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Prime Minister

Treasury Chambers, Parliament Street SW1P 3AG

*Fair enough for
now, but in the
end.....*

The Rt Hon Tom King MP
Secretary of State for Defence
Ministry of Defence
Main Building
Whitehall
London
SW1A 2HB

6 September 1990

EDD
7/9

Dear Secretary of State

GULF CRISIS - FINANCIAL ISSUES: DEBATE 6-7 SEPTEMBER

Thank you for your ^{*with cash?*} minute of 4 September.

2. I am content for you to give the House, if you wish, your broad estimates of the full costs of operations as in your paragraph 2. In doing so it will be important, as you say, to point out the distinction between full costs and extra costs. Otherwise commentators are likely to take your figures and arrive at a misconceived total for additional costs.

3. I am afraid I am not in a position to accept your proposal that the net additional costs of the Gulf operations should be met from the Reserve. Your provision for 1990-91 is covered by the 3 year deal which we agreed in both the 1988 and 1989 Surveys, and specifically by our agreement that you would not bid for any operation unless it was "Falklands style or greater". It is not yet clear what the scope of the present operation will turn out to be.

4. I recognise that you have already had to impose a range of measures to offset forecast overspending. But I will need a good deal of persuading that it is impossible for you to identify further ways of offsetting costs, and I assume that you are now looking at the possibilities. Moreover, as you point out, you do not yet have any clear idea of what are the additional costs within your broad-brush estimate of full costs, and you need to establish how much host country support you can secure to help offset these costs.

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5. I recognise that the proposed line in paragraph 3 very properly acknowledges that it is an open question if any supplementary provision is to be sought. But to make the position clearer, and fully consistent with the agreed line given to the press since mid-August, I would like you to insert a new second sentence so that your line would read:

"The funding of such additional costs as arise on Defence Votes will be considered as soon as we have fuller information. These costs will be contained within the existing budget if possible. But Parliament will be advised in due course if any supplementary provision has to be sought."

6. I am content with the line you propose to take on host country support, and obviously you will want to maximise the possibilities here.

7. I am sending a copy of this letter to the Prime Minister, Douglas Hurd, John Wakeham and Sir Robin Butler.

Yours sincerely,
Norman Lamont

// NORMAN LAMONT

[Approved by De Chief Secretary
and signed in his Absence]

the Leader of the Opposition, successfully to prevent him. He intends to sit tight. Having annexed Kuwait, he intends to absorb it fully into Iraq. He does not intend to provoke a conflict. He has already instructed his forces not to respond to any United Nations naval intervention on the high seas. He intends to allow his aeroplanes to put United States, Saudi and British aeroplanes on full alert by flying close to the border, but he will not cross it. Unless there is a miscalculation, he does not intend to provoke war; he will just sit tight.

Some people say that sanctions will bring him down. I should like to be able to believe them. We must tighten the air embargo. At the moment considerable air traffic is going into Iraq, so that sanction must be tightened. There are long borders around Iraq and there are traditional black market routes along which, over the centuries, goods have entered Iraq. This leader does not care about privation for his own people. His country had to put up with tremendous privation during the Iran-Iraq war. Given that, for humanitarian reasons, we cannot starve Iraq, it will be very difficult to make sanctions work. They will work only if there is the fullest support from the Soviet Union.

Easily the most hopeful event is that at last the Security Council is working as it was envisaged that it would work. The creation of the military staff committee is immensely important. I hope that the United States will give up some of its anxieties about the military staff committee being made fully effective. I hope that the Soviet Union and China will be involved fully and absolutely in the implementation of the embargo. It would be no bad thing if the military staff committee discussed some of the problems of the multinational force on the ground in Saudi Arabia. There is no reason why they should not be discussed. Technically speaking, because of the way in which the military staff committee has been constructed it will not be provided with a full mandate to discuss the United Nations embargo. However, it is operating flexibly and developing new techniques. It is massively important that President Bush is to speak to President Gorbachev on Sunday. It is understandable that President Gorbachev is faced with an immense dilemma.

There are many who call for United Nations action and who rule out any other action. It is nonsensical to rule out action under article 51. If Saddam Hussein is to be pressurised to come out of Kuwait, he has got to fear the possibility of a massive attack. Let us be clear about this talk of a first strike. The only first strike was that by Saddam Hussein of Iraq against Kuwait. Any action that is taken in consequence of that is secondary.

I believe and hope that, by means of diplomatic pressure and in particular the involvement of the Soviet Union, we can make Saddam Hussein give up Kuwait by the further tightening of sanctions, economic pressure and more Arab unity. I believe, however, that that man would prefer to give up Kuwait as a result of a military battle and I am afraid that that is what eventually it will turn out to be.

Some say that we have to wait indefinitely. Some of the speeches—I regret the speech of the right hon. Member for Old Bexley and Sidcup (Mr. Heath)—gave the impression that we could wait indefinitely. We cannot wait indefinitely. A very sophisticated army is building up in Saudi Arabia and in the Gulf which is on full alert. It can be on nothing other than full alert, day after day, in the most appalling conditions. Some people believed that our

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Prime Minister

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Dr. David Owen (Plymouth, Devonport): It may be
eful to consider what Saddam Hussein is planning at this
age because then we might be better able, in the words of

Dr. David Owen]

task force off the Falkland islands could wait indefinitely for a diplomatic solution and for a UN peace settlement, which we now know General Galtieri had no intention of giving.

