

PRIME MINISTER

MEETING WITH IRAQI MINISTER OF TRADE

You are seeing Mr. Hassan Ali briefly tomorrow. He will be accompanied by the Iraqi Ambassador. Mr. Channon will also be present.

Mr. Hassan Ali last called on you in October 1983. He is here this time for a meeting of the UK/Iraq Joint Commission.

You will want to ask Mr. Channon to report on the Joint Commission, and make some general remarks of encouragement about UK/Iraq trade (which is well up).

You will want to mention the Iran/Iraq war and repeat assurances that we are not supplying any arms to Iran.

It is very important that you mention the cases of Smith and Hagger. We must take every opportunity to press Iraq on them.

You are seeing the Iraqi Foreign Minister next week.

CPD

CHARLES POWELL  
28 November 1985

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10 DOWNING STREET

Miss Marr  
will have to  
remain in  
the Westing  
House

COP

told J Quirk

Meeting with Iraqi Minister of Trade  
0930 Friday 29 November

John Quirk from British  
Overseas Board of Trade  
(212 3346) rang with the  
details of the party coming  
tomorrow morning. It will  
consist of:

His Excellency Hassan Ali  
British Overseas Board of Trade  
Representative: Miss Jean Marr

Iraqi Ambassador: Dr Waheh

Interpreter: Miss Clair Kahlan

I have informed the Front  
Door of car details.

Annand 28.11

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CC PC  
B/OP



From the Minister for Trade

DEPARTMENT OF TRADE AND INDUSTRY  
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Charles Powell Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON  
SW1

28 November 1985

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Dear Charles

CALL ON PRIME MINISTER BY IRAQI MINISTER OF TRADE, MR HASSAN ALI:  
29 NOVEMBER 1985

Following my letter of 18 November, I attach a brief and personality note for the Prime Minister's meeting with Mr Hassan Ali on 29 November 1985. Mr Channon is most grateful to the Prime Minister for her agreement to this meeting.

As I have confirmed to your diary secretary, Mr Channon will attend the meeting. Mr Hassan Ali understands some English but speaks very little, and he will therefore need to be accompanied by his interpreter, Miss M C Kahtan. The Iraqi Ambassador will also attend.

I am copying this letter and enclosure to Peter Ricketts (FCO).

Yours sincerely

Matthew Cocks

MATTHEW COCKS  
Private Secretary to the  
Minister for Trade (Paul Channon)

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CALL ON PRIME MINISTER BY IRAQI MINISTER OF TRADE, MR HASSAN ALI,  
29 NOVEMBER 1985

OBJECTIVES

UK/Iraq Trade

To underline HMG's commitment to good trade relations with Iraq and support for British firms' efforts in Iraqi market.

Smith and Hagger

To impress on the Minister that relations with Iraq will continue to be hampered until the British prisoners (Smith and Hagger) are released.

POINTS TO MAKE

UK/Iraq Trade

Note with satisfaction good trade relations and 44 per cent increase in trade over last year. Hope Minister's visit and Joint Commission will reinforce them.

British firms have benefited from credits; hope these are also helping Iraq.

Despite conflict with Iran, note Iraq's continued economic development. What are priorities for coming year, how can UK firms play a part?

Smith and Hagger

Excellent progress in economic and political matters (especially Iraq's conflict with Iran) but British public and parliamentarians will continue to focus on this humanitarian issue. Sentences harsh. Hagger, an old (68) and foolish man; if not released he will die in Iraqi prison. Smith's sentence very much longer than

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would be given in UK for same offence. Has now served six years; this should be enough.

## DEFENSIVE POINTS

Smith and Hagger

(If Mr Hassan Ali seeks to draw parallel with case of Iraqi terrorist Salem Hassan and to secure his release.) No parallel, Salem Hassan a terrorist; Iraqi policy same as ours; no support for international terrorism. Every Iraqi Minister and diplomat knows of the need to stand firm against political terrorism. No deal.

## BACKGROUND

Prime Minister last met Mr Hassan Ali when he called on her in October 1983 with Mr Ramadhan, the First Deputy Prime Minister.

