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Annex B

RECORD OF A MEETING BETWEEN THE PRIME MINISTER, THE RIGHT HONOURABLE MARGARET THATCHER PC MP, AND HIS HIGHNESS THE AMIR OF QATAR, SHAIKH KHALIFA BIN HAMAD AL THANI, AT 10AM ON SATURDAY, 25 APRIL, AT THE AMIRI DIWAN, DOHA.

Present:

The Rt Hon Margaret Thatcher PC MP, The Prime Minister	HH Shaikh Khalifa bin Hamad Al Thani, Amir of the State of Qatar
The Hon Douglas Hurd CBE MP, Minister of State, Foreign and Commonwealth Office	HH Shaikh Hamad bin Khalifa Al Thani, Heir Apparent, Minister of Defence and Commander-in-Chief
Mr C T Brant CVO, HM Ambassador, Doha.	HE Shaikh Abdul Aziz bin Khalifa Al Thani, Minister of Finance and Petroleum Affairs
Sir Ronald Ellis, Head of Defence Sales, Ministry of Defence	HE Shaikh Ahmed bin Saif Al Thani, Minister of State for Foreign Affairs
Sir John Graham KCMG, Deputy Under-Secretary of State, Foreign and Commonwealth Office	HE Sayyid Issa Ghanim Al Kawari, Chef de Cabinet to HH the Amir and Minister of Information (interpreter)
Mr Michael Alexander, Private Secretary to the Prime Minister	HE Sayyid Sharidah Jubran Al Kaabi, Qatar Ambassador in London

After the initial exchange of courtesies and greetings with the Amir, the Prime Minister recalled that they had last discussed world questions and bilateral relations between Qatar and Britain during his call at 10 Downing Street in September 1979. She would be interested now to hear his point of view on the various matters which concerned both our countries. The Prime Minister referred briefly to the consultations between the Governments of the Arabian Peninsula which she thought a very encouraging step

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forward, and the co-operation in the Gulf for defence. But she saw no prospect of progress on the Arab-Israel question, until after the Israeli elections were over. The Prime Minister invited the Amir to speak first on the situation caused by the Iraq-Iran war, which had caused considerable anxiety to her Government.

I - International Questions

2. The Amir reviewed the various attempts at mediation to date, including the mission from the Islamic Conference and the Non-Aligned Movement. But he saw little possibility of progress while so many political power factions were warring for supremacy within the country. If the clergy faction emerged victorious, the prospect could be ruled out. If, however, President Bani Sadr won, a solution could emerge. The clergy, if they won, would seek to dominate the Gulf as a whole. Qatar would oppose this by every possible means. The Amir said that he had had no problem of any kind with his own Shi'a minority. There had been no disturbances in Qatar as there had elsewhere in the Gulf, even in Saudi Arabia. With the Shi'a who had been here for hundreds of years, the Government enjoyed excellent relations. They had, however, gradually expelled the Shi'a who had come to Qatar over the last 30 years. (Shaikh Hamad interjected that they now constituted only about 1% of the population.)

3. The Prime Minister said that she had discussed the situation with Prince Fahd during her visit to Saudi Arabia. The common fear was that in the conflict between the clergy and President Bani Sadr, the Tudeh Party would come to dominate the scene. They were well
/organised,



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organised, and were waiting to move in to take power. Given that there was a common boundary between Iran and Afghanistan, this might give the Soviet Union an opportunity to intervene. The Prime Minister recognised that the force of Islam, with its religious principles, would withstand Communism. But she was frankly puzzled by the remarkable similarity of the language used by the Communists and the Moslem clergy in Iran.

4. The Amir observed that even if the war were ended, severe problems would remain, with the various conflicting factions in the country. With the removal of the umbrella of the Shah's control, the problems had multiplied and expanded into a wider sphere. Extreme vigilance was required, as well as the co-operation of the international community, in order to avoid another Lebanon happening. He echoed the Prime Minister's fears that the Tudeh Party might give the Soviet Union opportunities to move into Iran. The Prime Minister said that Britain could have tried to influence Iran. But while the war was still going on, there was nothing much that we could do, until an agreement had been reached over the Shatt Al Arab.

