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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE DEPUTY  
PRIME MINISTER OF IRAQ ON THURSDAY 6 OCTOBER AT 10 DOWNING STREET  
AT 12 NOON

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Present:

Prime Minister	H.E. Mr. Taha Yasin Ramadhan (Deputy Prime Minister)
Minister of State, FCO (Mr. Richard Luce MP)	Mr. Hassan Ali (Minister of Trade)
Minister of State, DTI (Rt. Hon. Paul Channon MP)	Mr. Ahmed Taqi (Minister of Oil)
H.E. Mr. J. C. Moberly	Mr. Qaraghuli (Ambassador)
Mr. S. L. Egerton	Mr. Sahhaf (MFA official)
Sir A. Parsons	
Mr. A. J. Coles	

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Welcoming Mr. Ramadhan, the Prime Minister said that she would be glad to hear his views on world problems, especially those affecting the Middle East, and on the economic situation in Iraq. We were particularly interested in the current problems of the Gulf and especially the prospects for bringing the Iran/Iraq war to an end. Both our countries were oil producers. We were both interested in the price of oil and in future oil supplies.

Mr. Ramadhan thanked the Prime Minister for her invitation to him to visit this country and for the opportunity which this provided for direct consultations on matters affecting mutual interests. He firmly believed that direct contact at this level offered the best opportunity to create understanding, especially on fundamental issues.

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He would like to deal with two questions - the bilateral relationship between Iraq and the United Kingdom, and the Iran/Iraq war.

In recent years there had been a considerable development in our relationship. He believed that the background to this relationship, especially in the cultural field, would enable us to develop relations still further. He had frequently said to his colleagues that they must take opportunities to inform British representatives of developments in Iraqi society. It was important that Britain did not have an out-dated idea of Iraq.

Iraq was rich in resources and in ambition. The constant goal of the leadership was to develop Iraq socially and economically so that it was able to play an important role on the world stage. In the past Iraq had been hampered by illiteracy, ignorance and political chaos. That stage was now over. The country had now reached the stage of political maturity and had taken the lead in eradicating illiteracy.

It followed an independent policy. It took its decisions and developed its relationships on a basis of joint interests. The closeness or distance of its relations with each country depended on the nature of the response it received. Unquestionably political attitudes had an effect on the quality of relations. The closer political attitudes were, the more fruitful relations were.

The economic agreements arrived at during the present visit were an important step towards the further development of relations. He wished to express his pleasure at the reports that he had received of the progress in the negotiations. There were great hopes for further development. He wished to assure the Prime Minister that the horizons were wide for developing relations and that the opportunities for cooperation could be multiplied.

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He would be pleased to brief the Prime Minister on the economic situation of Iraq even though this was an internal matter.

Under the five year plan Iraq had reached a new economic stage which could be termed "explosive development". Iraq had passed from the stage of being an under-developed country. Now was a period of special experiment. Much had been done in construction, industry and agriculture. Unemployment had been completely eliminated, even though there were 1½ million non-Iraqis working in Iraq. Investment during the first two years of the war had reached \$25 milliards. This was less than Iraq could have accommodated had there been the means to implement projects. But prospects had been reduced by the severance by Syria of the oil pipeline and the cutting off of Gulf oil early in the war.

In the last year the financial situation, but not the economic situation, had been difficult. The fact that the war was fought on a front of 1,180 kms. indicated Iraq's difficulties. The closure by Syria of the pipeline meant that 700,000 barrels of oil per day did not flow. This had led to financial difficulties. But it was a temporary situation.

Countries other than Iran had tried to contribute to Iraq's economic difficulties with the aim of bringing about a collapse of the economy. Many parties were basing their policy on an out-dated assessment of Iraq. They took no account of the strength of contemporary Iraq. The Government had taken a number of wise economic measures to frustrate these attempts. In order to cope with temporary problems, billions of dollars had been spent on directing consumption and stimulating the economy. There was close contact with foreign companies which were working in the development field. Steps had been taken to remedy the slowness of payments due to these companies. Agreements had been made with no less than 90% of them.

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Even if the war lasted for ten years, Iraq's future prospects were rosy. The Prime Minister said that the war had already gone on for four years and that was long enough. Mr. Ramadhan said that Iraq was determined to do what was necessary. It had a very large population and the birthrate was high. Britain should speak to the party that did not want peace. Iraq had decided not to bend its knee to the aggressor.

