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TELNO 844

OF 100209Z SEPTEMBER 90

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SIC AAA/19M

MY TELNO 840 (NOT TO ALL): VISIT OF SECRETARY BAKER

SUMMARY

1. SAUDIS INSIST THAT ASSISTANCE ALREADY BEING GIVEN BY THEM EQUALS, AND POSSIBLY EXCEEDS, THAT REQUESTED BY BAKER. TALK OF 1.5 BILLION DOLLARS FOR EGYPT, AND 1 BILLION FOR SYRIA THIS YEAR. THEY URGE AMERICANS NOT TO PRESS IDEAS ON LONG TERM REGIONAL SECURITY IN PUBLIC AT THIS STAGE. KING FAHD RAISES IDEA OF A DECLARATION BY THE SECURITY COUNCIL OR THE PERMANENT FIVE ON UNDER ARTICLE 42 OF THE UN CHARTER.

DETAIL

2. MY TUR GAVE INITIAL ACCOUNT OF ASSISTANCE SAUDIS HAD AGREED, FOLLOWING BAKER'S VISIT, TO PROVIDE TO OFFSET THE COSTS OF THE US MILITARY EFFORT. DCM IN US EMBASSY (PLEASE PROTECT) HAS NOW GIVEN US RATHER MORE INFORMATION ON THIS, AND ON ONE OR TWO OTHER ASPECTS OF THE DISCUSSION DURING BAKER'S VISIT:

I) DUNFORD SAID BAKER HAD SOUGHT SAUDI AID TO A VALUE OF UP TO 2 BILLION DOLLARS TO THE END OF THE PRESENT CALENDAR YEAR TO OFFSET US MILITARY COSTS (TOTAL US EXTRA - IE PRESUMABLY IN-COUNTRY - COSTS FROM THE BEGINNING OF OPERATION DESERT SHIELD TO THE END OF THE YEAR WOULD BE 6 BILLION DOLLARS). THEREAFTER AMERICANS ESTIMATED EXTRA COSTS WOULD BE 1 BILLION DOLLARS A MONTH. THEY WERE LOOKING TO THE SAUDIS TO PROVIDE 30 PER CENT OF THIS. SAUDIS HAD RESPONDED THAT THEIR OWN COSTS WERE HIGH, AS A

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RESULT OF THE MOBILISATION OF THE SAUDI ARMED FORCES: NEED TO HELP KUWAITI REFUGEES: AND CALLS FOR ASSISTANCE FROM OTHER REGIONAL STATES. DUNFORD CONFIRMED THAT THE SAUDIS HAD NONETHELESS AGREED TO PAY FUEL, IN-COUNTRY TRANSPORT AND WATER COSTS. DUNFORD SAID US APPROACH HAD NOT BEEN VERY ARTFUL. FUEL ALONE ACCOUNTED FOR ALMOST 30 PER CENT OF EXTRA COSTS, SO THE SAUDIS COULD ARGUE THAT THEY HAD FULLY MET US REQUEST.

II) DUNFORD SAID THAT BAKER HAD PRESSED FOR ASSISTANCE TO 'FRONT LINE' AND 'SECOND TIER' REGIONAL STATES AFFECTED BY THE CRISIS. IN THE FIRST GROUP US INCLUDED JORDAN, TURKEY AND EGYPT, THE SAUDIS ON THE OTHER HAND RECIPROCATED BY IDENTIFYING SYRIA, TURKEY AND EGYPT AS THE PRIORITY 'FRONT LINE' STATES AND LEBANON, SOMALIA AND DJIBOUTI AS 'SECOND TIER' COUNTRIES MERITING ASSISTANCE. BAKER HAD SAID THAT THE AMERICANS SAW A NEED FOR A TOTAL OF 7.5 BILLION DOLLARS AID FOR 'FRONT LINE' AND 'SECOND TIER' STATES TO THE END OF 1990, AND 10.5 - 13.5 BILLION DOLLARS IN 1991. THEY LOOKED TO THE SAUDIS TO PROVIDE 2 - 2.5 BILLION OF THE 7.5 BILLION NEEDED THIS YEAR (AND PRESUMABLY, THOUGH DUNFORD DID NOT SAY SO, A SIMILAR PROPORTION IN 1991). THE SAUDIS HAD SAID THAT THEY WERE GIVING 1 BILLION DOLLARS TO SYRIA THIS YEAR AND 1.5 BILLION TO EGYPT. THIS ALONE MET THE AMERICANS TARGET. ADDITIONALLY THEY HAD PROMISED TO MEET TURKISH AND MOROCCAN OIL NEEDS UP TO THE END OF THE YEAR. DUNFORD SAID THAT THE SAUDIS HAD STRESSED THAT OTHERS OUGHT TO BE PAYING MORE TO MEET THE OVERALL COST OF THE CRISIS AND HAD PARTICULARLY MENTIONED GERMANY AND JAPAN.