5. The Amir observed ruefully that this was the result of one of President Carter's mistakes. The Prime Minister said that this was past history now. She believed that the Amir would find that President Reagan offered clearer leadership, and a greater understanding of the Arab position.

6. Turning to the Palestine problem, the Amir said that the Arab World had suffered for 30 years with this problem. A solution

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must now be found. There must be effective co-operation between the Arab States and Europe, and at a higher level, for the future. The Camp David Agreement had not touched the core of the problem. With Britain about to assume the Presidency of the European Community, we had a duty to play a positive role to find a viable solution to the question.

7. At the Prime Minister's request, Mr Hurd reviewed the position following the mission of The Netherlands Foreign Minister to the area. To help formulate a new initiative, a further mission would come over in the Summer. By then, the Israeli elections would have been over, and the United States would have had time to formulate its policy. The Prime Minister added that Europe would find a solution without conflicting with the US. We had to help the US to move forward. Britain, however, could not dictate to the Common Market! Lord Carrington could not impose our views. But the Presidency did give us a chance to be active. The Thorn Mission had made little progress. Then Mr van der Klaauw had come gathering information. We must have the right details, the concept must be right, to achieve forward movement. For example, how to define Palestinian rights? And how many Palestinians were there on the West Bank and in the Gaza Strip, and outside? The Amir and his team agreed on a figure of one million for the West Bank, and 200,000 in the Gaza Strip. But they thought that there were only some 3 million Palestinians in the rest of the Middle East. The Prime Minister said it was a question of how they were to make their feelings known, in the process of self-determination. However, Britain would follow up with vigour. It would not be an

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easy task. She said that in Saudi Arabia she had been asked about self-determination. But who counted in this process? Was there a place for Palestinians to return to? These points would have to be clarified in co-ordination with the parties concerned. We had to get away from generalities. The issue was complicated, but a solution must be found, with the help of the United States, since the US was the only country able to exert pressure on Israel. The Amir promised his assistance in our co-operation with America to find a solution. This was not only a problem of Arab, but of Islamic dimensions also, because of the question of Jerusalem. Mr Begin's declaration that Jerusalem was the "Eternal Capital" of Israel was adding insult to injury. Jerusalem was as holy a place to the Moslem faith. The Prime Minister said that the future of Jerusalem had not been given definition by the international community. She herself foresaw no possibility of progress while Mr Begin was still in office. Indeed Mr Begin was part of the problem. Some Israelis differed with him: we had to wait until the Israeli elections to see what the prospects were. The Amir agreed.

8. The Prime Minister said that the right time to make a move would be after those elections. We would have two years in which to make progress, and not a day of that must be wasted. By the Summer, the US Administration would have defined its policy, and all the important elections would have been held - in Israel, in France and in Germany. We had to exert strenuous efforts to make the most of that opportunity. While it remained unsolved, the problem gave rise to severe tension in the Arab World and the

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world in general.

9. The Prime Minister said she would like to explain her point of view on the Rapid Deployment Force. (Issa Kawari at first translated this as "Intervention Force": it was then agreed that it would be better described as an "emergency force" or a "force for rapid assistance".) The Prime Minister said that as she saw the requirement, if trouble broke out anywhere in the world, and we were asked to help militarily, we must be ready with troops trained to move with the necessary speed. They must be earmarked for contingencies. Britain had small-scale forces and could be invited to assist without the superpowers becoming involved. The idea of such a force had originated with the United States. She thought it was a good idea, and that we should help if we were requested to do so. But we had to have that request before they moved. The Amir took note of the Prime Minister's explanation.

II - Bilateral Relations

10. Turning to bilateral relations, the Prime Minister said how greatly we valued our relations with Qatar.

11. In this context, she had noted the recommendations about air defence for Qatar put forward by General Perkins after his Review of the Qatar Armed Forces. She commended the Rapier system highly: we had sold it to America and Switzerland among others. There were, however, so she understood, two possible problems with the negotiations, relating to price and delivery respectively. Qatar had perhaps suffered from late delivery of British equipment in the

/past.



past. However, the delivery situation had improved greatly now that British industry had become more competitive: indeed some deliveries were currently being made ahead of time. Agreements for the sale of these systems were now virtually Government-to-Government matters. She took a keen personal interest in them, and her office would be following progress closely. She asked the Amir to let her know if there were any obstacles.

