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Prime Minister

IRAQ/KUWAIT

I have seen in JIC(90)(IA)68 the latest Cabinet Office assessment of the Iraqi threat to Saudi Arabian oil installations.

It was clear from my recent discussions with the Saudi Oil Ministry and Aramco that the Saudis would have flexibility, if need arose, to export their own oil through the Iraqi IPSA line which crosses Arabia to Al Mu'ajjiz near Yanbu on the Red Sea. They would need to make some short connections between the IPSA line and their own pipeline to Yanbu. This holds out some extra insurance against damage to terminals in the Gulf or the Saudi Red Sea pipeline. It may be worth the JIC Assessments Staff considering how useful the Iraqi IPSA pipeline might be in the event of a disruption to Saudi oil supplies.

I am copying this minute to the Secretary of State for Foreign and Commonwealth Affairs, the Secretary of State for Defence and to Sir Robin Butler.

Secretary of State for Energy

15 October 1990