III) DUNFORD SAID THAT THE ISSUE OF LONGER TERM REGIONAL SECURITY ARRANGEMENTS HAD COME UP WITH PRINCE SAUD, WHO HAD SAID THAT PREMATURE PUBLIC DISCUSSION COULD FUEL ARAB ANXIETIES THAT THE WEST MIGHT BE ABOUT TO FOIST A REVIVED CENTO ON THE MIDDLE EAST. DISCUSSION OF THE IDEA ALSO CARRIED WITH IT THE IMPLICATION THAT SADDAM WAS LIKELY TO SURVIVE. PUBLIC DISCUSSION OF THE SUBJECT NOW WOULD DISTRACT ATTENTION FROM THE MAIN ISSUE AT HAND. BAKER AGREED, BUT SAID THAT IT WAS RIGHT THAT THOUGHT SHOULD BE GIVEN TO THE SUBJECT..

IV) DUNFORD SAID THAT, WITH BAKER, THE KING HAD SUGGESTED THAT THE PERMANENT FIVE OR THE SECURITY COUNCIL AS A WHOLE MIGHT ISSUE A STATEMENT TO THE EFFECT THAT ACTION UNDER ARTICLE 42 WAS A DISTINCT POSSIBILITY IF IRAQ CONTINUED TO DISREGARD UN SECURITY COUNCIL RESOLUTIONS. LATER, WITH CONGRESSMEN, THE KING HAD TAKEN A NOTABLY TOUGH LINE ON SADDAM'S INTRANSIGENCE, THE NEED TO TIGHTEN THE

EMBARGO AND THE EXISTENCE OF A MILITARY OPTION IF SADDAM FAILED TO BUDGE.

COMMENT

3. WITH MR KAUFMAN ON 9 SEPTEMBER PRINCE SAUD SHOWED MORE INTEREST IN LONGER TERM SECURITY ISSUES. THE LINE HE TOOK WITH BAKER ON PUBLIC DISCUSSION OF THE ISSUE IS NOT HOWEVER INCONSISTENT WITH HIS REMARKS TO MR KAUFMAN ON THE SUBSTANCE. THE FIGURES THE SAUDIS GAVE BAKER FOR THEIR AID TO SYRIA AND EGYPT ARE HIGHER THAN ANYTHING WE HAVE SEEN SO FAR, THOUGH NOT TOTALLY IMPLAUSIBLE GIVEN THE IMPORTANCE OF THE SYRIAN AND EGYPTIAN STAND TO THE SAUDIS - PARTICULARLY IF THEY INCLUDE LOGISTIC AND OTHER COSTS OF 50,000 PLUS TROOPS FROM THOSE COUNTRIES NOW BEING TALKED OF IN PRESS (WE WILL EXPLORE FURTHER ON THIS). THE AMERICANS MAY HAVE OPENED WITH A LOWER BID FOR BOTH MILITARY AND REGIONAL AID THAN THE MARKET MIGHT HAVE BORNE. BUT A PATTERN HAS NOW BEEN SET.

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