12. The Prime Minister also commended British Petroleum to the Amir, as potential partners in the development of the immense North-West Dome gas-field. The Company had had worldwide experience of oil and gas operations, from Alaska to the North Sea and the Gulf (with a successful LNG plant on Das Island for Abu Dhabi). They studied local circumstances very carefully in every case, and designed a system to fit them. With their substantial shareholding in the Company (just over 40% of the shareholding) HM Government could follow progress in the Company's affairs closely. The Amir could rely on BP.

13. The Amir asked what would happen to the price of gas. Would it rise? The Prime Minister said that given the world shortage of energy, it would surely increase to match oil prices: as a straight alternative fuel, it was bound to reach parity with oil - unless it were used for petrochemical feedstock, in which case a different price could be obtained for it.

14. The Prime Minister then raised the question of the consultancy for the Ras Laffan Power Station. She strongly commended British expertise in this field. She asked the Amir if he would review

/favourably



favourably the British bids for this work, on the basis of the companies' competence and track record.

15. The Amir said he understood that there were three British companies under consideration. He amended this to two, since it appeared that he had taken Kennedy and Donkin to be two separate firms, rather than the single amalgamation which they represented.

16. The Prime Minister then asked if she might have a few minutes' conversation alone with the Amir, with only interpreters present. The Ministers of State and the officials then withdrew, leaving the Prime Minister, the Amir, Sayyid Issa Kawari and Mr Brant to continue the discussion, with Shaikh Hamad and Shaikh Abdul Aziz attending.

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SUMMARY RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND
THE CROWN PRINCE OF QATAR, HH SHAIKH HAMAD BIN KHALIFA AL THANI,
IN QATAR ON 25 APRIL AT 1140 HOURS

Shaikh Hamad expressed concern about the presence of Western naval forces in the Gulf area. He thought that this merely encouraged the Soviet Union to acquire an intervention capability in response. His advice was that the West should not give them this excuse. The Prime Minister pointed out that Western naval forces had been sent to the area because of concern about the possibility of Soviet interference with shipping lanes. The Indian Ocean had been full of Soviet ships for some years. Shaikh Hamad repeated that he thought the West were in danger of encouraging the Soviet Union to come into the Gulf and to seek a 'friendly base' there. The fact was that the Gulf States were 'in the same trench' as the West. They would not go Communist. But they did not want their friends to do anything to lead the Soviets on. Shaikh Hamad however agreed with the Prime Minister about the need to keep shipping lanes open. If the Straits of Hormuz were ever closed, he said, Qatar would be finished.

The Prime Minister said she was glad to hear that Shaikh Hamad thought there was no risk of the Communists taking over Qatar. Shaikh Hamad said it was inconceivable. Even if Marx and Engels came themselves, they would make little progress. Nonetheless, the Soviets would search for an ally such as they had had in Iraq - though that relationship seemed to be on the point of collapse.

On the Iran/Iraq war, Shaikh Hamad said he was worried about the possibility of a Communist takeover there if the war continued. At the same time he was gloomy about the possibilities for mediation. He thought that one side or other would have to win. Iran at present were on the losing side: whether this would continue indefinitely, it was too soon to tell. There was a possibility that the United States would help Iran who desperately needed spares and ammunition.

/Sir Ronald Ellis

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Sir Ronald Ellis confirmed that this was a major problem for Iran. Shaikh Hamad said that he was not too anxious at present about the situation but it was always in the minds of the Qataris.

In response to a question from the Prime Minister, Shaikh Hamad said that Qatar had not come under too much pressure from Iraq at the time when Iraq had appeared to be thinking in terms of spreading the war down the Gulf. They had helped only with money. However, he could see that it would be to the military advantage of Iraq if the war were to spread. At present they were fighting on only one front.

The discussion ended at 1155.

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SUBJECT

POINTS FROM THE PRIME MINISTER'S TÊTE-A-TÊTE CONVERSATION WITH
SHAikh KHALIFA OF QATAR IN QATAR ON 25 APRIL 1981

Shaikh Khalifa told the Prime Minister that he thought it of great importance to the region as a whole that Britain should back King Hussein as strongly as possible.

