

UNCLASSIFIED

FM WASHINGTON

CORRECTED VERSION (ADDED ADDRESSEES)

TO DESKBY 060800Z FCO

TELNO 2145

OF 052301Z SEPTEMBER 90

INFO PRIORITY PARIS, MOSCOW, RIYADH, CAIRO, UKMIS NEW YORK

INFO PRIORITY UKDEL NATO, ACTOR, ESC LONDON

IRAQ/KUWAIT: SECRETARY BAKER'S APPEARANCES BEFORE HOUSE AND
SENATE COMMITTEES

SUMMARY

1. BAKER EXPLAINS US PRESENCE IN THE GULF AND RESTATES THE PRESIDENT'S FOUR OBJECTIVES. HE CALLS FOR A NEW REGIONAL SECURITY STRUCTURE TO CONSTRAIN POTENTIAL AGGRESSORS, AND MENTIONS NEED FOR PROGRESS ON ARAB/ISRAEL DISPUTE. ADMITS THAT THE US WILL BEAR THE BRUNT OF THE GULF OPERATION, WHICH COULD BE LONG DRAWN-OUT. CONGRESS CONGRATULATES ADMINISTRATION ON ITS PERFORMANCE SO FAR, BUT RAISES CONCERNS OVER THE COST AND LENGTH OF THE OPERATION, THE LEVEL OF INTERNATIONAL SUPPORT, THE RISK OF LEAVING A FULLY-ARMED SADDAM HUSSEIN IN PLACE AND THE LACK OF A CREDIBLE US ENERGY POLICY.

DETAIL

2. SECRETARY BAKER GAVE EVIDENCE TO THE HOUSE FOREIGN AFFAIRS COMMITTEE YESTERDAY (4 SEPTEMBER) AND THE SENATE FOREIGN RELATIONS COMMITTEE TODAY.

3. BAKER SAID THAT IRAQ'S INVASION OF KUWAIT WAS A QUOTE DEFINING MOMENT UNQUOTE IN THE POST COLD WAR WORLD. WE HAD TO DECIDE WHETHER WE WANTED TO LIVE IN A WORLD WHERE AGGRESSION WAS MET BY A POWERFUL INTERNATIONAL RESPONSE. IT WAS NECESSARY TO SHOW THAT INTIMIDATION AND FORCE WOULD NOT SUCCEED. ECONOMICALLY, WHAT WAS AT STAKE WAS THE DEPENDENCE OF THE WESTERN WORLD ON ACCESS TO THE ENERGY RESOURCES OF THE GULF. THIS WAS NOT SIMPLY A QUESTION OF THE PRICE OF GASOLINE, BUT ABOUT A DICTATOR WHO COULD STRANGLE THE GLOBAL ECONOMIC ORDER. HE SAID THAT AN OIL PRICE SPIRAL COULD SEND THE WORLD INTO A RECESSION. THIS WOULD THREATEN IN PARTICULAR THE DEMOCRACIES OF EASTERN EUROPE AND BE ACUTELY PAINFUL TO THE THIRD WORLD.

4. BAKER RESTATED THE OBJECTIVES SET OUT BY THE PRESIDENT (MY TELNO 2093). US STRATEGY WAS TO LEAD A GLOBAL POLITICAL ALLIANCE TO ISOLATE IRAQ POLITICALLY, ECONOMICALLY AND MILITARILY. BAKER REVIEWED THE DIPLOMATIC AND MILITARY EFFORTS TO IMPLEMENT THE STRATEGY. THE INTERNATIONAL RESPONSE TO IRAQ'S AGGRESSION WAS EXTRAORDINARY AND UNPRECEDENTED. IRAQ'S IMPORT DEPENDENT ECONOMY WAS BEGINNING TO FEEL THE STRAIN AND PRESSURES WOULD GROW. MEANWHILE, MORE THAN 25 COUNTRIES WERE SUPPLYING MEN AND MATERIAL IN SUPPORT OF THE SECURITY COUNCIL RESOLUTIONS. HE MADE PASSING REFERENCE TO THE NEED TO OFF-SET THE BURDEN OF US MILITARY EFFORTS.

