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10 DOWNING STREET

LONDON SW1A 2AA

9 August 1988

From the Private Secretary

Dear Bob

PRIME MINISTER'S MEETING WITH THE UAE MINISTER OF DEFENCE

The Prime Minister had a brief meeting with the UAE Minister of Defence, Shaikh Mohammed Bin Rashid Al Maktoum, at the airport in Dubai today, shortly before her visit to the Armilla Patrol. Mr. Jolyon Kay, our Charge d'Affaires, was also present.

The Prime Minister enquired after the health of Shaikh Rashid and went on to express the British Government's gratitude for the facilities which Dubai gave to the Armilla Patrol and the MCMVs engaged in Operation Calendar. She also expressed Britain's sympathy for the families of those Dubai and UAE citizens who had lost their lives in the shooting down of the Iranian Airbus.

The Prime Minister continued that the news that both Iran and Iraq had agreed to a ceasefire was most encouraging. She would welcome Shaikh Mohammed's views on the reasons that had led Iran to accept UN Security Council Resolution 598 at last. Shaikh Mohammed said that the Iranians were tired of war. The key had been to bring Ayatollah Khomeini to endorse the ceasefire. Without that, there was no doubt that the fighting would have gone on. The Prime Minister asked whether Iraq's use of chemical weapons had played a role in the Iranian decision. Shaikh Mohammed agreed that this was probably the case. The Prime Minister asked whether Shaikh Mohammed expected the direct negotiations between Iran and Iraq, which were due to start on 25 August, to be difficult. Shaikh Mohammed said that Iraq still hankered after a victory settlement. They would probably try to re-negotiate the border with Iran in the area of the Shatt-al-Arab.

Shaikh Mohammed continued that Iran would now wish to get back on friendly terms with European countries and he hoped that the latter would respond. The Prime Minister said that there were still a number of hurdles to be cleared. She hoped that Shaikh Mohammed was right to say that Iran would become more moderate and turn its back on terrorism and subversion. Shaikh Mohammed said that one should not expect too much. Iran might still try to stir up trouble, for instance through the Shia communities in the Gulf. The other Gulf States would need to be on their guard against this. The Prime Minister asked whether Shaikh Mohammed expected Iran to be more cooperative over oil policy. Shaikh Mohammed said that Iran's priority now

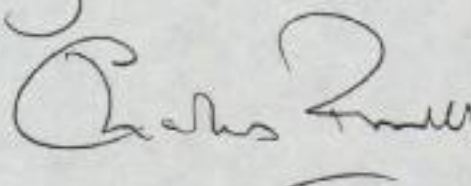
would be to rebuild the country and for that they would need stability in oil prices. They would soon learn the lesson that if they produced too much the price would go down. The Prime Minister said that Dubai was in a good position to play a helpful role.

The Prime Minister said that the Armilla Patrol would remain in the Gulf so long as the threat to our merchant ships existed. The same applied to the MCMVs, although we would like to get them back to their normal duties as soon as possible. Shaikh Mohammed hoped that the MCMVs would remain after a ceasefire to help clear mines in the Gulf and allow shipping to return to normal.

The Prime Minister repeated that we were very appreciative of everything which Dubai and the UAE had done to help the Armilla Patrol. She would very much welcome a further discussion with Shaikh Mohammed in London, possibly at the time of his visit to the Farnborough Air Show, to which she handed over an invitation.

We shall need to be in touch in due course about arranging such a meeting.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

Yours sincerely,


(CHARLES POWELL)

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