Shaikh Khalifa thought that the Russians and the Syrians were actively encouraging the PLO to make difficulties in the Lebanon. In his view partition was likely to be the only answer to Lebanon's difficulties.

Shaikh Khalifa, like a number of the Prime Minister's other interlocutors, was obsessed with the problem of the Palestinian population in his country. Although they were not prepared to say so publicly, almost all of the leaders with whom she spoke were anxious to get rid of the Palestinians.

Shaikh Khalifa told the Prime Minister that there would be no difficulty about the Rapier contract. It would certainly be given to Britain. He added that the visit would also show results in the negotiations for the other contracts mentioned by the Prime Minister. Shaikh Hamad confirmed separately to the Prime Minister that we would get the Rapier contract.

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RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE AMIR
OF QATAR, HH SHAIKH KHALIFA BIN HAMAD AT THANI, IN QATAR ON
25 APRIL 1981 AT 1000 HOURS

Present:

Prime Minister	Shaikh Khalifa
The Hon. Douglas Hurd	Shaikh Hamad, Heir apparent
HE Mr. C.T. Brant	Shaikh Abdul Aziz, Minister of Finance and Petroleum
Sir John Graham	Shaikh Ahmed bin Saif, Minister of State
Sir Ronald Ellis	HE Sherida al Kaabi, Ambassador in London
Mr. M.O'D.B. Alexander	

* * * * *

After an exchange of courtesies, the Prime Minister suggested that the discussion should start with the general international situation before dealing with bilateral subjects. Shaikh Khalifa agreed. The Prime Minister said that she did not think any further progress would be made on the Palestinian issue until the United States Administration had formulated its ideas on the next steps to be taken. As Mr. Haig's tour had demonstrated they were now consulting widely in order to ensure that in due course they received as much co-operation as possible. The Americans would not decide on their new policy until after the Israeli elections. The Prime Minister said she was delighted that the Gulf States were beginning to work together for their own defence. She hoped that Gulf co-operation would develop further. She was deeply worried about the war between Iran and Iraq but did not see how the problem could be solved at present.

Iran/Iraq

Shaikh Khalifa said that the Iran/Iraq war was particularly worrying for the Gulf States. Mediation attempts by the Islamic Conference and by the Non Aligned Movement were in progress but there seemed little prospect of concrete results. One source

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of difficulty was the fragmentation of authority in Iran. Nothing seemed likely to happen until one faction had won. If President Bani Sadr emerged on top the situation might improve. A victory by the clergy would be no help at all. The clergy wanted to dominate the whole area. The Government of Qatar would resist any extension of their influence vehemently and with all the strength at their disposal.

The Shi'ite population in Qatar was a small minority and there were no clergy. As a result the Qatar Government had experienced no problems. The Shi'a disturbances elsewhere in the region had had no reflection in Qatar. Relations between the Shi'a who had resided in Qatar for many years (they amounted to about 1% of the population of genuine Qataris) and the rest of the people were excellent. As for the Shi'a who had arrived recently, i.e. in the last 30 years, the Government had been 'phasing them out' gradually. This was a precautionary action.

The Prime Minister said that in a confused situation, with conflict between factions, such as existed in Iran, it was often a well organised party like the Tudeh which emerged on top. She wondered whether there was anything in Islam which was likely to prevent this taking place. Her own impression was that the language of the Shi'a Muslims was very similar to that of the radical left. Shaikh Khalifa said that even if the Iran/Iraq war was brought to an end, Iran would face a plethora of problems. There were for instance the Kurds, the Sunni, the Shi'a and the Baluchi. When the Shah had ruled, all had come under his umbrella. But since the revolution the problems had got larger and larger. They were still increasing. Khomeini was not capable of leading the country along the right path. The situation in Iran required the vigilance of the international community as a whole. It could easily become another Lebanon. If this happened, the chances of Soviet intervention would be much increased. This was a more likely course of events than a victory for the Tudeh Party.

/The Prime Minister

The Prime Minister said that if it were not for the war with Iraq, the West would try to get closer to Iran. As it was there was little that could be done. It seemed unlikely that any permanent solution could be reached until the Shatt Al Arab issue had been cleared up. Shaikh Khalifa said that we were all paying the price for President Carter's mistakes. The Prime Minister said that things had changed. She expected there would be clearer and more perceptive leadership from President Reagan.

