wean South Yemen away from the Soviet Union. An increased Western presence would have the opposite effect: the Soviet presence in South Yemen would increase. There was in any case no reason for an American military presence. This would not be popular as people in the area did not want a return to the old policy of military bases. The Prime Minister said that unless the countries in the region wanted it, there could be no military presence. She had told the Americans in Washington that if a Rapid Deployment Force was to be formed, the United Kingdom would be ready to make a modest contribution. A Rapid Deployment Force would not be for use only in the Gulf and it would not be stationed anywhere. But unless the Force had been organised, Western Governments would not be able to respond to appeals for help. There would be no question of bases. Western Governments would not want them. The Force would not be deployed unless and until it had been invited. Dr. Hammadi commented that there were already naval forces in the region. Mr. Hurd pointed out that they were not in the Gulf itself. Nor did their presence seem to have resulted in an increase in tension. The Prime Minister commented that we had been very anxious that tankers could continue to transit the Straits of Hormuz. Some of our friends in the region had been pleased that we had taken steps to ensure this. Things were now, of course, calmer than they had been last autumn. Dr. Hammadi said that he was relieved that the super powers had kept their distance from the Iran/Iraq conflict. However, he remained concerned about the implications of an increased military presence for the situation in South Yemen.

The discussion ended at 1745.

10 March 1981