There will come a judgment, and it may be before Christmas, when people will have to consider whether Saddam Hussein will give up Kuwait without force. All that has been said about using force is absolutely true, and nothing is truer than the comments of some of those who have experienced war. This will be a bloody fight because there is little doubt that he will use gas. He used it at the start of hostilities, and frequently, against Iran and has used it against the Kurds. It will be difficult to combat.

For all these reasons, it would be a tremendous advance for a new security order if the Soviet Union could be persuaded to use article 39 and do what happened in Korea, and for the United Nations to vest responsibility for a United Nations force in a United States commander. I know that the circumstances were different—Russia was not participating and China was represented by Chiang Kai-shek—but if one looks back from our new world and reruns 1950, one sees what a difference there would have been if a military staff committee had operated as it is now. What a difference there would have been if we had been able to involve Russia and communist China. Had that united action taken place, the Korean war would have been over in months and we would never have seen the Russian and mainly communist China push.

Historic parallels are always flawed and there are many flaws in this. It is almost impossible to believe that Gorbachev could endorse such a United Nations force under article 39, but the inconceivable has been happening in the Soviet Union over the past few months—more than any of us predicted—and it is worth going every mile to try to achieve that. That may mean giving Gorbachev an assurance that the United States will take very seriously the resolution of the middle east involving the west bank, Israel and Syria. Syrian forces are on the ground as part of the multinational force, and Syria is not a moderate Arab state but a radical revolutionary Arab state. Gorbachev has the right to know that the United States will take the principles of international law and the authority of the United Nations fully into account—not overt linkage, because the problems are separate and different—in trying to get an Arab-Israeli solution as well.

Gorbachev wants many other things from the western democracies. His economy is virtually collapsing around his ears. He is no longer a super-power and it is doubtful whether he could commit forces in a major way. If he cannot get over that article 39 threshold, and I understand why he may not be able to, we have at least the hope that he will understand why we may be forced, under article 51, to take military action involving other Arabs at the request of the legitimate Kuwaiti Government and the Saudi Arabians. If we maintain the consensus that has developed among the multinational force—it is a historic miracle to have got those forces together—there might be military action that would not last very long and would not involve a great deal of loss of life.

Listening to this debate, if I had been Saddam Hussein I would have been pleased to hear a few of the speeches that have been made. They seemed to be an invitation for him to go on sitting tight, spinning it out and letting people

get generally exasperated. I pray that force will not be necessary, but history shows us that when dealing with aggressors who have no regard to international law and to the lives of their own citizens, let alone citizens of other countries, one must be ready to use force.

It would be a massive mistake if from this debate in the House of Commons came a message that Britain was not ready, in the right circumstances, backed by international law and the multinational effort of many different colours, creeds and beliefs, to uphold international law.

6.33 pm

Mr. Anthony Nelson (Chichester): When the House met in emergency session in 1982 to debate the invasion of the Falkland Islands the right hon. Member for Plymouth, Devonport (Dr. Owen) made one of the most compelling and responsible speeches. If I may say so, I think that he did so again on this occasion. His speech was a timely if sombre reminder that we shall have to use resolve and patience in this crisis.

The speeches of the Prime Minister and the Leader of the Opposition matched the overwhelming view and mood of the House and, indeed, of the public at large. Although there are undoubtedly differences of inflection in the legal interpretation of the UN resolutions, we should all pay respect to the alacrity and clarity with which the Opposition came to the support of the Government in supporting the United States and British deployment shortly after the invasion.

As a House we should pay a wholehearted tribute to my right hon. Friends the Foreign Secretary, the Minister of State, Foreign and Commonwealth Office, and Ministers at the Ministry of Defence. They have worked extremely hard and have dealt with the issue sensitively, forthrightly and with a keen understanding of where the national and international interests lie.

Arabs have been taking over each other's wells since time immemorial, but the stakes on this occasion are of a different order. It is not so much the sovereignty of Kuwait or the supremacy of the al-Sababs which is paramount, although these are important to reinstate. There are greater issues at stake. Not only is there the security and independence of other Kingdoms in the Gulf region but there is the economic self interest of the western world. The right hon. Member for Chesterfield (Mr. Benn) seemed almost to deride this as a criterion that we should not consider. It certainly is legitimate to consider our own sources of essential energy supplies. The cost would indeed be great if we were to allow a disproportionate amount of oil supplies from the Gulf to be vested in the hands of one aberrant and abhorrent dictator. The cost would be great for mankind and for the world. We simply cannot allow it to happen.

There is, however, a principle at stake which transcends even the regional or economic issues—the basic sovereignty and independence of nation states and the principle of self-determination embodied in the United Nations charter. If we stand aside and allow invasion and subjection to take place in wilful disregard of international law and civil liberties what country can proclaim its freedom and what hope can there be for a more secure world order?

So far, the world has held together in this crisis. We all know that it will take time. It may cost lives, it will certainly cost money and public patience may wear thin as

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