Arab/Israel dispute

Shaikh Khalifa said that the region had been suffering from the Palestinian problem for 30 years. The time had now come to find fundamental solutions. Given co-operation between the Arabs and the European Community at a high level, solutions were achievable. Camp David had not gone to the heart of the problem. The United Kingdom would soon have the Presidency of the European Community. It was Britain's duty to play a positive role in pursuing a settlement of the problem.

At Shaikh Khalifa's invitation, the Minister of State said that the Presidency of the Community was continuing the process begun in Venice of analysing the problems and seeking to identify answers which would be helpful in the months ahead. Mr. Van der Klaauw's mission would be completed in the early summer. After the Israeli elections and after the United States Administration had clarified their views, Europeans would be considering how they could play a useful role. They would not be contradicting the Americans but trying to say how they could help to take the peace process the necessary next step forward. It was important to remember that the fact that Britain was holding the Presidency did not give them absolute control of European policy. We would be active from the chair but we could not force our partners to do things. The Prime Minister said that the fact was that the European initiative had not yet got very far. We had not been into the problems in real detail. There were, for example, differing views as to who should be involved in self-determination. Should it be only those Palestinians who lived on the West Bank or should it be

all Palestinians? In the former case over 1 million people would be consulted, in the latter case perhaps as many as 4 million. The Europeans needed to pursue their work with an assiduousness which had so far been lacking. There was a general feeling, growing stronger all the time, that now was the time to act.

Shaikh Khalifa questioned whether there were as many as 4 million Palestinians. Sir John Graham agreed that the figure probably included a number of Palestinians who had taken out other nationalities. Nonetheless, the figures mentioned by the Prime Minister were those used by Syria and Jordan. We agreed with them. The Prime Minister recalled that in Saudi Arabia she had been told that all Palestinians should have the right to return to their homeland. But it seemed to her that many would say that they had no wish to return. In any case, it was doubtful whether 4 million people could be accommodated on the West Bank. This was only one example of the kind of point which had to be worked out and which had not yet been tackled. The Europeans hoped to do so in conjunction with the countries in the area. This was what the European initiative was all about. They would have to have the active support of the United States. Like it or not only the United States could bring sufficient pressure to bear on Israel. Shaikh Khalifa said that he fully endorsed and indeed welcomed the liaison with the United States in the search for a solution. ~~Shaikh Khalifa said that~~ the Palestinian problem was not only an Arabic one, it was an Islamic one. For Mr. Begin to say that Jerusalem was the eternal capital of Israel was the cause of injury to the whole Islamic world. The Prime Minister said that the future status of Jerusalem was undetermined. As for Mr. Begin, he was part of the problem. There was no hope of getting very far while he was in office. He was impossible to deal with. Shaikh Khalifa said that Mr. Begin was to the Jews what Khomeini was to the Shi'as. It was clearly necessary to wait for the Israeli elections. The Prime Minister said that once the Israeli elections and the impending European election were out of the way, there would be two years in which to make real progress towards a solution. Not a day must be wasted. It was a unique opportunity

and must not be missed.

RDF

The Prime Minister raised the question of the Rapid Deployment Force. The world was in a period of great uncertainty. No-one knew where trouble might break out next. If the countries concerned were to ask the United States or the United Kingdom for help, we should like to be in a position to respond quickly and with properly trained troops. It would be too late if we had to wait to start preparations until trouble had occurred. To create a force and to earmark (not station) the troops would be good contingency planning. The UK was already doing this on a small scale. It would sometimes be better to have the assistance of a power like the UK rather than of a super power. If the US were to go ahead with their own idea, Britain would make a modest contribution. In the brief discussion which ensued, it was noted that the Arab phrase being used was "rapid intervention force". It was agreed that a much more appropriate Arabic phrase would be "rapid assistance force".

Bilateral Issues : Defence

The Prime Minister said that Britain was very anxious to supply Rapier to Qatar. It was a unique air defence system which had already been sold to the United States and Switzerland. She knew that there had been concern in the past about the price and delivery time of British equipment. This concern had extended of course beyond Rapier. However, because of the policies of the British Government, British industry was not getting ever more competitive and ever more prompt in its delivery. (Shaikh Khalifa indicated that he was aware of this.) Some equipment was now being delivered ahead of time. Where there were major overseas contracts, the Government would regard them as being effectively Government to Government. The Prime Minister intended to take a personal interest. Substantial difficulties or complaints would be dealt with by her office.