But returning to Iraq's future prospects, as soon as the war ended the economy would pick up. Steps had been taken to implement a number of export-oriented projects. The Iraq/Turkey pipeline was being extended and would be finished in March next year. This would increase oil exports by 50%. Iraq would also soon sign a gas agreement. It was negotiating with Saudi Arabia for a pipeline across her territory which would have a capacity of 1½ million barrels daily. Agreement in principle had been reached. The project now had to be implemented. Taken together, these projects would give Iraq the capacity to export about 3 million barrels of oil a day, which was roughly its capacity before the war. This capacity would be much increased after the war when other pipelines came on stream. The most difficult phase of development was now over. Implementation of the projects he had described would begin early in 1984. Growth would not be rapid but it would be evident. Iraq had excellent cooperation with friendly countries. It was known to respect its obligations. Companies working in Iraq could be sure of a fair deal.

He wished to repeat his satisfaction at the agreements reached with the United Kingdom. He hoped that they would be implemented with the same enthusiasm because the prospects for the future were good.

Turning to the Iran/Iraq war, the question arose of why it had lasted so long. He wished to speak frankly. If the two super-powers had wished to, they could have stopped it long ago. But they viewed the conflict in the light of their own interests.

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The Prime Minister asked whether Mr. Ramadhan could elucidate. How could the super-powers have stopped the war? It seemed to us that many people had tried to, but none had been successful.

Mr. Ramadhan said that Iraq had from the beginning consistently called for peace and was ready to implement all resolutions which called for peace. So it was clear that it was Iran that was the aggressor. The declarations of the Iranian authorities proved that Iran wished to continue the war, to extend it and to export revolution. Recent history showed that the super-powers had been able to stop war. But countries had developed their relations with Iran, taking no account of its desire to continue the war. That country had begun to threaten the world and to implement a policy of blackmail. It had threatened to close the Straits of Hormuz if France delivered five Super Etendards to Iraq. How had the international community reacted? The United States had brought pressure on France not to deliver the aircraft to Iraq because, in their view, this would threaten the export of oil. But Iran was itself threatening to stop oil exports. Was the attitude of these powers likely to encourage Iran to work for peace or to carry on the war? The day would come when Iran would say to countries like France and Britain that if they sold bread to Iraq the Straits would be closed. The United States and other countries knew that the only country which had been denied the benefits of the Gulf, in terms of oil and trade, since the start of the war was Iraq. But he had seen no protest from the international community.

He wanted to make it clear that Iraq was genuinely concerned for the true interests of the Arab states in the Gulf. These interests were best served by a strong Iraq. If Iraq collapsed, Iran's principal aim would have been achieved.

He had to say that he was uneasy at the action of the United Kingdom in expressing its concern to France about the delivery of the Super Etendards. This matter had been discussed in the Revolutionary Command Council which could not understand the British attitude.



Iraq had made proposals for the partial cessation of hostilities. It had also proposed the resumption of normal activities on the basis of the cessation by all Gulf States of military activity.

Iraq had been told that the United States' motive in bringing pressure to bear on France was that the Gulf States had expressed unease about the aircraft. But when Iraq had contacted the Gulf States they had found that this was not the case. Saudi Arabia and Kuwait had specifically urged France to implement the contract.

There was considerable potential for the great powers to play a role in bringing an end to the war. Iraq had taken many initiatives for peace in order to create a better atmosphere. Iran would do anything in its own country, even murder children and pregnant women. Iraq would continue to develop its military potential because it wished to be strong. They would adopt all necessary measures, including the purchase of Super Etendards from France.

The Prime Minister thanked Mr. Ramadhan for his frank exposition to which we had listened carefully. No-one in Britain under-estimated the development achievements or the technological requirements of Iraq. The speed of its development was remarkable. This was greatly to the credit of the Iraqi leadership. The pipeline projects, pursued in spite of the war, were encouraging. We recognised the importance of Iraq to the Middle East, the Arab world and the whole of the Western world. We shared Iraq's desire for peace and were frustrated that efforts to bring it about had been fruitless. We were impressed by Iraq's enormous potential for development when the war was over. We recognised that it would become a powerful and influential nation. We wished to use power and influence for good.

We were pleased with his visit and hoped he was too. Conversation could continue informally over lunch. She hoped

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that Mr. Ramadhan would take a message of greeting from her to President Saddam Hussein.

The talks ended at 1300 hours.

A.J.C.

6 October 1983

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