



Foreign and Commonwealth Office

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London SW1A 2AH

17 October 1990

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The Prime Minister's telephone conversation with
President Bush

We agreed that I should send you some points which the Prime Minister could draw on in speaking to President Bush - or which could otherwise be incorporated in a message.

- / I enclose a note. On past form, I doubt if President Bush will be bang up-to-date on the latest moves in the Security Council. Some of the American objections to the draft which we (and their UN representative) had agreed seem to be based on a misunderstanding that we were talking about
/ reparations rather than compensation. I enclose a copy of the message which Secretary Baker sent to the Foreign Secretary last night and of the reply which we have recommended. The points for the Prime Minister on this issue may be overtaken by events later today.

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

James
Stephen Wall
(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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PRIME MINISTER'S CONVERSATION WITH PRESIDENT BUSH
SPEAKING NOTE

- International coalition holding up well. However, Arab support will weaken if there are more outrages in Jerusalem or elsewhere in the Occupied Territories, and the Israelis continue to refuse to play ball with the UN Secretary General. Sanctions unlikely to produce decisive result in short term: Saddam apparently settling down for a long game. How long can we continue to maintain military effort? Do we have any windows for action which might close?

Letter - agree? - Need to switch focus of attention back to Saddam Hussein and his appalling treatment of Kuwait and foreign nationals. Your last speech helped to do that. Must keep up the propaganda effort. Amir coming to Europe later this month (will see him on 23 October).

- Hope we can have common approach on next step Resolution in UN. We want a Resolution which increases pressure on Saddam Hussein and will command wide-ranging support. We are very happy for the Resolution to cover the plight of foreign nationals and diplomatic missions but believe we have a better chance of support if we include compensation (not reparations) in the draft. Non-aligned members of the Council, who have suffered badly at Iraqi hands, are likely to favour this. Hope we can agree on an approach which combines both the question of compensation and the humanitarian elements in your approach. Need to keep the Security Council engaged on Iraq if we are to secure broad international support for military option, should this

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prove necessary.

- UN Resolution authorising or approving use of force could, if drafted exactly as we want, give broader legal cover than Article 51 and might help to keep members of coalition including France on board. But:
 - could we keep discussion in New York private?
 - how could we ensure the right result? Risk of either protracted negotiation ending in failure to agree or having to veto a Resolution which would constrain our freedom of action. For example, a deadline for withdrawal could play into Saddam's hands: he would only have to shift his position a little to have SC members arguing that the deadline should be put back.
 - UN discussion would give those who want to spin things out an opportunity to cause difficulties. More talk of "Arab solutions". More danger of linkage with Palestinians.

- Suggest therefore that we should be very careful about UN option unless we are certain that it will work. That would mean genuinely private soundings. Must make sure we do nothing for the time being which would take us inexorably down UN (Article 42) track. Might pull it off immediately after Iraqi military or terrorist provocation (eg Iraqi-inspired terrorist attack on aircraft). But Saddam cleverly avoiding direct provocation at present.

- If it comes to military action, need to keep in mind impact on public and world opinion. Obviously essential we should be able to justify the actions of our Armed Forces. Essential to try to hold together as much as possible of the coalition, especially if hostilities drag on. Essential to continue to keep Israel out of the action. But above all essential to succeed.

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- Need to think through strategic objectives. Voluntary withdrawal now by Saddam would spare us a war with possibly major allied casualties, but would make it difficult for us to curb further growth in his military power. On the other hand, a devastated Iraq could land us with rehabilitating a country over which we have little control, and itself undermine regional stability. Winning the peace would be even harder if the Israelis hold out against Arab/Israel negotiations after Saddam has been beaten.

- Need to take stock by mid-November on options open to us. Would like to compare notes with a view to deciding strategy then. Must clearly maintain closest possible co-ordination.

OUT TELEGRAM

Classification
CONFIDENTIAL

Caveat

Precedence

IMMEDIATE

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ZCZC

1 ZCZC

2 CONFIDENTIAL

CAVEAT

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7 OF OCTOBER 90

AND TO

8 AND TO FLASH UKMIS NEW YORK

9 INFO DESKBY WASHINGTON

10 INFO IMMEDIATE PARIS, MOSCOW, PEKING

11 JERUSALEM: FOLLOWING FOR PRIVATE SECURITY

12 MIPT: IRAQ/KUWAIT: NEXT STEPS AT UN: REPLY TO SECRETARY BAKER

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14 Following is proposed draft reply (comment in MIFT):

15

16 Begins

17 Dear Jim,

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19 Thank you for your message. I agree with you that our first
20 priority must be swiftly and visibly to reestablish consensus in
21 the Council against Saddam Hussein. For this reason, our two
22 Missions have been working on a Resolution that would represent
23 an incremental increase in pressure against Saddam Hussein and
24 which could command wide ranging support.

25

26 It is precisely in order to secure such support that we
27 propose the inclusion of compensation and restitution. The
28 nationals of Third World countries have suffered badly at Iraqi
29 hands. They have a legitimate interest in some form of redress.

Handwritten initials: ? ! MR

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Our soundings among the Non Aligned suggest a resolution on compensation will be attractive.

I do, however, share your reservations about the question of reparations. This evokes unfortunate echoes of the two world wars and would be indeed be difficult and contentious to achieve in the Council. Perhaps the language proposed in New York is too far reaching (for instance as regards placing frozen Iraqi assets in trust). We are happy to look again at the text in the interests of finding simple language on the principle of compensation and restitution that will help Non Aligned and even Eastern Europeans cope with their own domestic pressures.

We have, of course, covered the plight of foreign nationals and diplomatic missions already in resolutions SCR 664 and SCR 667. I wonder if a Resolution concentrating only on humanitarian aspects and with the reprovisioning of Embassies as its centre piece will not be seen as addressing the concerns only of those two Permanent members who still have Embassies in Kuwait? (There is a question mark over the French) An approach which combines both the question of compensation and the humanitarian elements in your approach will probably be easier to sell to the Non Aligned, and indeed the New York text usefully incorporates the key idea on the reprovisioning of the Embassies.

?
The joint US/US approach has proved to be a powerful alliance within the Five and in the Security Council so far. I suggest that we ask our two Permanent Representatives to see if they can now marry the New York and Washington approaches in a new text that covers both reprovisioning and compensation, but modifies the latter so that it is both simpler and less far reaching in scope.