/The Prime Minister

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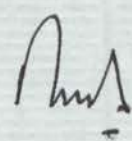
The Prime Minister said that the North West Dome seemed to her to be the most exciting gas development project in the world. She knew that the Qatar Government had turned to the World Bank for a technical assessment of the problems. This was a good idea. She did not of course know what the outcome would be but she wanted to "speak up for" BP. They had a uniquely wide range of experience ranging from Alaska through the North Sea to Abu Dhabi. All their projects had been successful. The British oil industry's experience in offshore development was enormous. We had gone from scratch to self-sufficiency in the North Sea in 12 years. BP would not let the Qatar Government down. Moreover, the British Government would keep a close and continuing eye on their work. The Government, after all, held 40% of the company's shares.

Shaikh Khalifa asked the Prime Minister for her evaluation of the prospects for the price of gas. The Prime Minister said that she expected the price of gas to come up to that of oil. They were basically equivalent forms of energy and a price gap could not continue indefinitely - except perhaps where gas was being used as a chemical feedstock. Shaikh Khalifa said that he agreed.

The Prime Minister said that, finally, she would like to mention for the record that we had high hopes of getting the contract for the construction of the Ras Laffan Power Station. Our record in power station construction was also very good.

The meeting ended at 1115 hours, and was followed by a short tête-à-tête between the Prime Minister and Shaikh Khalifa.

25 April 1981



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RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER AND HIS HIGHNESS
THE AMIR OF QATAR, AMIRI PALACE, DOHA, 11.30AM, SATURDAY,
25 APRIL 1981

Present:

The Rt Hon Margaret Thatcher
PC MP, The Prime Minister

Mr C T Brant CVO, HM
Ambassador, Doha

HH Shaikh Khalifa bin Hamad
Al Thani, Amir of the
State of Qatar

HH Shaikh Hamad bin Khalifa
Al Thani, Heir Apparent,
Minister of Defence and
Commander-in-Chief

HE Shaikh Abdul Aziz bin
Khalifa Al Thani, Minister
of Finance and Petroleum
Affairs

HE Sayyid Issa Ghanim Al
Kawari, Chef de Cabinet
to HH the Amir and Minister
of Information
(translating)

After the formal talks with the Amir had concluded (see separate record) the Prime Minister asked to have some minutes' conversation alone with the Amir.

2. The Prime Minister said that she would like to hear very frankly from His Highness whether there were any problems affecting our relations on which he would like to speak to her without her delegation being present. In reply, the Amir assured the Prime Minister that he had no such problems: had there been any, he would have mentioned them to her. He admitted that previous British Governments had seemed disinterested in Qatar's industrialisation projects. But perhaps they had had their own problems. But that was now a thing of the past.

/3. The Prime



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3. The Prime Minister emphasised that she would like to see our traditional friendship take practical forms, e.g. for the Qatar Armed Forces to purchase the Rapier anti-aircraft defence system. The Amir smiled and said that this was basically Shaikh Hamad's decision. However, both he and Shaikh Hamad assured the Prime Minister that the sale would take place. The Prime Minister asked whether she could publicise this undertaking. The Amir and Shaikh Hamad asked that for the present, it should be kept confidential.
4. The Prime Minister then explained that her Government was trying to keep close to the United States. We could not achieve solutions to our problems without US participation. As a matter of principle, all friends should try to stick together to co-operate: individually we could be picked off by hostile forces. The Amir said that he fully understood HM Government's position, and endorsed it.
5. The Prime Minister enquired when the Amir could come to London, and promised him a warm welcome if he were able to visit us (provided that HM Government were not preoccupied by a major conference at the time). The Amir promised that he would keep in touch with the Ambassador about this.
6. The Amir said he would like to raise the issue of Jordan. He and King Hussain had developed very friendly relations. He urged - purely as a personal initiative - that Britain should strengthen her friendship with King Hussain. The Prime Minister
/assured



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assured him that we did everything we could to assist the King. He visited Britain three or four times a year, and she always saw him then. But she promised to try to support him still further. The Amir commented that King Hussain had foresight and vision, and he was very concerned to give him every assistance possible. The Prime Minister said that before the Reagan Administration in the US, the US had virtually cold-shouldered King Hussain. She had never been able to understand President Carter's attitude in this, and why he did not get on with the King. The Amir commented ruefully that all the destruction in the area was attributable to President Carter's mistakes. The Prime Minister said that Carter had finally seen King Hussain: but by then it had been too late. She had said the same thing to President Reagan in February. But she found that he held King Hussain in the same high regard as she herself did.