5. BAKER CONCLUDED THAT THE US HAD A RESPONSIBILITY TO WORK FOR A LONG-TERM SOLUTION. CURRENT EFFORTS COULD QUOTE FOSTER A FUTURE GULF ENVIRONMENT THAT WILL PROTECT OUR INTERESTS AND HELP US AVOID HAVING TO MAKE THIS MASSIVE DIPLOMATIC AND MILITARY EFFORT AGAIN UNQUOTE. THE US WANTED A STABLE GULF FREE FROM THE FEAR OF COERCION, IN WHICH CHANGE COULD OCCUR AND LEGITIMATE SECURITY INTERESTS BE PRESERVED PEACEFULLY, AND A REGION IN WHICH ENERGY SUPPLIES FLOWED FREELY. THIS MEANT ENSURING THAT FRIENDS IN THE REGION HAD THE MEANS TO DETER AGGRESSION AND DEFEND THEMSELVES. THE RESOLUTION OF THE CURRENT IRAQI THREAT SHOULD BECOME A QUOTE SPRING BOARD UNQUOTE FOR A SUSTAINED INTERNATIONAL EFFORT TO CURB THE PROLIFERATION OF CHEMICAL BIOLOGICAL AND NUCLEAR WEAPONS AND BALLISTIC MISSILES IN THE REGION AND ELSEWHERE, AND FOR REVIVED EFFORTS TO RESOLVE QUOTE THE CONFLICTS WHICH LIE AT THE ROOT OF SUCH PROLIFERATION, INCLUDING THE FESTERING CONFLICT BETWEEN ISRAEL AND ITS PALESTINIAN ARAB NEIGHBOURS UNQUOTE.

6. SEVERAL CONGRESSMEN ASKED WHETHER THE US COULD LIVE WITH A SITUATION IN WHICH IRAQ WITHDREW FROM KUWAIT BUT MAINTAINED ITS MILITARY CAPABILITY INTACT. BAKER RESPONDED THAT THE US WAS NOT RULING OUT ANY OPTIONS. BUT IF THE INTERNATIONAL COMMUNITY WERE SUCCESSFUL IN FORCING SADDAM HUSSEIN TO WITHDRAW FROM KUWAIT, THERE WOULD BE A NEED TO CONSTRAIN HIM AND CIRCUMSCRIBE HIS FREEDOM OF ACTION THROUGH A NEW REGIONAL SECURITY STRUCTURE OF SOME SORT WITH SOME MAJOR ARAB PARTICIPATION. THE US WOULD ALSO NEED TO WORK WITH OTHER COUNTRIES TO CONTAIN AND ROLL BACK SADDAM'S CHEMICAL CAPABILITY AND CONTAIN HIS NUCLEAR CAPABILITY. THE ADMINISTRATION WERE ALREADY BEGINNING TO GIVE SOME

PRELIMINARY THOUGHT TO SUCH A SECURITY STRUCTURE. BUT HE GAVE NO DETAILS OTHER THAN TO SAY THAT THE US SHOULD PLAY SOME ROLE IN IT, WHICH WOULD IMPLY SOME CONTINUING US PRESENCE IN THE AREA. HE HAD NO PARTICULAR MODEL IN MIND: HE WAS NOT CALLING FOR A NATO OF THE MIDDLE EAST. NEITHER DID HE SEE THIS SYSTEM SUPPLANTING THE WORK OF THE UN.

7. SEVERAL CONGRESSMEN REFERRED TO THE ARAB/ISRAEL DISPUTE. BAKER COMMENTED THAT THE ADMINISTRATION HAD MADE GOOD PROGRESS LAST YEAR TOWARDS IMPLEMENTING THE SHAMIR ELECTIONS INITIATIVE, AND A POSSIBLE ISRAELI PALESTINIAN DIALOGUE. HE WOULD DISCUSS WITH LEVY TODAY (5 SEPTEMBER) HOW THEY MIGHT JUMP START THE PEACE PROCESS AND MOVE TOWARDS A DIALOGUE. ASKED ABOUT SHEVARDNADZE'S PROPOSAL FOR AN INTERNATIONAL CONFERENCE ON THE MIDDLE EAST BAKER DID NOT REJECT THE IDEA (THOUGH HE RECALLED THE ADMINISTRATION'S PREFERENCE FOR PURSUING AN ISRAELI-PALESTINIAN DIALOGUE). BUT HE DID REJECT THE DIRECT LINKAGE PROPOSED BY SADDAM HUSSEIN BETWEEN THE ARAB/ISRAEL DISPUTE AND THE GULF CRISIS.