Trade

UK exports to Iraq £337m in Jan-Sept 1985; 44 per cent above last year. Trade relations are good. Strengthened by two tranches of ECGD medium term credit given in 1983 and 1984 and certain cash contracts switched to credit.

Aim in current Joint Commission is to delay offer of further new credit until more of 1984 allocation is taken up. Mr Channon will report outcome of Joint Commission.

Lord Jellicoe gained favourable impression of Iraq's ability to cope with war constraints when he visited Iraq recently and met Mr Ramadhan, Mr Hassan Ali and other Ministers.

Smith and Hagger

Prime Minister aware of general background of Smith and Hagger.

Recently Smith and Hagger cases have been re-examined in the light of the arrest in this country of three Iraqis who now await trial on charge of criminal arson. Possibility put to Home Office of Home Secretary exercising powers to deport Iraqis as lever to secure Smith and Hagger's release. Home Office are considering implications.

*to Ray  
read  
the conclusion  
nothing can be  
done.*

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Iraqi Deputy Prime Minister and Minister of Foreign Office (Tariq Aziz) calling on Prime Minister of 4 December. Smith/Hagger issue will be major topic of discussion.

Mr Channon's meeting with Mr Hassan Ali

Mr Hassan Ali raised two main substantive points during his meeting with Mr Channon on Wednesday 27 November:

- (a) his Government's desire that the UK should buy more Iraqi crude oil, to improve the trade balance in their favour;
- (b) their desire that the UK should increase the availability of ECGD credit, in particular for medical goods.

Mr Channon replied that the UK was of course a substantial oil exporter, but that officials would examine both these points.

DTI  
27 November 1985

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HASSAN 'ALI (NASSAR AL 'AMIRI)

Minister of Trade.

Member of RCC and Regional Leadership. Reconfirmed in both jobs at the ABSP 9th Regional Congress. 27 June 1982.

Born 1938 Baghdad. Shi'a. Graduate of Baghdad University (Political Economics) 1960. Diploma from Institute of Economic Development in Rome 1962. Imprisoned with Saddam Hussain (qv) under the 'Arif regime. Chairman of State Establishment for Spinning and Textile Industries 1971. Secretary-General of Federation of Arab Economists 1972. Member of National Front Secretariat 1972. Under-Secretary Ministry of Municipalities 1973. Head of Popular Organisations Bureau 1974. Member of Regional Leadership January 1974. Minister of Home Trade May 1976; member of tribunal that condemned 8 detainees to death after Shi'a riots, February 1977; Minister of Trade (on amalgamation of Home and Foreign Trade Ministries) March 1977; member of RCC September 1977. Vice-Chairman of Higher Agricultural Council and a member of the "Follow-up" Committee until their abolition in August 1979. Member of the Trade Regulations Board (since 1976). Member of the Special Tribunal set up after the conspiracy in July 1979. Secretary of the ABSP(I) Central Labour Office.

Received his present portfolio as a reward for his willingness to sit in judgement on his fellow Shi'a after the riots of February 1977, and appears to be a pliable henchman of Saddam Hussain. Occasionally brusque and dismissive in manner he is capable of coarse good humour. He has recently curbed, but not suppressed his predilection to political rhetoric in private conversation. His personal loyalty to Saddam Hussain is thought to be very great (they have been together since the 1950s, both in Cairo, and in prison under 'Anf), though some see him as a possible successor.

At one stage thought not to be well disposed towards Britain (partly because we refused him a visa in 1974). He made this evident to Lord George Brown in September 1979 but thereafter the matter seems to have been forgotten and he now appears well disposed towards the UK. He is an attentive and affable host (to Minister and Secretary of State for Trade in October and November 1979, again to Mr Biffen in October 1981 and to Mr Channon in November 1984). Paid a successful visit to the UK in June 1981. Visited London again in October 1983, for the UK/Iraq Joint Commission meeting, and to accompany Taha Yasin Ramadhan (qv). Tough, unpolished and hard-working. Hassan Ali is increasingly a figure of influence.

Understands some English but speaks very little and prefers to use an interpreter.

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