7. The Prime Minister, promised once again to do all she could to help the King. She said that she had found, in her discussions with President Reagan, that there was no-one who could put the Arab case to public opinion in the United States. King Hussain, however, could do this. The Ambassador said that President Sadat had had a great impact on public opinion in the US when he offered peace to Israel. The Amir agreed, but said that President Sadat had only been representing the Egyptian viewpoint. That was why he had asked King Hussain to speak to the Americans.

8. This part of the meeting ended at 11.45am, and the Prime Minister and Shaikh Hamad adjourned for a further discussion in the latter's office.

QATAR

HH Shaikh Khalifa bin Hamad Al Thani, Amir of Qatar

HH Major General Shaikh Hamad bin Khalifa Al Thani, Minister of Defence and C in C

Air Defence Hope that General Perkins' study was helpful. UK ready to give further assistance as required.

Rapier Express confidence, as only proven low level air defence system which UK will operate into 21st Century. UK ready to negotiate; understand desire for MOD to check prices.

Believe Iraqis developed healthy respect for it in Kuwait war.
Radar Express pleasure at decision to award contracts to Plessey.

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SUMMARY NOTE OF A CONVERSATION BETWEEN THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE, THE HON. DOUGLAS HURD, CBE, MP, AND SHAIKH AHMED, MINISTER OF STATE FOR FOREIGN AFFAIRS, QATAR, IN QATAR ON 25 APRIL AT 1115

UNRWA

The Minister of State described the financial difficulties being experienced by UNRWA. He said that in the absence of additional funds UNRWA would have to close its schools. Sir John Graham said that closures would begin in May. Shaikh Ahmed said that the problem had been discussed at the Arab Summit in Tunisia. Kuwait and the UAE were in favour of an increase. It might be that something could be done within the next two months.

Arab/Israel dispute

The Minister of State said that the United States was putting pressure on Israel. There would have to be a balancing movement from the Palestinian side. Was there any chance that they would be prepared to make a conditional statement about Israel's right to a secure existence? Such a statement would be a great step forward. It would involve no concession of substance. Shaikh Ahmed said that the Palestinian argument was that if they were to speak on these lines and get nothing in return they would have lost a great deal. They would regard it as an acknowledgment of defeat. The same went for acceptance of the idea of a government in exile. Sir John Graham said that if the Arabs were to make a conditional move, it would create powerful pressure on Israel. The Minister of State said that the Palestinians were being asked to do no more than repeat in public what they had often said in private. Asked by the Minister of State whether the Arabs would support a conditional statement even if they would not press the Palestinians to make one, Shaikh Ahmed said that his government would give their backing to whatever the Palestinians wanted. The PLO were at present drifting to the left: the Qatar Government wanted them to remain moderate. Sir John Graham said this was another reason for speed.

The Minister of State repeated that American pressure on Israel would have to be severe to extract movement. The Arabs would have to put pressure on the Palestinians.

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Paul

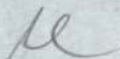
FILE

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27 April 1981

I enclose a brief note on the Minister of State's talk with the Minister of State for Foreign Affairs in Qatar on 25 April.

MICHAEL ALEXANDER



C. T. W. Humfrey, Esq.,
Foreign and Commonwealth Office.

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JPH



10 DOWNING STREET

From the Private Secretary

1 May 1981

Qatar - North West Dome Gas Field

During the Prime Minister's brief visit to Qatar last week, there was some discussion of the North West Dome gas field, which is said to be the largest gas field in the world. At present, the Qataris are considering how it might be developed. In speaking to the Amir, the Prime Minister said that she believed BP could play a major role. The other British contender, Shell, is not really in the running because they are under a cloud in Qatar - because of recent problems with two gas pipelines and a gas separation unit for which they have been responsible.