8. ON THE PLO'S RESPONSE TO THE GULF CRISIS, BAKER SAID THAT QUOTE MR ARAFAT JUMPED TOO QUICK UNQUOTE. ONCE PALESTINIAN REMITTANCES HAD DWINDLED AND PALESTINIAN LABOURERS HAD LEFT THE GULF STATES HE THOUGHT THERE MIGHT BE SOME REASSESSMENT. ONE OF THE MOST TELLING ARGUMENTS OF SADDAM HUSSEIN WAS THAT HE CHAMPIONS THE PALESTINIANS, WHICH WAS WHY THE ADMINISTRATION HAD TO MAINTAIN MOVEMENT TOWARDS SOME RESOLUTION OF THE ARAB/ISRAEL PROBLEM.

9. ON WHETHER THE REINSTATEMENT OF THE AL SABAH WAS A US OBJECTIVE (THE IMPLICATION BEING THAT THE ADMINISTRATION SHOULD FAVOUR A MORE DEMOCRATIC GOVERNMENT), BAKER SAID IT WAS IMPORTANT TO REESTABLISH THE LEGITIMATE GOVERNMENT OF KUWAIT. AS TO WHETHER THE REMOVAL OF SADDAM HUSSEIN WAS A US OBJECTIVE, HE SAID THAT THE US QUARREL WAS WITH SADDAM NOT THE IRAQI PEOPLE: IF THE IRAQIS DECIDED THEY WANTED A NEW LEADER QUOTE IT WOULD NOT MAKE US TERRIBLY UNHAPPY UNQUOTE.

10. BAKER SAID THAT THE US SUPPORTED DIPLOMATIC EFFORTS TO RESOLVE THE IRAQ/KUWAIT CRISIS BY PEACEFUL MEANS, BUT THOUGHT THEM PREMATURE, ADDING THAT HE DID NOT BELIEVE, FRANKLY, THAT SADDAM HUSSEIN WAS PREPARED TO MOVE AT PRESENT. THERE SHOULD BE NO ATTEMPT TO OPEN DISCUSSIONS ON THE TERRITORIAL DISPUTE, OR THE FUTURE GOVERNMENT OF KUWAIT IN ADVANCE OR IRAQ'S

COMPLETE AND UNCONDITIONAL WITHDRAWAL. BUT HE ACKNOWLEDGED THAT IT WOULD TAKE SOME TIME FOR SANCTIONS TO BE EFFECTIVE.

ACLAND

YYYY

DISTRIBUTION

37

ADVANCE 37

IRAQ/KUWAIT	HD/ECD(E)
PS(U)	MR PRIDDLE, DEPT OF ENERGY
PS/MR WALDEGRAVE	MR APPLEYARD CABINET OFFICE
PS/S OF S FOR DEFENCE	(BY TUBE H29)
PS/PUS	MR W D REEVES CABINET OFFICE
MR TOMKYS	(BY TUBE H29)
MR GORE-BOOTH	MR D J GOWAN CABINET OFFICE
MR FAIRWEATHER	(BY TUBE H29)
MR GOULDEN	MR BARRASS, CABINET OFFICE
MR JAY	(BY TUBE H29)
MR BERMAN (LEGAL ADVISERS)	PS/NUMBER 10 DOWNING ST
HD/MED	SIR P CRADOCK,
HD/NENAD	(NO 10 DOWNING ST)
HD/NAD	CABINET OFFICE DIO
HD/SED	(BY TUBE H29)
HD/UND(2)	SIR ROBIN BUTLER, CAB OFFICE
HD/CONSULAR D	AUS (C) MODUK
HD/NEWS D	HD/SEC (O) (C) MODUK
HD/NPDD	MR LS SMITH BANK ENGLAND (2)
HD/SECPOL D	EMERGENCY UNIT
HD/AMD	RESIDENT CLERK

NNNN