



Foreign and Commonwealth Office

London SW1A 2AH

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7 September 1990

Dear Charles,

Gulf Crisis: US Burden-Sharing Initiative

Thank you for your letter of 5 September, in which you asked for advice on what the Prime Minister might say about a UK contribution to assistance for Egypt, Turkey and Jordan when she telephones the President on Friday afternoon.

Although Mr Brady did not mention a figure in his conversation with the Prime Minister on 5 September, he told Mr Waldegrave and Mr Lamont that the Americans felt that the UK might be able to contribute \$100 million to the first phase (ie for the remainder of 1990).

The Foreign Secretary believes, and hopes that the Chancellor will agree, that the Prime Minister should reaffirm our willingness to play our part and say that we are prepared to make a contribution for 1990, provided that others pay their share. To help us complete our assessment we should be grateful if the Americans could let us have as much analytical background as possible to the calculations they have made (Mr Brady's team, unexpectedly, had no working papers to share with us) and if they would keep us closely in touch with reactions in other capitals to Mr Baker's and Mr Brady's presentation.

The Prime Minister might go on to say that the European Community is likely to discuss some Commission proposals for assistance during the ECOFIN meeting on 8 September. As the Americans know, our strong preference is for the European effort to be made primarily by way of bilateral national contributions rather than through the EC budget. Member states pay fixed shares of EC expenditure. The bilateral route would enable those not contributing militarily to do more. This is important if the FRG are to be encouraged to pull their weight. We

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will be taking an active part in Community consultations this weekend about how to proceed. Our own contribution will be either through the Community budget or a separate bilateral contribution or a mixture of both, depending on the outcome of those consultations.

We agree with Mr Brady that resources need to be made available quickly. Some coordination will be essential, and we hope the Americans will take an early initiative to that effect.

Within HMG, we will need to be clear, if we are making this commitment to the Americans, how the UK contribution is to be funded. As the Foreign Secretary has already made clear, he sees no way of finding resources for this from within his existing allocations.

I am copying this letter to John Gieve (Treasury), Simon Webb (MOD) and Sonia Phippard (Cabinet Office).

*Yours,*

*Stephen Wall*

(J S Wall)

Private Secretary

C D Powell Esq  
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*CCPC*

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7 September 1990

Charles Powell Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
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SW1A 2AA

*Dear Charles,*

**GULF CRISIS: US BURDEN-SHARING INITIATIVE**

Stephen Wall has written <sup>with COP?</sup> today about the question of a UK contribution for assistance to Egypt, Turkey and Jordan.

The Chancellor very much agrees with the relatively cautious line suggested in paragraph 3 of Stephen's letter. In particular, he feels that it would be premature to commit ourselves to a particular number at this stage: when Brady talked to the Chief Secretary, he only indicated a tentative figure of \$100 million, and we have no idea how this was assessed. Nor are we satisfied that the American estimate of the total support operation in 1990 (\$3.5 billion) is well founded. We understand that France has also been asked for \$100 million and shares out doubts about the basis of the american calculations.

The Chancellor also notes the Foreign Secretary's view that some or all of the cost should fall on the Reserve. He accepts, of course, the importance of making a contribution. But he hopes that the Foreign Secretary can re-examine the other calls on the aid programme in the light of this new priority to see what off-setting savings he can offer. He would be grateful if the Foreign Secretary and the Chief Secretary could pursue this issue. That discussion need not prevent the Prime Minister indicating now to Mr Bush our willingness to make a contribution, of an unspecified size.



The Chancellor will meanwhile take a very cautious line at ECOFIN on Saturday, on the understanding that Mr Waldegrave takes a similarly cautious attitude at the special meeting of Foreign Ministers today.

I am copying this letter to Stephen Wall at the Foreign and Commonwealth Office.

*Tancred Tarkowski*

**T TARKOWSKI**  
Private Secretary

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10 DOWNING STREET

Prime Minister

AHSS(90)27 12.9.

Burden - sharing

You may like to  
see the paper on  
burden-sharing agreed  
by officials. It seems  
very sensible. We  
have to put a  
cap on Germany  
& Japan. C.A.P. 12/9