We were told by our Ambassador that the Qataris have asked the Bank to carry out a study of the various options for the development of this field and related downstream activities. He said that he understood the Bank would not be making recommendations on the merits and demerits of the various companies who are interested in getting involved in the development of the field; but no doubt the recommendations will have some bearing on the bidding procedures which the Qataris adopt and the prospects of the individual companies. We were told that BP's main contender was likely to be CFP of France.

Since presumably there is no Bank financing involved in this study, I imagine that it is not something which would normally reach the Bank board. However, it is clearly of interest to us, and it would be helpful if you could find out about the scope of the study and give us any indication that you can get of what is likely to come out of it. Needless to say, an indication from you, in whatever form you thought appropriate, that HMG are following with close interest the development of the gas field, and in particular the prospects of British companies getting major contracts, would be useful.

I should mention, finally, that I spoke briefly about all this to Reiner Steckhan (Head of the Bank's European office in Paris) whom I met for lunch earlier this week. He took the point that we have an interest in the outcome of the study, and said he himself would make some enquiries when he visits Washington next week.

/I am sending

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I am sending a copy of this letter to Francis Richards (Foreign and Commonwealth Office) and Julian West (Department of Energy).

T.P. LANKESTER

John Anson, Esq., CB.

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FM DOHA 230918Z APR 81
TO IMMEDIATE SALALAH
TELEGRAM NUMBER 001 OF 23 APRIL
INFO FCO (MED) AND MODUK (DEFENCE SALES)

GRATEFUL IF FOLLOWING COULD BE PASSED TO PRIVATE SECRETARY TO PM.
UP-DATING ON BRIEFS FOR QATAR.

1. FOLLOWING IS LATEST SITUATION ON OUR MAIN PREOCCUPATIONS:

- (A) RAPIER. BAE HAVE PUT IN A REVISED OFFER, FOR £69.5 MILLION FOR ONE BATTERY. NEGOTIATIONS WILL RESUME IN A WEEK'S TIME. I HAVE EXPRESSED SOME CHAGRIN TO THE AMIR'S CHEF DE CABINET AT GHQ'S ENQUIRY FOR ONLY ONE BATTERY, AND THEIR CONSTANT HAGGLING OVER PRICE. I WAS REASSURED THAT QUOTE IT WOULD BE ALL RIGHT - YOU WILL SEE UNQUOTE. BAE CAN POSSIBLY REDUCE A LITTLE FURTHER: HM GOVERNMENT WILL HAVE TO APPROVE THEIR FINAL PRICE AS QUOTE FAIR AND REASONABLE UNQUOTE.
- (B) NEW AIR BASE. IMS HAVE BEEN CALLED FOR CONSULTATIONS ON 25 APRIL, FOR INITIAL DISCUSSIONS ON THEIR PREQUALIFICATION BID FOR THE MAIN CONSULTANCY.
- (C) NORTH-WEST DOME ETC. THE SITUATION HAS SLIPPED: THE BALL IS BACK IN THE QATAR GOVERNMENT'S COURT, WITH AN OFFER FROM THE WORLD BANK (AS REQUESTED BY THE QATAR GOVT.) TO UNDERTAKE A FEASIBILITY STUDY. IN THE MEANTIME, BP HAVE HAD GOOD DISCUSSIONS WITH THE QATAR PETROLEUM CORPORATION, AND THINK THEY HAVE A GOOD CHANCE OF TAKING THE CONTRACT AS OPERATORS FOR OIL PRODUCTION HERE. THIS WOULD HELP ESTABLISH THEM FOR THE DOME CONSULTANCY.
- (D) RAS LAFFAN POWER STATION. EWBANKS HAVE NOW BEEN RULED OUT, AND KENNEDY AND DONKIN HAVE GOOD DISCUSSIONS AS POSSIBLE CONTENDERS. NEGOTIATIONS ARE CONTINUING OVER THE PERIOD OF THE PM'S VISIT, WHICH WILL BE HELPFUL TO K AND D. A DECISION SHOULD BE MADE BY THE END OF THIS MONTH.

BRANT